

**REPRESSION AND REGRESSION  
IN TURKMENISTAN:  
A NEW INTERNATIONAL STRATEGY**

4 November 2004



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Asia Report N°85  
Osh/Brussels

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## REPRESSION AND REGRESSION IN TURKMENISTAN:

### A NEW INTERNATIONAL STRATEGY

#### EXECUTIVE SUMMARY AND RECOMMENDATIONS

Sapamurad Niyazov's Turkmenistan, one of the world's most repressive regimes, has not responded to quiet diplomacy, modifying a few policies only when faced with a threat of sanctions or other punitive action. In failing to take a strong stand against widespread human rights abuses and the plundering of the country's wealth, the international community has prioritised short term economic and security benefits. Given the longer-term risks of serious instability if the trends are not reversed, however, a firmer line is needed. International organisations and concerned governments should forge agreement on a list of key reform benchmarks and start working much more actively for real change.

Heavy ideological indoctrination and destruction of the education system suggest that Turkmenistan's problems will not end whenever Niyazov leaves the scene. The economy is becoming brittle, despite oil and gas, and the eventual political succession could well be violent.

Since an alleged assassination attempt on him in 2002, there has been increased repression, and the president has further concentrated power in his own hands. He controls the political system absolutely and has introduced the cult of his personality, through his quasi-spiritual guide, the *Ruhnama*, into every aspect of life. He has personal use of revenue from lucrative oil and gas reserves, and much of the money goes into grandiose construction projects. No opposition political activity is permitted, there is no independent media, and increased pressure has forced most NGOs to close.

Although Turkmenistan has huge gas reserves, misuse of revenue threatens long-term economic stability. Budgetary problems have already forced cuts in health

and social services. Much of the population lives in poverty, while a small elite earns vast incomes from the energy sector. The private sector is very small, the agricultural sector is in crisis, and perhaps a majority of young people are unemployed.

A reform of the education system has cut schooling opportunities and introduced an array of ideological courses that restrict the chances of children. Higher education is increasingly difficult to obtain and is limited to two years. An increasingly ill-educated, ideologically indoctrinated generation will be unprepared to take on responsibilities.

The decline of state institutions and lack of unity within the political elite virtually ensure that succession will be difficult. There is a strong possibility of internal dissent and possibly violence around a struggle for power. Since much of the population one way or another is highly dependent on the state, even a short period of disorder could lead to a real humanitarian crisis.

The international response to Turkmenistan has been weak and poorly coordinated. Niyazov has successfully played different states and organisations against each other. Russia is his most influential partner because almost all gas exports pass through its pipelines but its response to repeated humiliations of Russian government officials and overt discrimination against ethnic Russians has been remarkably weak. A few parliamentarians have spoken out against Niyazov but mostly the lure of cheap gas has kept Moscow silent about the worst abuses.

The U.S. has been more critical but its stance has been made ambiguous by its security and geopolitical interests. The EU has increased aid and is talking

about engagement with the regime, apparently without conditioning these steps on policy changes.

International organisations have also sent mixed signals. The Organisation for Security and Cooperation in Europe (OSCE) appointed a special rapporteur, but his hard-hitting report has not been followed up with strong action. NATO has expanded cooperation in 2004 despite the incompatibility of regime behaviour with its democratic principles. Several UN agencies have been reluctant to criticise the regime but UN human rights bodies have begun to take a stronger stance that deserves support and follow-up.

Most international financial institutions have cut involvement to a minimum, as the regime refuses to consider any economic reform, but foreign businesses continue to get support from their governments while investing in lucrative projects which promote the president's cult of personality.

## RECOMMENDATIONS

### To the Russian Federation:

1. Link economic deals with the Turkmen government to improvements in a number of issues including:
  - (a) expansion of Russian-language schooling and Russian-language media, including access to publications from Russia and the resumption of broadcasting by Radio Mayak;
  - (b) rescinding of decisions limiting the employment of graduates of Russian universities;
  - (c) reintroduction of dual citizenship; and
  - (d) freedom of travel for Turkmen citizens within the Commonwealth of Independent States.
2. Offer a special program of higher education for Turkmen students, permitting them access to Russian universities, and provide extra schooling to qualify them if necessary.
3. Coordinate with the EU and U.S. and work within the UN and OSCE on initiatives to improve human rights and encourage political change.

### To the U.S. and EU:

4. Agree on a list of key benchmarks to be met within a twelve-month period, including:
  - (a) freedom of travel for Turkmen citizens;
  - (b) repeal of legislation restricting the activities of NGOs;
  - (c) access to prisons, including to political prisoners, for the ICRC and other independent monitors, and cooperation with UN human rights rapporteurs;
  - (d) permission for international organisations to conduct education programs up to and including university-level and cooperation with the UN Special Rapporteur on the Right to Education; and
  - (e) an end to harassment of independent religious communities, and the release of prisoners of conscience.
5. Prepare a series of graduated and targeted political and financial measures to be implemented if these benchmarks are not met, including:
  - (a) restricting diplomatic attendance at government functions that involve overt celebration of the Niyazov personality cult;
  - (b) refusing visas to leading government officials, advisers, and top businesspeople; and
  - (c) freezing assets of key government officials, advisers and top businesspeople in European and U.S. banks.
6. Deny government political backing and economic support (export guarantees and loans) to companies that refuse to sign up to a minimal list of good practices, such as disclosure of investment arrangements.

### To the U.S.:

7. Declare Turkmenistan a "country of particular concern" under the U.S. International Religious Freedom Act if the situation does not improve meaningfully before mid-2005.
8. Monitor travel and emigration from the country and make clear to the government that there will be no further Jackson-Vanik waiver

unless there is real freedom of movement for Turkmen citizens.

**To the EU:**

9. Establish strict conditions for any increase of aid to the regime, reflecting the recommendations of the OSCE Rapporteur on Turkmenistan, and the UNCHR.

**To the UN Commission on Human Rights:**

10. Appoint a Special Rapporteur on Human Rights for Turkmenistan, request the Special Rapporteur on the Right to Education to report to the Commission on the education system, and press the government to cooperate with the rapporteurs.

**To international organisations and donors:**

11. Consult together to develop common and coordinated strategies and approaches, involving the following elements:
  - (a) aid should be strictly confined to areas that directly benefit the population, such as health and education;

- (b) health assistance should aim particularly to assist Turkmen institutions combat infectious diseases and the growing drugs and HIV problem;
- (c) any possibilities for engagement with Turkmen educational institutions should be taken and alternative educational possibilities outside the country should be developed further, including special scholarship funds;
- (d) major international broadcasters such as Radio Liberty, Voice of America, BBC and Deutsche Welle should initiate or expand programs in the Turkmen language;
- (e) publishing ventures outside the country should be supported to enable writers and intellectuals to publish in Turkmen; and
- (f) media training should aim to develop a core of competent Turkmen-language journalists at international radio stations.

**Osh/Brussels, 4 November 2004**



## REPRESSION AND REGRESSION IN TURKMENISTAN: A NEW INTERNATIONAL STRATEGY

### I. INTRODUCTION

ICG's first report on Turkmenistan outlined its development as a politically repressive and increasingly isolated state and called for more attention to the regime's abuses.<sup>1</sup> The situation has steadily worsened since opposition leader Boris Shikhmuradov apparently led a botched attempt to assassinate President Niyazov (Turkmenbashi) in November 2002. The response was swift, including Shikhmuradov's arrest and a purge that swept up many of his relatives, one-time allies, and others who were not involved in opposition activity at all. The government clamped down even more on dissent, and took a much stronger line against independent activity in civil society.<sup>2</sup>

Reporting on the country has become more difficult. Many journalists have been denied visas; others have had their accreditation removed. Few local journalists dare to publish critical material, although occasional articles appear on the internet. International organisations are extremely restricted in what they say, and many practice self-censorship to remain in the country.<sup>3</sup> This makes field research difficult. Significant areas of political, economic and social life are poorly understood but enough is clear that renewed effort to change the country's course should be an international imperative.

Many of the recommendations to the government and the Turkmen opposition in ICG's first report remain valid. This report is meant to stimulate thinking in the broader international community about policies to influence a regime that is regressing. It updates serious concerns and suggests strategies to promote change.

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<sup>1</sup> ICG Asia Report N°44, *Cracks in the Marble: Turkmenistan's Failing Dictatorship*, 17 January 2003.

<sup>2</sup> The incident remains shrouded in mystery. Some observers continue to insist the authorities staged it to justify more repression.

<sup>3</sup> International organisations, UN agencies in particular, sometimes yield to pressure and do not publish independent statistics that contradict government figures or remove critical comments from reporting.

## II. POLITICAL UPDATE: SHORT-TERM STABILITY AND OUTLOOK

### A. POLITICAL CONTROL AND DECISION-MAKING

Since November 2002, there has been an even greater centralisation of power around Niyazov, who takes all major and many minor decisions. Diplomats complain that his domination makes decision-making all but impossible, with officials refusing to commit to anything until the leader gives approval.<sup>4</sup>

This increasing personalisation of power is not merely an obstacle to normal decision-making: more importantly, it has undermined all formal political institutions. In August 2003 Niyazov amended the constitution to lessen the powers of the parliament and instead make the 2,504-member *Halk Maslahaty* (the Assembly of the People's Council) the most important legislative body. Since it meets only once a year, and then only to praise the leader, there is no real legislature. Niyazov is its chairman for life. The parliament never was serious either but as a former head of an international organisation noted: "the parliament was weak, now it is even weaker".<sup>5</sup> Government and ministries are equally unable to take autonomous decisions. The political system is effectively dysfunctional with only the presidential administration having any real power. As the president has concentrated power around himself, his regime has become increasingly isolated. A diplomat concludes: "the country is more isolated and more dogmatic in its behaviour".<sup>6</sup>

Free of checks and balances, Niyazov takes personal, often bizarre, decisions that effectively become law without going through any law-making procedures. In August 2004 alone he pronounced the following:

- 2 August: all learner drivers must pass a sixteen-hour course on the *Ruhnama*, Niyazov's philosophical and spiritual treatise, to gain a driving licence;
- 11 August: criticised television presenters for wearing too much make-up;

- 12 August: banned *nas*, a popular form of chewing tobacco; and
- 18 August: gave a \$43 million<sup>7</sup> contract to build an ice palace and funicular railway.

Such matters have made Niyazov something of an international laughing-stock. The reality is that this style of decision-making is a serious threat to the viability of the state in the long term.

Niyazov is intimately involved in all decisions, and the key to power seems to be access to him. Figures around the president are reportedly sycophantic in the extreme and are frequently publicly scolded by him. Nevertheless, opposition websites report an increasing struggle for influence in the presidential palace. Two figures seem to dominate: the head of the presidential administration Redzhep Saparov; and Yolly Gurbanmuradov, deputy prime minister in charge of oil and gas. Saparov is one of many Turkmen elite figures to have come from the poorly educated but commercially successful ranks of those who staffed former Soviet trade institutions. He is reputedly closely linked to Turkish businesses. Saparov is sometimes seen as a potential successor to Niyazov, despite being from the traditionally weak Dashoguz region.

Gurbanmuradov is much the more sophisticated of the two, with effective control over much of the oil and gas industry and a long record of dealing with Western investors. Other favourites include Rashid Meredov, the foreign minister, who is also sometimes listed as a potential successor, but is not considered a powerful potential leader in his own right. He is the kind of figure who might be promoted to the presidency while Niyazov lives and continues to rule as head of the *Halk Maslahaty*. More independent might be Ambassador to Moscow Khalnazar Agakhanov, who comes from the dwindling group of so-called EuroTurkmens, those with Russian education and generally more modern views.

Rumours of palace intrigues are frequently reported by opposition figures, although often there is a sense of wishful thinking in some of the reporting. In July 2004 opposition websites reported that First Deputy Minister of National Security Rakhman Allakov had been arrested and speculated this was part of a high-level political struggle at the top. Other reports suggest

<sup>4</sup> ICG interviews, diplomats, Ashgabat, January 2004.

<sup>5</sup> ICG interview, Ashgabat, January 2004.

<sup>6</sup> ICG interview, Ashgabat, January 2004.

<sup>7</sup> All figures denoted in dollars (\$) in this report refer to U.S. dollars.



Niyazov is increasingly ill and the succession struggle correspondingly evident. In reality, little reliable information comes out of the Turkmen political system, but it does seem likely that the elite is considering the possibility of a future fight for the top position.

Other figures who are reportedly influential include foreign businessmen, such as Turkish business leader Akhmed Çalik, head of Çalik holdings, to whom Niyazov granted Turkmen citizenship and who has served as a government deputy minister, and Israeli businessman Yosef A. Maiman, head of the Merhav group.

Around this small core of loyal officials and foreign businessmen, a wider array of officials is rotated with considerable frequency. Heads of security agencies and the military, in particular, have been frequently purged, with Niyazov apparently concerned about their loyalty. There may have been good cause for his suspicions, as rumours circulated of discontent in the security forces.<sup>8</sup>

Frequent rotations of government officials, regional heads and technocrats have severely weakened government capacity and make a transition particularly difficult. The political elite is probably not consolidated enough to negotiate a succession strategy informally. Initially, much of the regime was dominated by Russian-educated representatives of the Ahal Teke tribe; to counter their influence, regional bosses such as Kurban Orazov, in Mary, and Sapargeldy Motaev, in Dashoguz, were installed and supported. But after 1996, when both were dismissed, there was considerable fluctuation in appointments.

Since 2000 this rapid rotation has accelerated, with officials often holding office for only short periods. Regional officials tend to last a year or less, often being dismissed because of poor harvests, particularly of cotton. A major reshuffle was announced in April 2004 with the finance and education ministers dismissed, along with several bank chairmen and two heads of television channels. The main reason given was corruption but the system itself is endemically corrupt, so the dismissals and arrests should be viewed as largely political.

The frequent changes mean it is difficult for anyone to build up long-term client networks, but also that there is little left of a consolidated elite that could manage a political transition. Former officials do

retain contacts, of course, and those who have earned money through corruption while in government can often find a niche in private enterprise. Dismissal from government posts sometimes ends in arrest or exile, but officials may return to other posts at later dates. Those who are imprisoned are often released in amnesties, whether through political decisions or payment of bribes, a key element in the amnesty system. However, reports of human rights groups on the prison system suggest conditions are so dire -- widespread infectious diseases, poor sanitary conditions and frequent lack of food -- that even short incarceration can be life-threatening.

The system, however, cleverly balances reward and punishment. The rewards for loyalty can be financially lucrative, with widespread opportunities for corruption not only condoned but encouraged. The punishments are potentially severe and can extend to relatives. This makes it difficult for opposition to emerge, although opposition leaders suggest that many officials are unhappy with the situation and would welcome change.

Nevertheless, it is difficult to assess the level of dissent within elites, and whether there is real potential for dissent to fuel a challenge to Niyazov. Dissatisfaction among officials led to a rash of defections in 2000-2002, particularly among ambassadors, but since the assassination attempt against Niyazov, movements of officials have been increasingly controlled with overseas travel strictly limited. Officials are also restrained by the regime's practice of taking revenge on family members left behind.

## B. REPRESSION

The regime's levers of control are varied, with ideology, promotion, personal loyalty and ability to manipulate regional and tribal differences all playing a part. But the essential foundation of the regime is reliance on the security forces and the military to pre-empt and control any signs of public discontent. The ubiquitous Ministry of National Security (MNS, formerly the Committee on National Security, MNS) is involved in every aspect of life and is under no political restrictions. The police, under the Ministry of Internal Affairs, are similarly engaged in constant control of the population. Much of their work is pre-emptive: constant checks on internal travel and personal documentation, surveillance of people considered suspicious and a widespread physical presence

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<sup>8</sup> See ICG Report, *Cracks in the Marble*, op. cit.

make most people think twice about objecting to government policy.

## 1. Human rights abuses

The real threat of arrest and detention is frequently used against the few dissidents and political opponents who remain in Turkmenistan, in addition to officials and ordinary people who fall foul of the regime. Dozens of officials and others were caught up in the purges after the assassination attempt, and many were sentenced to long imprisonment. International organisations have not been permitted to visit prisons, and many of those arrested are believed to be held in extremely difficult conditions. The trials showed no respect for due process and were reminiscent of the show trials of the Stalinist period.<sup>9</sup>

There has been little sign of any relaxation in repression in 2004. The few remaining independent voices have come under heavy pressure. In a fairly representative incident in February 2004, writer and Radio Liberty journalist Rahim Esenov was arrested and charged with smuggling his recently published historical novel into the country. Officials brought numerous other charges, including fomenting ethnic and religious discord and publishing a book abroad (in Russia) without permission from the State Secret Protection Agency.<sup>10</sup>

The author's son-in-law, Igor Kapriyelov, was also arrested in connection with the book "smuggling", as was another journalist Ashirkuly Bayriev. They were released on bail after pressure from the U.S. embassy and the Ashgabat office of the Organisation for Security and Cooperation in Europe (OSCE). The writer was forced to move in with his daughter, as the authorities had destroyed his home while he was in custody. The charges have not been dropped, and Esenov and Bayriev were warned against working

further at Radio Liberty.<sup>11</sup> A court later convicted Kapriyelov of smuggling the books and gave him a five-year suspended sentence.<sup>12</sup>

This approach is typical for the regime, warning potential dissidents of the consequences of overt opposition. It is often easier for the regime merely to frighten them into silence rather than imprison them, since the latter can bring international attention. But the regime has little compunction about arresting those who continue to speak out. Gurbandurdy Durdykulyev was placed in a psychiatric hospital after he wrote to President Niyazov requesting permission for an anti-government demonstration in the town of Balkanabad (formerly Nebitdag).<sup>13</sup>

Many dissidents have been forced to leave the country, mostly for Europe or Russia. Another Radio Liberty journalist, Saparmurad Ovezberdiev, went to the U.S. after frequent beatings and threats.<sup>14</sup> But even abroad Turkmen secret services continue to operate against dissidents. Opposition leader Avdy Kuliev was beaten up in Moscow in August 2003 by suspected Turkmen agents, an allegation backed up the next month when Russian authorities reportedly asked eight Turkmen embassy officials to leave the country, supposedly due to suspicions they were planning to murder Moscow-based dissidents.<sup>15</sup> In April 2004 Makhamedgeldi Berdiev, a Radio Liberty journalist and human rights activist, was attacked in his home in Moscow and badly injured.<sup>16</sup>

Still, there are occasional signs that some open opposition continues inside the country. In July 2004 there were reports that anti-Niyazov leaflets had been distributed at a market in Ashgabat.<sup>17</sup> But such acts are few and far between. Most dissident activity takes places abroad, which ensures that only a few high-

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<sup>9</sup> The best source on the repression is OSCE Rapporteur Prof. Emmanuel Decaux, "Report on Turkmenistan", 12 March 2003, at [www.osce.org/documents/odhr/2003/03/1636\\_en.pdf](http://www.osce.org/documents/odhr/2003/03/1636_en.pdf); also the useful list of documents provided by the Open Society Institute (OSI) Turkmenistan project, at [www.eurasianet.org/turkmenistan.project/](http://www.eurasianet.org/turkmenistan.project/).

<sup>10</sup> "Turkmenistan: Pisatel Rahim Esenov osvobozhden pod podpisu o neveyzde", Human Rights Center "Memorial", 11 March 2004. "V Turkmenii osvobozhden nod nodpisku o neveyzde zhurnalist A. Bayriev", 14 March 2004, [www.centrasia.ru](http://www.centrasia.ru). Esenov's book is a fictional account of events during the sixteenth century in what is now Turkmenistan that apparently offended Niyazov's own view of history.

<sup>11</sup> "Turkmenskimi zhurnalistami zapretili rabotat na 'Radio Svoboda'", Radio Liberty, 25 March 2004.

<sup>12</sup> Vitaliy Ponomarev, "Turkmenistan: Igor Kapriyelov prigovoren k uslovnomu nakazaniyu", Memorial, 2 April 2004.

<sup>13</sup> Amnesty International, "Concerns in Europe and Central Asia, January-June 2004: Turkmenistan".

<sup>14</sup> Saparmurad Overzverdiev, "In Turkmenistan, Thugs and Tyranny", *The Washington Post*, 6 August 2004.

<sup>15</sup> "Turkmen opposition leader said attacked in Moscow", BBC Monitoring Newsfile, 7 August 2003; Rashid Dyussambaev, "Turkmenistan: Against Turkmen-Bashing", Transitions Online, 7 September 2003.

<sup>16</sup> Human Rights Watch, "Turkmenistan: Human Rights Update", submission to the EBRD, 14 May 2004.

<sup>17</sup> Bruce Pannier, "Turkmenistan: Leaflets Calling For Overthrow Of Government Appear In Bazaars", RFE/RL, 15 July 2004.

profile political cases come to international attention inside Turkmenistan.

Much of the repression targets not overt oppositionists, but ordinary people. Ethnic minorities and others are subject to forced resettlement (see below). Farmers are particularly vulnerable to police raids and harassment, because of government sensitivity about poor harvests and failing agricultural production. In January 2004, MNS special units and local police began Soviet-style raids of farmers' storages to collect "surplus grain".<sup>18</sup> All grain found was seized, including seed stocks. This policy appears to have been put in place to meet the government's goal of exporting 700,000 tons of grain to Ukraine. Niyazov had announced that the 2003 grain harvest was 2.53 million tons, though local experts say the true figure was 800,000 tons.<sup>19</sup>

Repression of businessmen is also common. Those who are too successful and are not in the small elite that dominates the economy are frequently the target of dubious allegations, followed by arrest and imprisonment. Falling out with the wrong political figure is also likely to end in persecution. This seems to have been the fate of Gyeldi Kyarizov, a world-famous breeder of horses, one of which was pictured on the state insignia. Since 2002 he has been in prison on apparently trumped-up charges of corruption and theft. His wife Julia, a medical doctor, lost her job. Her daughter's grades at university were lowered, and though she was permitted to graduate, she says she cannot find work. A diplomat notes that this is "...a good example of how the regime makes individual responsibility collective, and goes after families of those who are incarcerated."<sup>20</sup>

Similar collective punishment has been applied to many relatives and friends of those the government claims were responsible for the 2002 assassination attempt. Opposition leader Boris Shikhmuradov remains in prison, and many of his relatives and friends have also suffered various forms of repression.

With no human rights groups able to operate on the ground and extremely limited movement permitted to international organisations, knowledge of human rights abuses is limited. There is no access to prisons, although there was some hope in 2004 that the

International Committee of the Red Cross (ICRC) would be permitted to visit. This has not happened, and political prisoners such as Shikhmuradov have had no visits by international observers.<sup>21</sup>

## 2. Freedom of movement

The level of control becomes clear when travelling around Turkmenistan. Frequent police and document checks mean there is little real freedom of movement. Citizens need permission to travel to many areas. It can take a week to get the documents needed for the border areas, if they are granted at all. Getting out of the country is also not easy. From late 2002 until early 2004 an exit visa was required. Since January 2004, when President Niyazov cancelled the exit visa, the situation has relaxed slightly. In practice, however, this was negated by the appearance of "black lists" of "unreliable" individuals -- as many as 19,000.<sup>22</sup> In the weeks following issuance of the decree, security officials reportedly removed some passengers from flights just before takeoff, especially those bound for Russia. Allegedly the lists were also used to extract bribes of \$500 or more.<sup>23</sup>

The situation seems to have improved after a presidential decree of 11 March 2004 "on the improvement of exit procedures for Turkmenistan's citizens".<sup>24</sup> Reports from human rights activists suggest that the black lists were reviewed, and it has become somewhat easier to gain permission. However, many government officials remain unable to leave without special permission. This goes as low as heads of ministerial departments, who are considered to know state secrets. Officials who leave government service are also routinely denied permission. Reportedly, "If you talk to embassies or you are a journalist, they won't let you leave. They can turn you back just before you get on the aircraft".<sup>25</sup>

<sup>18</sup> Murad Novruzov, "Turkmenistan's Grim Reapers", Institute for War & Peace Reporting (IWPR), 16 February 2004.

<sup>19</sup> "Turkmenistan's Incredible Harvest", IWPR, 20 July 2004.

<sup>20</sup> ICG interview, Ashgabat, January 2004.

<sup>21</sup> More detail on human rights abuse is available in Human Rights Watch ([www.hrw.org](http://www.hrw.org)) and Amnesty International, ([www.amnesty.org](http://www.amnesty.org)) reporting. The Moscow-based Memorial organisation also regularly publishes invaluable information from inside Turkmenistan. Opposition websites also report. See [www.eurasianet.org/turkmenistan.project](http://www.eurasianet.org/turkmenistan.project) for the links.

<sup>22</sup> "Turkmenistan: Vmesto vyezdnykh -- 'chernye spiski' neblagonadezhnykh", [Centrasia.ru](http://Centrasia.ru), 21 February 2004.

<sup>23</sup> *Ibid.*

<sup>24</sup> "Turkmenistan moves to head off possible U.S. sanctions", *Agence France-Presse*, 12 March 2004.

<sup>25</sup> ICG interview, human rights activist, September 2004. Natalya Shabunts, a civil society activist, was refused

The relaxation of the exit regime came in direct response to international pressure. The U.S. threatened to invoke the Jackson-Vanik amendment, which decrees that countries that restrict emigration will not be afforded normal trading status. This would have meant higher tariffs on Turkmen exports of cotton products. This is one area where pressure has had an impact.

### 3. Religious tolerance

Independent religious groups continue to face persecution. A law passed in October 2003 on "religious freedom and religious organisations" formalised the ban on unregistered religious activity,<sup>26</sup> thus effectively outlawing all religions except for Sunni Islam and the Russian Orthodox Church. There has been a major campaign to control the Islamic community. Uzbek imams in predominantly ethnic Uzbek regions have recently been replaced by Turkmen imams, who are probably viewed as more reliable.<sup>27</sup> Sunni mosques and Russian Orthodox churches have been instructed to place the Turkmen flag above their entrances and a copy of the *Ruhnama* in a prominent place, while priests and imams are required to begin sermons with a eulogy to Turkmenbashi. Not all mosques follow these instructions to the letter: state-funded mosques do have the *Ruhnama* on view; others may not, or display it in adjoining premises. But the general intent of the policy is obvious, and the government has increasingly cracked down on any signs of independence among the religious leadership.

The case of Nasrullah ibn Ibadullah is indicative of the repression of both religious communities and ethnic minorities. The former chief mufti and deputy chairman of the Gengeshi (Council) for religious affairs, in March 2004 he was imprisoned for 22 years for an alleged part in the 2002 assassination attempt.<sup>28</sup> Though he had been loyal to Niyazov, going so far as to remove imams who refused to praise the president

during Friday prayers, he had also tried to obstruct use of the *Ruhnama* in mosques. This may have played a role in his removal and prosecution. The fact that he was replaced as chief mufti in January 2003, when Niyazov's suspicions of Uzbekistan and Uzbeks were near their height, also suggests that ethnicity was a factor.

Complaints by U.S. officials, and a threat to list Turkmenistan as a "Country of Concern" in the annual International Religious Freedom report, seems to have led to a formal relaxation of legislation in March 2004. A presidential decree eliminated the requirement that religious groups have at least 500 adult members in order to register, potentially permitting smaller independent communities to legalise themselves.<sup>29</sup> Some representatives of religious communities welcomed the decree, while many remained sceptical that it would really increase their freedom of worship.<sup>30</sup> In May, in what seemed a significant step, unregistered religious activity was declared to be no longer a criminal offence. After international pressure, six Jehovah's Witnesses were released from prison in mid-June.<sup>31</sup>

But the sceptics seem to have been right. Despite the decriminalisation of independent religious activity, officials still apparently consider it illegal, and have threatened, raided and sometimes arrested members of independent religious communities. In May 2004 a Baptist community in Dashoguz complained of repeated police raids, in which bibles were confiscated and threats made against members.<sup>32</sup> There were further raids on Baptist communities in August, in Balkanabad and Abadan, and the home of an Adventist family was raided in Turkmenabad.<sup>33</sup> A Jehovah's Witness, Gulsherin Babakulieva, was assaulted and threatened with rape in October in Turkmenabad. An assistant prosecutor allegedly

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permission to leave the country in August 2004 but was finally permitted to travel in September after international pressure. She was informed, however, that she could not travel on domestic air routes. Memorial press-release, "Turkmenistan: Natalys Shabunts razreshen vyezd za rubezh", 25 September 2004.

<sup>26</sup> Antoine Blua, "Ashgabat Takes Further Steps to Suppress Religious Faiths", 15 November 2003, www.eurasianet.org.

<sup>27</sup> Igor Rotar, "Turkmenistan: State interference with Islamic religious life in the northeast", 4 March 2004, www.forum18.org.

<sup>28</sup> Felix Corley, "Turkmenistan: why was former chief mufti given long jail term?", www.forum18.org, 8 March 2004.

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<sup>29</sup> Niyazov issued a decree on 11 March 2004 easing both exit requirements and the process for registering religious groups.

<sup>30</sup> U.S. Deputy Assistant Secretary of State Lynn Pascoe visited shortly before the decree was issued. There was discussion at the time of adding Turkmenistan to the short list of Countries of Particular Concern under the International Religious Freedom Act.

<sup>31</sup> Jehovah's Witnesses are particularly vulnerable to arrest because they refuse military service on the grounds of conscience.

<sup>32</sup> Felix Corley, "Police control of believers set to continue", 28 June 2004, www.forum18.org.

<sup>33</sup> Felix Corley, "Baptists raided and Jehovah's Witnesses reject presidential portraits", F18News, 10 September 2004, at www.forum18.org

threatened to dress her as a suicide bomber and accuse her of being a terrorist. Police raids and harassment of Jehovah's Witnesses was reported in other localities in September.<sup>34</sup>

Meanwhile, most organisations continue to face serious problems with legal registration. While the Hari Krishna, the Adventist and Bahai communities were able to register, others had problems. The Baptist church hit last-minute obstacles, and although the Adventists were registered, they complained there was still nowhere for them to worship legally (their old church was demolished by the authorities in November 1999).<sup>35</sup> Others were reluctant to submit to the procedures, fearing increased repression of members. Vladimir Tolmachev of the Greater Grace Church said his group has not registered in the past, even though it had sufficient numbers, due to the increased persecution which can follow:

The problem is that people signing the registration application would get problems -- they would be sacked from their work, especially those who are ethnic Turkmen. It is a problem of people's safety.<sup>36</sup>

So far the Greater Grace Church has not received registration, and there seems to be a return to a policy of repression after a short period of liberalisation. Unconfirmed reports in September 2004 suggested that Niyazov had ordered controls over religious communities tightened.<sup>37</sup>

#### 4. Ethnic minorities

The increasing nationalism engendered by regime ideology is widely expressed by young people interviewed in Ashgabat and elsewhere. Prejudice

against ethnic Uzbeks and other minorities such as Armenians is reflected in policies that attempt to Turkmenicise the state and ensure there is little place for ethnic minorities.<sup>38</sup> The most obvious has been language policy, which has consistently downgraded the use of Russian in official and cultural life. A wide variety of Russian-language institutions, from schools to theatres, have been closed, and both ethnic Russians, and other minorities that commonly speak Russian, such as Armenians, have faced considerable discrimination in employment and education.

The biggest minority, the ethnic Uzbeks, remain the focus of discriminatory politics, apparently viewed as a potential fifth column, occupying as they do border areas with Uzbekistan where there have often been tense relations. After one such period in the mid-1990s, there were reports that the states were close to military confrontation.<sup>39</sup> There was further tension in late 2002 after Turkmen forces raided the Uzbek embassy in Ashgabat, apparently seeking plotters in the assassination attempt against Niyazov.

In January 2003 Niyazov announced that "unworthy people" from border zones would be relocated, a direct threat to Uzbek communities. He announced the resettlement of around 2,000 to the Balkan region, on the border with Kazakhstan but there is only limited information on this program. Observers suggest the policy remains in force but has not been widely implemented yet. The possibility of widespread resettlement to inhospitable locations should be viewed internationally as a direct threat to the Uzbek ethnic minority.

Displacement has not only affected ethnic Uzbeks, however. In September 2004 the human rights group Memorial reported that the inhabitants of the small settlement of Darvaz had been forcibly removed from their village, about 200 km. north of Ashgabat. Reportedly, Niyazov was displeased by the obvious poverty of their houses, and ordered the village destroyed. Residents were given an hour to pack, and most ended up living in yurts along the desert road, even more destitute than before.<sup>40</sup>

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<sup>34</sup> Felix Corley, Igor Rotar, "Public Prosecutors assault and threaten to rape female Jehovah's Witness", F18News, 15 October 2004, at [www.forum18.org](http://www.forum18.org).

<sup>35</sup> Felix Corley, "When will Adventist worship be permitted?", F18News, 4 October 2004. See also Felix Corley, "Turkmenistan: Why register when persecution continues?", 9 August 2004, [www.forum18.org](http://www.forum18.org).

<sup>36</sup> Igor Rotar and Felix Corley, "Turkmenistan: scepticism and optimism greet surprise Niyazov's decree", [www.forum18.org](http://www.forum18.org), 12 March 2004.

<sup>37</sup> See "Concern over religious freedom continues", IRIN, 23 September 2004; Felix Corley, "Baptists raided and Jehovah's Witnesses reject presidential portraits", 10 September 2004, [www.forum18.org](http://www.forum18.org). See also U.S. State Department, "International Religious Freedom Report 2003", at [www.state.gov/g/drl/rls/irf/2003/24440.htm](http://www.state.gov/g/drl/rls/irf/2003/24440.htm).

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<sup>38</sup> Population figures are all suspect. The 1995 census claimed that ethnic Turkmen formed 81 per cent of the population, Uzbeks 9.7 per cent, Russians 4.3 per cent and ethnic Kazakhs 1.7 per cent.

<sup>39</sup> See ICG Report, *Cracks in the Marble*, op. cit.

<sup>40</sup> Memorial, "Prinuditelnoe pereselenie zhitelei Darvazy", 24 September 2004. Niyazov's construction projects have often

While the extent of internal displacement is not fully known, there are other ways in which pressure is mounting on ethnic minorities, particularly through the education system. At the very simplest, all schoolchildren are required to wear Turkmen national dress when attending class, regardless of their ethnic origin. They also have to study the same curriculum as their Turkmen colleagues, with no concessions to their native language or ethnic origins. Uzbek and Kazakh-language schools that existed in the Soviet period have been closed, and only one Russian-language school remains in Ashgabat.

However, there is evidence of even more direct discrimination. A student told ICG:

I failed my university entrance exam. When the exam was returned to me, 'Uzbek' was written at the top of the exam and underlined. I wondered, why would they write that on the cover of the exam? What does that have to do with my performance? I do not like being humiliated.<sup>41</sup>

The regime has effectively weeded out ethnic minorities from the university selection process, first through insistence that applicants have fluent Turkmen, and now it seems through direct discrimination based entirely on ethnic origin.

Government jobs are also largely reserved for ethnic Turkmen. Niyazov frequently points to the necessity of proving that government officials have a reliable genealogy over three or four generations. The intent is clearly to purge state organs of non-Turkmen, and to control any minority ethnic activity. In the Dashoguz region, the main area of settlement for ethnic Uzbeks, most Uzbeks have been replaced in leadership posts by Turkmen. Memorial concludes that:

Practically no ethnic Uzbeks remain in the post of head of *etraps* [administrative units], farm

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come at great cost to average Turkmen. In preparation for a recent venture -- a Disney Land-like amusement park -- the authorities demolished hundreds of homes in an Ashgabat neighbourhood. Owners were given little notice and no compensation. Few protested for fear of jail; those who did were often castigated for challenging the wisdom of the "Great Turkmenbashi". Such "redesigning" is not uncommon in Ashgabat. In June 2004 the government tore down 500 homes in the Keshi neighbourhood to make way for more modern structures. Residents had ten days to move and received no compensation.

<sup>41</sup> ICG interview, January 2004.

chairmen, school directors. Even in areas of compact settlement of Uzbeks in Dashoguz and Ilyalin *etraps*, all Uzbek leaders have been replaced by Turkmen. In the law enforcement agencies ... and courts, Uzbeks work only in the lowest positions.<sup>42</sup>

Given the lack of a flourishing private sector, there are few alternatives for ethnic minorities, and many in border areas eke out a living from cross-border petrol smuggling and small-scale trade.

Some ethnic Russians and other minorities do have special skills that make them invaluable in private sector businesses, particularly in oil and gas. But for many Russians the situation has become intolerable, and they have left for Russia. Others have moved back and forth, engaging in informal trade as a way of making ends meet. This has become more difficult since the government ended dual citizenship in 2003. Russian cultural activities and media are also minimal. The last Russian station, Radio Mayak, was suspended in July 2004, and the import of publications from Russia is not permitted.

## 5. Civil society

The regime's fear of opposition or any unsanctioned activity is demonstrated by its treatment of civil society groups. A law "On Public Associations" came into force in November 2003, increasing penalties and in effect outlawing any activity by unregistered groups of any kind.<sup>43</sup> Anyone working in an unregistered NGO is liable for up to two years of corrective labour or one year in prison. The law also makes it very difficult for NGOs to register. Some 89 NGOs are reported to be officially registered under the new law, although most are state-run; before November 2003 some 300 registered and unregistered groups were believed to be operating.<sup>44</sup>

At a public forum to discuss the new law, NGOs asked whether their groups could register, but officials gave no definite answers. Ominously Minister of Justice Taganmurat Gochyev noted that registration can be denied for reasons not stipulated in the law,

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<sup>42</sup> Some dismissed ethnic Uzbek leaders have faced criminal charges. See Memorial news release, "Turkmenizatsiya rukovodyashikh kadrov v Dashoguze", 3 October 2004.

<sup>43</sup> Berdy Berdyev and Elizabeth Zeuner, "New Law in Turkmenistan Cracks Down on Civic Groups", [www.eurasianet.com](http://www.eurasianet.com), 10 December 2003.

<sup>44</sup> ICG interview, human rights activist, September 2004.

saying "grounds for rejection can always be found".<sup>45</sup> This is a major setback for NGOs. They had always struggled in a repressive political environment, but some had managed to do useful work in less controversial areas, such as the environment. Even these have now been forced to close.

The case of the Dashoguz Ecological Guardians (DEG) is illustrative. It was founded in 1992, with the main aim of educating people about and promoting environmental protection. The new law requires all NGOs to send regular reports to the Ministry of Justice. On 20 November -- one day before the law came into force -- the ministry filed charges accusing the DEG of failing to send any reports for its eleven years of operations. Despite the obvious legal objection that the law was not yet valid, the ministry won the case.<sup>46</sup>

Other well-known environmental NGOs have been forced to end their activities, as have charitable organisations, those working with the disabled and pensioners, and student groups. The authorities seem to be returning to a Soviet-style approach, under which only state-controlled "voluntary groups", such as the Women's Union, the Youth Association and the Veterans' Association, may operate.

### III. LONG-TERM THREATS TO STABILITY

While the short-term problems facing the population are acute, there are long-term trends that cast doubt on the ability of the country to emerge from the dictatorship and rebuild a functioning and fair state. In education, the media and information policy, the regime has increased restrictions in the past two years that threaten to undermine social progress for a generation. The ideologisation of all areas of life will leave a legacy and is beginning to engender an unhealthy nationalism that will have an impact on both domestic and foreign policy in the future.

#### A. THE *RUHNAMA* AND EDUCATION

The regime has placed increasing weight on ideology as a key element in its system of control. The role of Niyazov's quasi-spiritual guide, the *Ruhnama*, has become paramount, and is skewing the whole education system. Unlike other dictators with ideological writings, such as Libya's Gaddafi, or Mao Zedong, Niyazov's book offers little in the way of explicit political ideology but instead a somewhat mythical view of Turkmen history and banal exhortations for Turkmen to follow particular ethical and moral precepts.

The original version of the *Ruhnama* came out in 2001 and was followed by a second volume in September 2004. Although many, particularly educated people in the capital, mock it and Turkmenbashi's ideas, some elements of his ideology seem to have an impact even on well-educated young people. Nationalist views, particularly towards Uzbeks, are frequently expressed.

Some inhabitants do admire the reconstruction of the capital. One points out the huge, marble-covered buildings in the district of Berzengi and says with some pride: "a year ago this was just an empty space, and now look!" Others are less pleased about the seemingly endless funds poured into these projects: "I cannot see why he builds those buildings when we have other pressing problems..."<sup>47</sup>

Visitors suggest that dissatisfaction among educated elites and the capital's population is increasing, although this is hard to quantify. Some ordinary people find Niyazov's patrimonial social

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<sup>45</sup> Berdyev and Zeuner, "New Law in Turkmenistan Cracks Down on Civic Groups", op. cit.

<sup>46</sup> Ibid.

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<sup>47</sup> ICG interviews, Ashgabat, July 2004.

contract -- free utilities like gas in exchange for loyalty -- attractive and limit criticism, particularly as information on other countries is so limited, and they are regularly told that they are wealthier and their country more stable than their neighbours.

The *Ruhnama* seems to be having its most insidious impact on younger people. For many it has become a normal part of their lives, and may be the only book they ever read. For this generation -- 40 per cent of the population are under fourteen -- the precepts of the *Ruhnama* will be as familiar as Lenin's sayings were to their parents, and will have at least as detrimental an impact as Soviet ideology. Indeed, the situation is arguably much worse. The Soviet regime paid much attention to culture, science and literature, which is largely absent from the education of most ordinary citizens.

The destruction of many Soviet-era textbooks, and the failure to find adequate replacements has meant that the *Ruhnama* has become the main school material. Even where there are new textbooks, they must meet the regime's ideological requirements. The British Council gave up the attempt to publish an English-language textbook after the government demanded it be filled with extracts from the *Ruhnama*. In the second-year mathematics textbook used in Turkmen schools, this is how a typical problem is presented:

Gulnara was reading the book, *Ruhnama*. She read six pages on the first day. On the second day, she read four pages more than on the first day. On the third day she read five pages less than on the second day. How many pages of *Ruhnama* did Gulnara read on the third day?

This type of content is present throughout the system. In one vocational college, the 34-hour academic work includes only ten hours of teaching of the student's specialisation and two hours of practical training. A further six hours are spent on Turkmen language and literature. The rest of the curriculum provides:

- *Ruhnama* -- six hours;
- politics of independence of Saparmurat Turkmenbashi the Great -- six hours;
- history of neutral Turkmenistan -- three hours; and
- teachings of Saparmurat Turkmenbashi -- two hours.<sup>48</sup>

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<sup>48</sup> Cited in Turkmenistan Helsinki Initiative, "Education in Turkmenistan".

Lessons on the history of Turkmenistan are largely devoted to the ideological teachings of the president. Typical examination questions test students on their knowledge of "Saparmurat Turkmenbashi on the transition period from a totalitarian system to a democratic society", or "The holy book, the *Ruhnama*".<sup>49</sup>

In the more liberal schools, such as the Russian-Turkmen high school in Ashgabat or the popular Turkish schools, *Ruhnama* lessons are only two or three hours a week. In other schools it varies: some observed by an international visitor also had only a couple of hours a week, but in others teaching of its edicts can be as much as seven to eight hours, leaving little time for real education.

The injection of ideology is only one problem. Schoolchildren lose up to one-third of their education because they are forced to work in agriculture, primarily picking cotton. Despite official statements suggesting that the practice would be discontinued, pupils are still taken out of school for two to three months each year to pick cotton for ten to fourteen hours a day, for which they are paid almost nothing.<sup>50</sup>

Since 2001 the government has enacted a far-reaching "reform" of the educational system that will ensure the emergence of a generation of school-children with extremely limited educational achievements. The effect on higher education will leave the country without adequately qualified specialists and professionals in almost all sectors of the economy. The reforms consist of three major changes: reducing primary and secondary education from eleven to nine years; reducing university from five to two years; and requiring students to gain two years of professional experience or serve in the military before entering university. Thousands of teachers have been dismissed, the Academy of Sciences abolished (although some of its institutes continue to function), and several research institutes shut down.<sup>51</sup>

Those who wish to compete for the greatly reduced positions in state universities<sup>52</sup> have to complete the

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<sup>49</sup> Ibid.

<sup>50</sup> E. Kadochnikov, "Detstvo, zagublennoe Turkmenbashi", 24 February 2004, [www.centrasia.ru](http://www.centrasia.ru).

<sup>51</sup> Burt Herman, "President Puts His Stamp on Turkmenistan; Education Policy Is Seen Strengthening Leader's Grip", *The Washington Post*, 22 June 2003.

<sup>52</sup> The quota for students entering higher education in 2003 was set at 3,920, only about 10 per cent of the number educated in Soviet times and barely 1 per cent of the 300,000



two years of mandatory work experience or serve in the army, where they make about \$4 per month.<sup>53</sup> Then to gain acceptance, many are forced to pay a bribe of between \$3,000 and \$12,000.<sup>54</sup>

One way around this increasingly dysfunctional system has been to study abroad, mostly in other former Soviet republics, such as Kyrgyzstan, Kazakhstan and Russia. However, the reform of secondary schooling ensures that many students will be ineligible for foreign universities, and they are anyway discouraged from applying. To limit the exodus of students, the government announced that foreign diplomas would no longer be recognised. Government employees who received such diplomas after 1993 were told in May 2004 that they would be dismissed, although it is not clear how many actually have been.<sup>55</sup>

Many students see the reforms as politically motivated. One told ICG:

I believe [the reforms] are good for Turkmenbashi to stay in power. However they are terrible for people, because it makes them dumber. The school is only nine years, of which you study six full years [subtracting time in the cotton fields]. Turkmenbashi is brainwashing the Turkmens by his policies and making them like sheep to herd them easily.<sup>56</sup>

A student claimed that, "the state enjoys ... the support of the student population, both inside and outside the country. The brainwashing schemes are finally paying off for Niyazov".<sup>57</sup> Among a range of students interviewed, there seems to be a difference emerging between those who were educated before the reforms and those who have already have studied two or three years under the *Ruhnama*-dominated system. Older students tend to be more critical and independent-minded, while the younger ones seem more accepting of Niyazov's ideological campaign.

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school leavers. Marat Gurt, "Turkmens place new restrictions on education", Reuters, 9 July 2003.

<sup>53</sup> Anton Lomov, "Students in isolated Turkmenistan worse off than in Soviet Union", Agence France-Presse, 30 July 2003.

<sup>54</sup> ICG interviews with Turkmen students, 2003-2004. Many cited demands for large bribes as a reason for studying abroad.

<sup>55</sup> Antoine Blua, "Turkmenistan: State Workers With Foreign Degrees To Be Dismissed", RFE/RL, 7 May 2004. A partial exception seems to be degrees received under state exchange programs, particularly from Turkey and Ukraine.

<sup>56</sup> ICG interview, February 2004.

<sup>57</sup> ICG interview, February 2004.

For most students, however, the education system is not the only problem. Getting jobs after school or college is extremely difficult. Those who are educated abroad are in many cases barred from government appointments. The lack of feasible employment on return in either the private or public sector makes emigration more attractive. One says:

My return would basically mean several things: army, marriage, and some boring no-salary job that my father would find for me. However, I want to be involved in a politically oriented activity. If not, I prefer doing something useful in other Central Asian countries, rather than wasting my time in Turkmenistan.<sup>58</sup>

The sense of hopelessness about Turkmenistan's prospects is felt by some parents as well, who urge daughters not to return after graduation where there are few opportunities, but to marry and get citizenship elsewhere.<sup>59</sup>

The attacks on education will have a direct impact on the ability of Turkmenistan to develop its economy. A serious shortage of specialists is expected within five years in the key oil and gas sector. Foreign workers will be required to run most of the energy sector, further increasing unemployment and accentuating the rentier nature of the state. The long-term psychological and social impact of the educational reforms is also not difficult to predict. An international official in Ashgabat puts it bluntly: "[it will be] the creation of an isolated, stupid people dangerous for stability to the region".<sup>60</sup>

## B. ACCESS TO INFORMATION

The dire state of education would not be so disastrous if the population had alternative sources of information. Internet access remains extremely limited. The government controls the only provider, Turkmen Telecom. There are still no private internet cafes -- the few that existed in Ashgabat were shut down in 2002. Some international organisations have provided public access sites at, for example, the National Library, the UN, and ACCELS/IREX education centres.

Similarly, some organisations set up so-called "Internet courses", that provide access. But this

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<sup>58</sup> ICG interview, February 2004.

<sup>59</sup> ICG interviews with students, February 2004.

<sup>60</sup> ICG interview, Ashgabat, January 2004.

touches only a tiny fragment of the population. There were only an estimated 8,000 internet connections at the end of 2003, although the number of users, direct and indirect, is no doubt considerably greater.<sup>61</sup> Turkmenistan is the Central Asian state least connected to the outside world. Telephones were a rarity in the Soviet period and remain so, with just 8 per 1,000 people in 2002. Mobile telephone penetration is very low at 0.2 per cent.

All newspapers are state-owned and firmly controlled, with typical Soviet-era propaganda and constant boosts to the president's cult of personality dominating their pages. Foreign newspapers are banned, including publications from Russia. The last Russia-based radio station, Mayak, was closed in July 2004, ostensibly for technical reasons, but more probably because it was the last easily accessible outside broadcast and widely popular.<sup>62</sup> Television is equally controlled, and all media contribute to the cult of personality. On television, Niyazov's portrait revolves continuously on the corner of the screen, and readings of the *Ruhnama* are much of the programming. Niyazov has put considerable resources into the development of a new six-language international Turkmen satellite channel to be used for propaganda purposes.<sup>63</sup>

Satellite television still remains widespread, however. Ashgabat's rooftops and balconies are covered by satellite dishes. Despite occasional threats, Niyazov has not banned them, perhaps because most of the channels watched tend to be entertainment. Little news about Turkmenistan is broadcast internationally, and the popular Russian channels tend to be wary of upsetting the Turkmen government, which always protests strongly after any adverse coverage.

Controls on information inside the country have reached dangerous extremes. All economic and social statistics are unreliable, as political pressure leads to widespread falsification. In the health field this poses direct threats. From 1 May 2004, health care workers were ordered not to write diagnoses of infectious diseases such as cholera, dysentery, measles, tuberculosis, and hepatitis in medical records or

health bulletins.<sup>64</sup> The order came after Niyazov dismissed 15,000 qualified medical workers in March 2004, and replaced them with army conscripts, further weakening the health service.<sup>65</sup>

The danger in this kind of internal information blockade was illustrated in June 2004 when an outbreak of plague reportedly killed seven people in Mary and possibly two more in an Ashgabat suburb.<sup>66</sup> These deaths came just a month after an outbreak in the Caspian Sea town of Turkmenbashi. Reportedly at one health clinic the head doctor ordered staff to go from house to house to tell people they would be arrested for revealing state secrets if they said there was plague in the city.<sup>67</sup>

For those with no access to satellite television or short-wave radio, Turkmenistan has become an information vacuum. The only consistent source of news about it is from short-wave radio broadcasts by Radio Liberty, which has several hours of programming daily. It is difficult to know how many listeners have access but experience elsewhere suggests that even small audiences can have a strong multiplier effect through oral retelling. The BBC and Deutsche Welle do not have Turkmen-language services. With the decline in knowledge of Russian in the country, it would seem relevant for such broadcasters to examine the possibilities for new Turkmen-language services.

### C. NATIONALIST IDEOLOGY AND FOREIGN POLICY

The glorification of all things Turkmen and the increasing isolationism are also reflected in Niyazov's foreign policy. The much-vaunted policy of "permanent

<sup>61</sup> Paul Budde Communications, 2004 Central Asian Mobile Communications Market, 3 August 2004.

<sup>62</sup> Jeremy Branston, "Turkmenistan: Last Freely Available Outlet to Outside News Shuts Down", RFE/RL, 13 July 2004.

<sup>63</sup> U.S. firm InSpace Communications L.L.C. won the \$1.16 million dollar contract, which is to be funded from the FERF. "Turkmenistan: U.S. Company wins Turkmen satellite TV contract", BBC Monitoring Media, 18 March 2004.

<sup>64</sup> "Turkmenskoe rukovodstvo rasshirilo spisok zapreshennykh bolezney", Turkmenistan Helsinki Foundation website, 21 May 2004, [www.tmhelsinki.org](http://www.tmhelsinki.org).

<sup>65</sup> Ata Muradov, "Turkmen Nurses Devastated by Decree", 9 March 2004. It has become fairly common practice to replace public workers with army recruits. In 2002 all traffic police were replaced by draftees; a clothing factory in Merv is staffed by the military. See Monica Whitlock, "Troops to replace Turkmen medics", BBC, 1 March 2004. In another apparent cost-cutting effort, the Ministry of Health announced in January 2004 that it was closing all rural birth clinics. This means women will have to go to clinics in the closest city, which may be complicated by internal travel restrictions.

<sup>66</sup> Arkady Dubnov, "V Turkmenii chuma", *Vremya Novostey*, 24 June 2004.

<sup>67</sup> Murad Novruzov, "Turkmen Doctors Fear Epidemic", IWPR, 13 July 2004.

neutrality", approved by a UN General Assembly resolution in 1995,<sup>68</sup> has been used to insulate the country still further from the international community. Turkmenistan regularly refuses to take part in regional initiatives. Its particularly difficult relations with Uzbekistan have been exacerbated by treatment of its ethnic Uzbeks, disputes over border demarcation, and its attempt to direct more water from the Amu-Darya into grandiose reservoir projects in the desert.<sup>69</sup>

Turkmenistan has frequently undermined negotiations on the Caspian Sea regime and has a tense relationship with Azerbaijan, largely due to disputes over ownership of mid-sea oil fields.<sup>70</sup> As Niyazov's ideology takes greater hold over a new generation, further isolationist foreign policy stances can be expected.

Poor relations with neighbours have not caused too much concern for regional security, partly because the Turkmen military is seen as particularly weak. It is not competitive with Uzbekistan's armed forces. Since 2002, however, Niyazov has been attempting to correct the military imbalance. The government spent an extra \$200 million in 2003 and planned for another \$80 million of new military expenditures for 2004.<sup>71</sup> Conscription has doubled, with 100,000 new soldiers added in 2003.<sup>72</sup> State television spent more time broadcasting military-style parades and programming. In 2003 the largest military exercises since

independence were held, with representatives from Iran, NATO, Russia and Ukraine in attendance.<sup>73</sup>

In an address to the military in March 2004, Niyazov claimed that Turkmenistan seeks to maintain "equal brotherly" relations with its neighbours, but called on the military to remain "vigilant" against "those who are jealous of the current prosperous life of the Turkmen people".<sup>74</sup> He cited external manipulation of possible internal disputes as the main threat: "There is nobody who will attack with arms. However, it is possible that they may create internal disagreements and feigned difficulties internally among us".<sup>75</sup>

The real reasons for the modest but real military build-up is probably linked to Niyazov's growing paranoia, fuelled by his belief that Uzbekistan, and possibly Russia, were involved in the 2002 assassination attempt and the increasing criticism that has been emerging from Western states.

World events, including the downfall of Georgian President Eduard Shevardnadze and Iraqi leader Saddam Hussein, also undoubtedly have had a profound effect on Niyazov's worldview. He is said to have been deeply disturbed by images from Iraq showing the toppling of statues of Saddam Hussein and to have been withdrawn and irritable for a week afterwards. Allegedly, members of his inner circle were afraid to ask questions.<sup>76</sup> Events in Georgia no doubt increased his fears that external actors could foment an uprising that would end his rule.

#### D. THE ECONOMY AND CRIMINALITY

At first glance, it may seem strange to discuss the economy as a source of potential instability. With the government claiming annual growth rates of over 20 per cent in recent years, GDP per capita at about \$4,500 and considerable reserves of gas and oil, economic prospects should be good. But there are increasing signs that the situation is not as rosy as it first appears.

The growth rates are quite clearly falsified. The Economist Intelligence Unit estimates 2003 GDP growth at just over 12 per cent, while predicting that in

<sup>68</sup> For the text, see [www.un.org/gopher-data/ga/recs/50/80](http://www.un.org/gopher-data/ga/recs/50/80).

<sup>69</sup> For background on water disputes, see ICG Asia Report N°34, *Central Asia: Water and Conflict*, 30 May 2002; on borders, see ICG Asia Report N°33, *Central Asia: Border Disputes and Conflict Potential*, 4 April 2002.

<sup>70</sup> Use of the Caspian Sea and its resources by the contiguous states -- Russia, Kazakhstan, Azerbaijan, Iran, and Turkmenistan - has been discussed for nearly eight years. Turkmen demands have hindered agreement, though they are by no means the only barrier. Azerbaijan, and Kazakhstan have agreed on a Russian plan for dividing the sea based on the size of each country's coastline. Iran insists on an even division of sea and seafloor, while Turkmenistan claims areas also claimed by Azerbaijan. Recent talks have not made significant progress. For information see Ruslan Dzkuya and Anatoliy Gordienko, "'Kaspiyskiy raznobby' preodolet ne udalos", *Nezavisimaya Gazeta*, 7 April 2004; Andrew Neff, "Caspian Natural Resources Stalemate Continues as Ministers Discuss Sea Division", WMRC Daily, 7 April 2004.

<sup>71</sup> This has included purchases of two Ukrainian-made Kolchuga radar stations, patrol boats, repair of MIG-29 and other combat aircraft and purchase of two new planes from Georgia, Mariam Durdyeva, "Turkmenbashi Rattles Sabre", IWPR, 12 January 2004.

<sup>72</sup> "Kazhdy tretiy turkmenskiy pryzvnyk sluzhit ne derzha v rukakh oruzhiya", Turkmenistan.ru, 2 March 2004.

<sup>73</sup> "Turkmenistan holds major military exercise on Caspian coast", Agence France-Presse, 16 August 2003.

<sup>74</sup> "Turkmen president urges vigilance in protecting nation", BBC Monitoring Central Asia, 2 March 2004.

<sup>75</sup> BBC Monitoring Central Asia, 2 March 2004

<sup>76</sup> IWPR, 12 January 2004.

2004 and 2005 it will be about 10 per cent. The Asian Development Bank (ADB) put growth for 2003 at 10 per cent and expects to hold through 2005.<sup>77</sup> The European Bank for Reconstruction and Development (EBRD) estimates growth at 11 per cent, and notes that electricity production (sometimes used as a useful alternative to official figures to show economic prosperity) rose by only 2 per cent.<sup>78</sup> Figures of around 10 or 11 per cent are still healthy, but four key problems seem likely to threaten long-term prosperity.

## 1. Budgetary strains

Since 2002 there have been increasing signs of serious budgetary strain. A diplomat claims the regime is struggling to balance its books and is secretly repatriating funds.<sup>79</sup> Government employment has been cut -- 15,000 of 29,500 medical staff dismissed, for example. The old Soviet system was probably vastly overstaffed but many specialists will be difficult to replace. The state has also started charging for some hitherto free medical services.

There are frequent reports that salaries are paid two to three months late. Niyazov often announces wage increases for state employees -- the latest being 50 per cent in 2005 -- but those announced in 2003 were seldom paid. Instead, many state institutions forced employees to sign new contracts at lower salaries while others laid off workers. There are also reports that pension payments are being artificially reduced, although they are a key source of income for many families.<sup>80</sup>

Government subsidies, notably provision of free key commodities such as gas, cost a significant amount each month. Since this involves an important part of Niyazov's legitimacy, the regime may not be able to reform them. They allay discontent over rising unemployment by allowing most families to avoid extreme poverty. Nevertheless, they do not seem to be preventing pockets of such poverty from emerging, particularly in rural areas. There are allegations of young girls going into prostitution to escape rural poverty.<sup>81</sup>

The budgetary problems do not seem to be due to a lack of regime income. Gas export revenue is more than enough to fund current budget spending. The real problem is that most of this money does not go into the budget but is being diverted to the presidential Foreign Exchange Reserve Fund (FERF), an opaque and non-transparent mechanism, whose resources remain mainly outside the country, in European and other bank accounts. FERF revenue is channelled into non-productive, grandiose construction projects. Diplomats suggest that up to 80 per cent of what should be state revenues are channelled into funds under direct presidential control, with only 20 per cent used for social spending.<sup>82</sup>

Funding the budget from non-FERF sources is difficult, as tax revenues seem to have dropped sharply in the past eighteen months, despite official denials. Since the private sector and agriculture both suffer from government policies, and many public enterprises pay only limited taxes, it seems unlikely that there will be early improvement in tax collection. Indeed, short-term budgetary problems are likely to increase, since there is little likelihood that non-energy sectors will grow significantly under present conditions. Agriculture seems to be in serious decline. The 2003 cotton harvest was so bad that some observers claim Turkmenistan was forced to import the commodity from Uzbekistan. The reasons for the decline in agriculture are fairly simple: farmers are not paid, and growing environmental problems, leading to lack of irrigation water, are not being tackled. The 2004 harvest looks set to be even worse.

The budgetary crisis could be resolved by a more transparent use of energy resources. This seems unlikely given the president's attachment to grandiose projects. In January-June 2004 alone, the government concluded \$4.5 billion in construction contracts, mostly with foreign companies. This level of spending seems hardly sustainable, although Turkmenistan benefits from high global energy prices.

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claim that girls as young as fourteen work as prostitutes in Ashgabat to feed their families and often become drug addicts.

<sup>82</sup> Personal communication to ICG. This accords with the general characteristics of rentier states. Farhad Kazemi points out in his study of Middle Eastern rentier regimes: "As long as rent is available, the state will respond only to those concerns of the population which it finds necessary for maintaining its power and position. Since the state does not rely on taxation of the population, it does not strive to be accountable to them". "Perspectives on Islam and Civil Society", in Sohail H. Hashmi (ed.), *Islamic Political Ethics: Civil Society, Pluralism, and Conflict* (Princeton, 2002), pp. 38-55.

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<sup>77</sup> "Asian Development Outlook 2004", Asian Development Bank, at [www.abd.org/Turkmenistan/default.asp](http://www.abd.org/Turkmenistan/default.asp).

<sup>78</sup> "Country Strategy: Turkmenistan, 2004", EBRD, p. 14.

<sup>79</sup> ICG interview, Ashgabat, January 2004.

<sup>80</sup> "Turkmen Pension Blow", IWPR, 15 October 2004, at [www.iwpr.net](http://www.iwpr.net).

<sup>81</sup> "Turkmenistan: Poverty Drives Addiction and Prostitution", IWPR, 3 September 2004, at [www.iwpr.net](http://www.iwpr.net). IWPR reporters

One problem seems to be the reluctance of officials to give Niyazov a true picture of the economy. He frequently berates them for lying to him about harvest statistics, but he often quotes potential gas output figures that independent analysts claim are highly inflated.

## 2. Resource dependency

To a greater extent than any other Central Asian state, Turkmenistan is dependent on income from oil and gas extraction. Regimes heavily dependent on energy resources often turn into a rent-seeking apparatus for their leaders, and strains in the political system around the oil and gas revenues frequently lead to violent conflict.<sup>83</sup> The need for economic diversification in such countries is widely accepted. But in Turkmenistan, like certain OPEC countries that relied too heavily on one commodity, economic diversification is "held back by poor human resource bases, lack of indigenous technology, mismanagement of export proceeds, and the pursuit of foolish macroeconomic policies".<sup>84</sup>

The EBRD asserts that energy production accounts for about 30 per cent of GDP.<sup>85</sup> Most export revenues are earned by oil and gas, with the next three most important exports -- cotton fibre, cotton textiles, and cotton yarn -- together accounting for just under 4.5 per cent.

Both informal and formal restrictions on the private sector ensure that the service sector is extremely underdeveloped. The only significant industrial sector that has received new investment is cotton-processing, and it is dependent on harvests, which, as noted, have been poor recently. Thus, the trend of increasing dependency on gas and oil seems likely to continue.

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<sup>83</sup> There is a broad literature on the propensity of resource-dependent countries to succumb to political violence and fail to establish democratic states. P. Collier, in "Economic causes of civil conflict and their implications for policy", World Bank, Washington, DC, cites empirical evidence that links political instability and civil conflict with a high dependency on export of primary commodities. Nathan Jensen and Leonard Wantchekon argue in the African context that post-Cold War democratic reforms have succeeded only in resource-poor countries such as Benin, Mali and Madagascar, and there is a negative correlation between rich resources and development of pluralistic political systems. "Resource Wealth and Political Regimes in Africa", *Comparative Political Studies*, vol. 37, no. 7, September 2004, pp. 816-841(26).

<sup>84</sup> Amuzegar Jahangir, "OPEC as Omen", *Foreign Affairs*, vol. 77, no. 6, 1999, pp. 95-111.

<sup>85</sup> "Country Strategy: Turkmenistan, 2004", EBRD, op. cit..

The agricultural sector is very important in Turkmenistan: it accounts for 25 per cent of GDP and employs more than half of the labour force.<sup>86</sup> However, cotton crop failure highlights poor government management, which includes setting unrealistic production targets, paying artificially low prices to farmers, presidential control of such day-to-day decisions as when to plant, and continued inefficient and destructive use of water. In its 2004 report, the ADB said agricultural production will stagnate without reforms, including dismantling the mandatory state procurement system. Many inputs were wasted in the cotton industry due to Niyazov's decision to sow seeds according to a set schedule without consideration of the weather.<sup>87</sup> Farmers were forced to replant two or three times. Water overuse -- encouraged by the heavy subsidies -- threatens to reduce yields due to waterlogging and salinisation. The UN estimates that 96 per cent of irrigated cropland is affected by salinisation, compared to 48 per cent for Central Asia as a whole.<sup>88</sup> Agricultural decline impacts industry, which has earmarked cotton-processing as a growth sector.

Gas exports are vulnerable to changes in the geopolitical environment. Only two pipelines export gas from Turkmenistan: a small one crosses the border to Iran, and contributes only a limited amount to export revenues.<sup>89</sup> Most income comes from exports to Russia and Ukraine, with the latter now the country's biggest customer, backed by a strong personal relationship between Presidents Niyazov and Kuchma. Two deals seem to have sown up gas exports for the foreseeable future. A 25-year contract signed with Russia in April 2003 foresees export of up to 80 billion cu. m. annually at the cheap price of \$44 per 1,000 cu. m.<sup>90</sup> Half this payment is to be in commodity barter. In July 2004 a Gazprom subsidiary in Turkmenistan agreed to ship 44 billion cu. m. of gas to Ukraine in 2005.<sup>91</sup>

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<sup>86</sup> Asian Development Bank, [www.abd.org/Turkmenistan/default.asp](http://www.abd.org/Turkmenistan/default.asp).

<sup>87</sup> "Bad start for Turkmenistan cotton crop -- U.S. attaché", Reuters, 25 June 2003.

<sup>88</sup> "Turkmenistan Country Report", Economist Intelligence Unit, January 2004.

<sup>89</sup> Its maximum capacity is 10 to 13 billion cu. m. per year.

<sup>90</sup> By comparison, Russia receives about \$100 for 1,000 cu. m. of gas delivered to Western Europe.

<sup>91</sup> Nick Watson, "Russia secures Turkmenistan gas exports until 2028", *Petroleum Economist*, October 2004. Ukraine imports 30 to 35 billion cu. m. per year from Turkmenistan.

There are serious doubts as to whether Turkmenistan can produce enough gas to satisfy both contracts, as well as its commitments to Iran (around 10 billion cu. m. per year). It is committed by contract to raise yearly production to around 135 billion cu. m., more than double the present approximately 60 billion cu. m., of which 11 billion is consumed domestically.<sup>92</sup> There is only limited potential for increased production without major foreign investment. In the difficult business environment, some money may come from Chinese and Russian investors, but it is unlikely to be sufficient.

A more immediate obstacle is the capacity of the existing pipeline, which limits the annual transport of gas to Russia and Ukraine to 45-50 billion cu. m.<sup>93</sup> This pipeline, moreover, will be further strained in coming years, because Uzbekistan plans to increase its gas deliveries to Russia to 10 billion cu. m. starting in 2005.<sup>94</sup> Ukraine has agreed to pay the lion's share of a new pipeline from Turkmenistan through Russia, but the project is at the beginning stage and promises to involve further difficult negotiations.<sup>95</sup>

The low price Russia is willing to pay for Turkmen gas has led Niyazov to seek alternative export routes that could offer him both greater independence from Russia and a better price. Since the 1990s a bewildering variety of pipeline projects has been discussed. A route across the Caspian Sea to Azerbaijan and on to Turkey was dropped in 2000, partly for commercial reasons -- both Russia and Azerbaijan offered the Turks alternatives -- and partly because Western companies such as Bechtel and Shell found it increasingly difficult to deal with Niyazov's ever-changing demands. The route was also strongly opposed by Russia, primarily for political reasons, although it also cited concerns about pollution of the Caspian Sea.

The attraction for both Russia and Ukraine of Turkmenistan's gas is simple. It can be bought at below world price. This means Russia can use Turkmen gas to fill domestic consumption, particularly in southern

Russia, and export more of its own huge production to Europe. Ukraine has no significant gas production and its only other potential partner would be Russia, which would demand higher prices. The high dependence of Turkmenistan on exports to the two countries makes it theoretically politically dependent on them, Russia in particular. In practice, Russia is as much a hostage: its giant firm, Gazprom, makes such large profits from the deal that it would be difficult for Moscow to turn its back on Turkmen gas.

Indeed, a wide array of officials, businesspeople, and in some instances possibly even organised crime profit hugely from the deals between the three countries. Ukraine's arrangements with Turkmenistan have been handled by a series of intermediaries. Itera, a Florida-registered company set up by representatives of Gazprom in the 1990s, first controlled these deals but was largely replaced by a little known company, Eural Trans Gaz.<sup>96</sup> In July 2004, after growing criticism of the use of Eural Trans Gas, Gazprom established a new vehicle for Turkmen gas deals, RosUkrEnergoprom, a joint venture between fully owned subsidiaries of Gazprom and Austria's Raiffeisen Bank. RosUkrEnergoprom plans pipeline upgrades and expects to raise exports of Turkmen gas to Ukraine significantly, to 44 billion cu. m. in 2005 and 60 billion cu. m. annually starting in 2007.

An alternative route for Turkmen gas is through Afghanistan and Pakistan. The idea of a Trans-Afghan pipeline (TAP) emerged in the 1990s when U.S. companies such as UNOCAL conducted extended negotiations with the Taliban. The collapse of those negotiations, and the increasingly difficult security environment in Afghanistan put it on hold. The idea has now been resurrected by Pakistan, Afghanistan and Turkmenistan and received some support from the ADB. It appeals to the U.S. as a means to promote regional stability and to break Russian control of Central Asian energy exports. A 2003 ADB feasibility study considered a northern route through Kabul to Lahore and a southern one through Herat and Kandahar to Multan.<sup>97</sup> The price tag is \$2.5 to \$3.5 billion, with 2010 as the completion target but the scheme is at an early stage. Many barriers remain,

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"Turkmeniya i Ukraina gotovyat 25-letnyuyu gazovuyu sdelku k nachalu maya", Reuters, 21 March 2004.

<sup>92</sup> "Russia Industry: Gazprom to buy most of Turkmenistan's exportable gas", Economist Intelligence Unit, 22 April 2003.

<sup>93</sup> Viktoria Panfilova and Igor Ivanov, "Gasorabotorgovlya", *Nezavisimaya Gazeta*, 10 April 2003.

<sup>94</sup> Viktoria Panfilova, "Karimov edet v Moskvu", *Nezavisimaya Gazeta*, 13 April 2004.

<sup>95</sup> "Ukraine industry: \$1bn natural gas pipeline to Turkmenistan planned", Economist Intelligence Unit, 5 May 2003.

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<sup>96</sup> In 2003 the company carried 35 billion cu. m. of Turkmen gas, and Gazprom shareholders estimated its profit at \$767 million. Nick Watson, "Russia secures Turkmenistan gas exports until 2028", op. cit.

<sup>97</sup> See "Pipeline Studies", under Featured Projects, at [www.penspen.com](http://www.penspen.com).

including funding, security concerns in Afghanistan and western Pakistan, Pakistan's gas needs and pricing policies. Turkmenistan has contracted with two companies to audit the Dovletabad gas field, thought to be the source of the 20 billion cu. m. per year of gas that would be exported.<sup>98</sup>

The World Bank reports that Turkmenistan's population is growing rapidly, 3.7 per cent annually, while the labour force is growing by 3.8 per cent.<sup>99</sup> In those circumstances, increased dependence on energy exports, a gradual decline in agriculture and little growth in other sectors put serious pressure on employment and the budget. The ADB says that economic growth based on capital-intensive extractive sectors is unlikely to be sufficient to absorb the expanding workforce. This means that Turkmenistan must diversify its economy and permit private sector growth to soak up excess workers. But to do so would undermine the very nature of the economy and political system Niyazov has built. High resource dependency is inevitable; the sombre political consequences experienced by many similar economies seem likely to be equally inevitable.

### 3. Lack of foreign investment

The kind of diversification needed to create a more sustainable economic model would require much greater foreign investment in the non-energy sector. However, most investors avoid Turkmenistan due to the murky legal environment, favouritism in awarding contracts, and extensive bribe-taking and kickbacks. A further barrier is a black market exchange rate is more than four times the official rate.<sup>100</sup>

Other than the Russian and Ukrainian companies involved with the big gas deals, most major companies such as Bechtel and Shell have pulled out, frustrated by the political environment and particularly the unreliability of deals signed with Niyazov. Smaller international companies continue to engage in oil and gas exploration and development. Dragon Oil, originally British but now registered in Ireland and 70 per cent owned by Emirates National

Oil, has invested some \$315 million in two offshore fields since 1993. Burren Energy Group (British) has invested \$300 million in the Burun oil field since 1997. Other investors include the Malaysian state oil company Petronas, which has spent \$190 million exploring three offshore blocks since 1996. Among more recent entrants, Maersk Oil (Denmark) announced a \$10 million investment in 2003 to develop two more Caspian Sea offshore fields.

Other sectors are dominated by Turkish companies, notably those run by Ahmed Çalik, including Çalik Holdings and the GAP-Inshaat group. Çalik invested \$44 million in a textile factory, in which the EBRD also made a €8 million investment. Denim from the factory is produced from local cotton and ends up in jeans made for well-known U.S. designer labels.

Ahmet Çalik, the Turkish businessman who also holds Turkmen citizenship, has acted as Niyazov's personal emissary in talks on natural gas with his native country. His company is the biggest foreign investor in Turkmenistan, with a reported \$1.5 billion in textiles, construction and the oil and gas sector. Its deals include the construction of a paper and pulp factory (\$125 million), a nitric fertilizer plant (\$240 million), a cement plant (\$160 million) and many buildings in Ashgabat.<sup>101</sup> Çalik often forms joint ventures in which Western companies take care of the technical work, while he handles relations with the government. U.S. energy company Parker Drilling is only the latest to make use of his high-level influence.<sup>102</sup> Another Çalik partner is General Electric, in the power sector.<sup>103</sup> Opposition writers claim Çalik has an unhealthy control over Turkmen politics, including over key government appointments.<sup>104</sup>

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<sup>101</sup> Çalik has done considerable public relations work for Niyazov. For example, he hosted a member of the British House of Lords, Lord Ahmed, on a trip to Turkmenistan in May 2002. See [www.gapturkmen.com](http://www.gapturkmen.com). "Turkish businessman weaves textile empire in Turkmenistan", Eurasianet, August 2001, at [www.eurasianet.org/departments/business/articles/eav081001.shtml](http://www.eurasianet.org/departments/business/articles/eav081001.shtml).

<sup>102</sup> "Parker-Chalyk Partnership Completes another Well in Turkmenistan", NewsCentralAsia, 9 August 2004, [www.newscentralasia.com/modules.php?name=News&file=article&sid=794](http://www.newscentralasia.com/modules.php?name=News&file=article&sid=794).

<sup>103</sup> Turkmenistan, General Electric and Çalik signed a \$600 million agreement in June 2003 on modernisation of the energy sector, "GE, Chalyk Energy to Increase Capacity of Turkmen Power Plants 50 per cent by 2011", Interfax, 24 June 2003.

<sup>104</sup> Amangeldi Esenov, "Turetskii biznesmen Akhmed Çalik -- serii kardinal turkmenskoi politiki", [Turkish businessman

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<sup>98</sup> Andrew Neff, "Turkmen Government Plans Gas Reserves Audit, Eyes Trans-Afghan Pipeline Project", World Markets Research Centre (WMRC) Daily Analysis, 1 March 2004.

<sup>99</sup> "Country Brief, Turkmenistan", World Bank, September 2003.

<sup>100</sup> For example, the Economist Intelligence Unit estimates a black market rate of 21,000-23,000:1 manat/dollar for 2004-2005.

The involvement of Turkish companies in Turkmenistan is not new, and Turkey is third after Russia and Ukraine in terms of trade turnover. Turkish investment has always been accompanied by accusations that Turkish mafia figures are also active in the country. The most notorious, Omer Lutfu Topal, who was murdered in July 1996, was active in the casino and hotel business.

The situation for some Turkish companies has not been as rosy as depicted by officials, according to Turkmenistan's former Ambassador to that country, Nurmuhammed Hanamov. He claimed that many respectable companies have left the market due to high-level corruption and favouritism.<sup>105</sup> President Niyazov reportedly grants contracts to a select few favoured firms, often in spite of lower bids from local companies, in return for large kickbacks. Murad Esenov, editor of the Swedish-based magazine *Central Asia and the Caucasus*, claims that some in the Turkish business community call Niyazov "Mr. 33", the percentage he reportedly skims together with his inner circle and the bidding company from contracts.<sup>106</sup>

In other sectors, the main foreign involvement has been in Niyazov's grandiose construction projects. Over 70 foreign companies won shares of the contracts worth \$4.5 billion between January and June 2004. A small number regularly receive the majority of contracts for the president's increasingly bizarre projects. The French corporation Bouygues Batiment is a main beneficiary and is responsible for projects such as a \$95 million mosque, one of the largest in the world, a presidential palace and others that fuel Niyazov's cult of personality.

The costs and benefits of foreign investment for the Turkmen people is hard to calculate. There are important employment opportunities for specialists and ordinary labourers in construction and in oil and gas development. With the development of a few joint-venture factories, there is scope for some technology and skills transfer. Contacts with foreign businesspeople and specialists is particularly useful for such an isolated country, and there is some educational benefit for those involved in these companies.

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Akhmed Çalik, the grey cardinal of Turkmen politics], 29 September 2003, [www.dogryyol.com/article/3729.html](http://www.dogryyol.com/article/3729.html).

<sup>105</sup> Murad Novruzov, "Turkmenbashi Linked to Building Racket", IWPR, 1 August 2003.

<sup>106</sup> Ibid.

On the other hand, foreign investment has certainly fuelled corruption, and the construction industry has played an important role in promoting Niyazov's cult of personality. None of the companies in Turkmenistan have signed up to a program for disclosing payments to foreign governments, despite the demands of NGOs and some governments for more transparency.<sup>107</sup> Construction companies seem to have made no efforts to ensure that their projects do not result in forced resettlement. And few companies seem to offer much in the way of wider social responsibility or charitable programs.

#### 4. The mafia economy: drugs trafficking

The dependence on one or two export commodities and the channels of financing used by the regime makes the structure of the economy much more like a mafia-run enterprise than a normal functioning state. This impression is reinforced by reports of the regime's involvement in narcotics-trafficking from Afghanistan.

Such rumours date back to the mid-1990s, when Turkish mafia bosses were allegedly involved. During the period of Taliban rule in Afghanistan, Niyazov developed close relations with the radical regime and established consulates in then-Taliban-controlled Herat and Mazar-i-Sharif, which some reports suggest were part of a drugs smuggling channel.<sup>108</sup> Since then accusations about regime involvement have increased. In May 2003, the then Chairman of the Russian Duma Foreign Affairs Committee Dmitry Rogozin accused Niyazov's regime of supporting drug trafficking and, therefore, indirectly, terrorism.<sup>109</sup> Opposition leaders estimate that Turkmen officials help to smuggle between 80 and 120 tons of narcotics, mostly heroin, per year, although it is impossible to verify such figures.<sup>110</sup>

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<sup>107</sup> In addition to the NGO coalition Publish-What-You-Pay, the Extractive Industries Transparency Initiative (EITI) led by the UK government is attempting to encourage a voluntary code for investors in extractive industries. See below and [www.cafod.org.uk/news\\_and\\_events/news/march\\_2004/eu\\_transparency\\_initiative](http://www.cafod.org.uk/news_and_events/news/march_2004/eu_transparency_initiative).

<sup>108</sup> For example, Rustem Safronov, "Turkmenistan's Niyazov Implicated in Drug Smuggling", Eurasianet.org, 29 March 2002.

<sup>109</sup> Dario Thuburn, "Turkmenistan -- Turkmen Regime Supporting Terrorism, Drugs Smuggling, Says Top Russian Deputy", WMRC Daily Analysis, 26 May 2003.

<sup>110</sup> Safronov, "Turkmenistan's Niyazov", op. cit.



A media report in March 2002 cited an anonymous source who said Niyazov and other top officials were involved in drug smuggling at Ashgabat airport.<sup>111</sup> He claimed he had shared a cell with Vitaly Usachev, who headed the airport border guards unit and in 1997 reportedly found several hundred kilograms of narcotics in an airport storage container, ordered it confiscated and turned it over to the MNS. On the same day, he was arrested and charged with possession of narcotics. Soon thereafter, he was sentenced to death and shot.

Former Foreign Minister Shikhmuradov reported a 1998 incident in the town of Marushak, on the Afghan border. Guards there detected a convoy they thought was transporting narcotics. After being informed that the border guards were pursuing the convoy, Shikhmuradov alleged, Niyazov dispatched an attack helicopter to destroy the unit. The Turkmen press reported that the border guards died fighting against drug trafficking.<sup>112</sup>

More recent direct evidence has emerged from the former deputy director of the Central Bank, Annadurdy Hadjaev, who recounted how officials in the presidential administration and MNS in 1993 used a bank vault to store what were described to him as "state valuables". Hadjaev claims an official told him the containers held narcotics seized by police. By 1997 trucks with similar cargoes were allegedly arriving at the bank weekly. When Hadjaev expressed disapproval of bank involvement, he was summoned to meet the head of presidential security, Akmurad Redjepov, and MNS Director Muhammed Nazarov, who warned him to keep quiet.<sup>113</sup>

Most evidence of government involvement in the drugs trade has come from opposition figures with an obvious interest in undermining Niyazov's reputation. But a recent domestic case demonstrates high-level official involvement. In December 2003, Chief Prosecutor Kurbanbibbi Atajanova was arrested for allegedly covering up a family drug business. The arrest was prompted by MNS seizure of fifteen kilograms of heroin from her husband in the border town of Kushka. Some commentators suggested the chief prosecutor's involvement in the drug trade was widely known, and her arrest was the result of her frequent interference in the affairs of one of the

intelligence agencies. Atajanova had led the arrest of some 80 senior intelligence, border, and army officers in early 2002. The arrests may have been an attempt to purge officials who knew too much about narcotics contraband.<sup>114</sup> In any case, Atajanova seems to have been quickly forgiven -- she appeared at a government meeting just weeks after her arrest.<sup>115</sup>

The government has mostly refused to participate in international and regional efforts to combat drugs. A March 2004 report from the UN's International Narcotics Control Board (INCB) called on Turkmenistan to improve data collection and share drug-related statistics with international organisations.<sup>116</sup> It expressed particular concern over the failure to report any seizures of opiates or precursor chemicals since 2000, though it had previously reported significant seizures.

Until recently Turkmenistan was the only country in Central Asia, and the only country bordering Afghanistan, not participating in INCB's Operation Topaz, which aims to prevent illegal trafficking in acetic anhydride, a chemical used in the illicit manufacture of heroin. The report also noted failure to participate in regional efforts to combat drug trafficking, in particular, the December 2002 Anti-Narcotics Regional Training in Tehran and a UN-sponsored seminar on drug trafficking in Almaty in August 2003. In both cases, Turkmenistan was the only country in the region that did not participate.

Recent international pressure, particularly the INCB report, appears to have made some difference. A UN official announced in April 2004 that Turkmenistan will cooperate with the UN on a project to counter drug trafficking. Some \$1 million from the UN will help improve the training and infrastructure of border guards on the Turkmen-Afghan border.<sup>117</sup> The government is also for the first time working with the UN Office for Drug Control (UNODC) on projects addressing drug supply and demand as well as

<sup>111</sup> Ibid.

<sup>112</sup> Ibid.

<sup>113</sup> Viktoriya Panfilova, "Khan mozhet milovat, a mozhet kaznit", *Nezavisimaya Gazeta*, 21 June 2004.

<sup>114</sup> R. Nazarov, "Niyazovskiy narkosindikat: Obratnaya storona 'zolotogo veka'", 4 March 2004, at [www.centrasia.ru](http://www.centrasia.ru).

<sup>115</sup> "Turkmenistan's top prosecutor apparently no longer under arrest", Associated Press, 30 December 2003.

<sup>116</sup> "INCB Concerned about Failure of Turkmenistan to Cooperate With International Community in the Fight against Illicit Drugs", UN Information Service, 3 March 2004. For full INCB report, see [www.incb.org/e/ind\\_ar.htm](http://www.incb.org/e/ind_ar.htm).

<sup>117</sup> Galina Gridneva and Valeri Zhukov, "Turkmenistan joins UN anti-drug operation", ITAR-TASS, 26 March 2004.

HIV/AIDS and intravenous drug users.<sup>118</sup> In June 2004, it notified the INCB that it wished to join Operation Topaz.

These steps should not be overvalued. They amount to a manoeuvre meant to neutralise growing international criticism, from Russia in particular. They are unlikely to have any significant impact on the flow of drugs through Turkmenistan, although they may at least give officials a clearer picture of the problem and allow international agencies to begin to build up some internal expertise in tackling the problem.

## 5. Economic stability?

Given the natural resource wealth of Turkmenistan and increasing gas and oil output, the economy is unlikely to collapse in the short term unless there is a major drop in world commodities prices. The long-term sustainability of economic policies remains questionable, however. Behind the inflated economic data offered by Ashgabat is the reality that genuinely impressive real growth is driven overwhelmingly by oil and gas exports, and the decline of other sectors seriously threatens budgetary income and employment.

The private sector, particularly informal trade, provides an alternative livelihood for thousands but faces constant government interference. The closure or relocation of several private markets in Ashgabat in 2003 left entrepreneurs vulnerable, and there are reports of increased harassment by corrupt officials.<sup>119</sup>

Turkmenistan is highly vulnerable to a sudden fall in prices or a reduction in exports. Although present political relations suggest that neither Russia nor Ukraine will reduce imports, this cannot be discounted. There is little chance of alternative export routes opening up any time soon. With other economic sectors declining, dependence on Russia and Ukraine will only intensify.

The benefits of the energy sector are not trickling down to the rest of the population. Much of the revenue from cotton, gas, and oil exports goes straight to the off-budget FERF account, controlled exclusively by the president and used to finance vanity projects and security initiatives of

questionable economic and social value.<sup>120</sup> Typical projects include ongoing work to build a large lake in the middle of the Karakum Desert, a plan to divert a river through Ashgabat, construction of a \$95 million dollar mosque in Niyazov's home village of Kipchak, and construction of five-star hotels and new government buildings in Ashgabat.

Meanwhile, unemployment remains a serious problem, social services like health care and education are declining in quality and becoming less accessible, and youth are increasingly without any educational or professional prospects.<sup>121</sup> Niyazov's use of long discredited agricultural practices especially threatens the quality of life of the average citizen. Even if oil prices remain favourable, and GDP growth holds at the current rate, the worsening situation for average people and especially the lack of prospects for those finishing school threaten the regime with serious trouble down the road, especially from a bitter and restless generation with little to do.

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<sup>118</sup> ICG communication with James Callahan, UNODC Regional Representative for Central Asia, 23 July 2004.

<sup>119</sup> "Raw Deal for Turkmen Traders", IWPR, 10 August 2004.

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<sup>120</sup> Niyazov reportedly maintains a \$3 billion Deutsche Bank account in Frankfurt. It is not clear whether this is separate from the FERF. See Rosemary Righter, "And the prize for the greatest megalomaniac in the world goes to...", *The Times*, 31 May 2004.

<sup>121</sup> Because everyone is guaranteed a job in Turkmenistan, there are no official unemployment figures. Some Russian sources cite a 40 per cent figure. For example, Nurlan Organbaev, "Nevinnye shalosti' Turkmenbashi", *Rus Edinaya*, 31 May 2004.

## IV. POLITICAL AND ECONOMIC SCENARIOS

Personalised, authoritarian regimes guard information closely, making analysis of internal dynamics all the more difficult, but it is useful to outline some potential scenarios.

### 1. Death and succession

Perhaps the biggest uncertainty around Niyazov's regime results from the lack of any succession procedure. Niyazov has said he plans to step down in 2010, but there has been no indication how elections might be conducted or who might be able to run for the presidency.<sup>122</sup> There are serious concerns about his health, which could remove him from power before 2010.<sup>123</sup> Moreover, Niyazov's hold on power and his habit of shuffling ministers around makes it unlikely that he would be able to promote a chosen successor, who could develop his own power base, as occurred in Russia. One scenario suggests he might eventually pass on the presidency to a weak candidate, while continuing to rule as head of the Halk Maslahaty. Such a candidate would no doubt be a target for political attack by rivals and so very vulnerable should Niyazov die.

Niyazov's sudden death could produce alternative scenarios. Without a consolidated political elite to agree on succession mechanisms, and lacking state institutions that operate effectively, there is risk of a violent struggle that could destabilise the country. That risk is exacerbated by the fractured nature of society. Clan identity continues to be more important than national identity, and several large minority groups have in recent years been the target of repression and discrimination. Clan leaders often perceive themselves as discriminated against in government appointments and resource allocation, and a post-Niyazov political contest could descend into a regional or clan-based struggle for power.

More peaceful transitions can be envisaged, but face a number of problems. The small group of players around Niyazov could achieve some compromise

succession in which they all received a share. Life would continue much as before, although a more pragmatic economic policy might emerge from the self-interest of such leaders. Niyazov's personality cult would undoubtedly decline in importance. However, this kind of compromise is made less likely by the level of rivalry among top players and the likelihood that the opposition-in-exile, potentially with foreign backing, would seek to intervene in the process. It is also difficult to envisage a compromise that would satisfy all parties, since the political system is so constructed that the presidency offers overwhelming power and privilege compared to any other position. Rivals are unlikely to settle for second-best, knowing they would be entirely dependent on the goodwill of the new president.

A further possibility is less attractive still. After a bout of infighting, one personality might emerge as a new dictator and adopt many of Niyazov's methods. Without the possibility of immediately creating a myth of personality, however, such a figure might well rely almost solely on terror.

These scenarios are unlikely to unfold without some form of outside interference. Russia, in particular, is likely to protect both its geopolitical position and its economic interests. In the case of political upheaval, it might seek to insert a pro-Russian politician, possibly from the diaspora. The diaspora is likely to be active in a succession struggle and to seek outside support, primarily from the U.S. and Russia, but possibly also from Turkey, Uzbekistan and others.

The available evidence suggests that any succession struggle is likely to provoke tension, with a high possibility that it could descend into chaos, and possibly political violence. This is particularly the case if there is external influence, as seems almost inevitable.

### 2. Palace coup

The assassination attempt in November 2002 seemed to indicate that part of the opposition and possibly some internal forces were willing to use violence to remove Niyazov from power. There are probably still some groups that would be interested. However, the increased control since November 2002 over officials makes it very difficult to form a conspiracy. Frequent changes in their leadership have also made it difficult for an individual to gain the loyalty of the security services.

<sup>122</sup> In June 2004, Niyazov said presidential elections would be held "in the future" and details were revealed at the Council of Elders in late 2004. "Weekly News Brief on Turkmenistan", Open Society Institute, 18-24 June 2004.

<sup>123</sup> For more on Niyazov's health and successors, see ICG Report, *Cracks in the Marble*, op. cit.

By all accounts, Niyazov's internal security arrangements, whether reflecting his paranoia or a realistic assessment of the threat, make it difficult to mount a palace coup. The punishment meted out to Shikhmuradov, his friends and relatives has made clear the price of failure. Since any potential plotters in the higher echelons of power are also gaining rich rewards from the system, there is only limited incentive to risk everything in a venture that could easily fail.

### **3. Popular uprising**

The least likely scenario remains a popular uprising. With much of the active political opposition in exile, and more and more citizens lacking access to information or education, there seems little chance of any spontaneous rebellion. It is difficult to assess the public mood under a dictatorship of the Turkmen type, since few are willing to voice their opinions freely, and indeed the process of forming an independent opinion is discouraged. Without political leadership, any kind of uprising seems very unlikely; the ubiquity of the security forces would make such an event extremely dangerous. There are no organisations -- religious, civil, political, or union-based -- around which people might coalesce in opposition.

### **4. The immortal Niyazov**

Continued rule by Niyazov for a long period is a quite likely scenario. Although his health is reportedly poor, he has a German medical staff and has built himself a state-of-the-art medical centre. As long as exports of gas to Russia continue, there should be sufficient income to meet the basic needs of the country. A long-term Niyazov dictatorship would mean a prolonged crisis in Turkmenistan, one likely to last for decades. There is little likelihood that human rights abuses would abate; indeed, as he aged, and the political and economic situation became more difficult, the chances are that he would become more rather than less willing to use repressive means against opponents.

His long-term social programs, notably education, would continue to produce an ideologically indoctrinated, under-educated generation from which would likely come the next political leadership in the country. Economic and technical skills would be in short supply and unemployment high. There would be a bloated state infrastructure, with large internal security and military forces. A small energy sector would provide almost all national wealth, most of which would continue to be channelled out of the

country. Over a ten-year period, the country would seem likely to lose any social and economic development gains it has made and to be divided into a small rentier class, profiting hugely from the energy sector, and a mass of poor, atomised, largely unemployed citizens, increasingly frustrated in its expectations.

Niyazov is most unlikely to take up the recommendations of the international community, relaxing the more odious of his repressive measures and begin to create an effective state that could survive his end. There is no indication in his psychology or background that he would ever move down this path voluntarily. His preferred legacy is not connected with liberal aims, and they would compromise his search for personal wealth. He has only occasionally relaxed policies under direct international pressure. Left alone he has almost always taken turns for the worst.

None of the more probable outcomes appear to promise movement toward a more flourishing political and economic environment for the average Turkmen. In most cases, it is possible to imagine a very serious shift toward chaos, in which even those state services which now exist would fail. Since much of the population, in one way or another, is highly dependent on the state, even a short period of state malfunction could lead to a real humanitarian crisis. This is particularly true of the health sector, where an already difficult situation would be only be worsened by political turmoil. A poor harvest and collapse in government subsidies could lead to real hunger, lack of heating or other life-threatening outcomes. The international community needs at least to consider potential scenarios from the humanitarian angle.

The longer present policies continue, the worse will be the future of the society. Declining education and health, rising drug addiction and drug trafficking, cannot help but have a major long-term impact on a nation. What is needed is a policy that takes account of the unfolding catastrophe that is Niyazov's Turkmenistan and encourages change.

## V. THE FAILURE OF QUIET DIPLOMACY

Since ICG last reported on Turkmenistan, President Niyazov has not shown any greater willingness to cooperate with the international community, whether on human rights or economic reforms. In many ways the situation has worsened: widespread abuses of human rights after November 2002; increased undermining of the education system; redoubled attempts to inculcate ideology; and closure of almost all independent NGOs. The temptation is to give up on attempts to encourage change but the implications of Niyazov's policies are too grave. Short-term stability has been achieved at the expense of long-term social and political development. The absence of a mechanism for political change, the increasing destruction of the education system, and the lack of a consolidated elite should make the international community concerned for the future.

Given the regime's inclination towards isolation, it is difficult to identify levers for encouraging reforms. There is no domestic constituency to be supported within the political system. Since the early 1990s, when there was considerable engagement, the international presence has gradually faded through lack of government interest. Most international organisations are fairly candid about their failure to achieve results. Calls for dialogue with the regime, increased understanding and patience, tend to look rather naive in retrospect. This section examines existing relationships and some options for the international community.

### A. BILATERAL ACTORS: RUSSIA AND THE U.S.

#### 1. The Russian factor

The key actor and the one with most influence is, of course, Russia. The bilateral relationship, based largely on gas, has not been without difficulties. Several Russian parliamentarians have been quite strong in their denunciations of Turkmenistan's treatment of ethnic Russians, its ties to the Taliban, and government involvement in drug trafficking. Nevertheless, Moscow's policy has consistently shown that continued access to cheap gas is its primary interest.

In August 2003, Ambassador Andrey Molochkov said Moscow was satisfied with assurances that the rights of ethnic Russians would be fully observed.<sup>124</sup> In April 2003, he had called Turkmenistan "a reliable factor for regional and international stability".<sup>125</sup> Molochkov was recalled in 2004, ostensibly for health reasons, but more likely because his increasingly obsequious attitude to the regime had become an embarrassment. In June 2004 he was quoted as denying that there was plague in the country, despite evidence of a serious outbreak and several deaths and widespread concern among international agencies.

Molochkov was only the most open in his willingness to support Niyazov regardless of the real situation. Other Russian politicians have been equally sycophantic. In February 2004, leading a large delegation of top business figures, including Igor Makarov, the head of the gas company Itera, to Ashgabat during Niyazov's birthday celebration, St. Petersburg Governor Valentina Matvienko praised the *Ruhnama* as "a serious philosophical work" and congratulated Niyazov on the "fantastic" achievements of his rule.<sup>126</sup> A primary objective of the visit was to seal a deal that had been on hold for two months, a production sharing agreement under which the Russian oil consortium ZAO Zarit -- which includes Itera and state-owned firms Rosneft and Zarubezhneft -- would develop four gas- and oil-rich blocks on the southern part of the Caspian shelf near the Iranian border. After considerable delay, at a meeting on 19 February 2004 Makarov and Niyazov agreed that Turkmenistan would sign a major deal with Zarit "in the near future".<sup>127</sup> The visit is a typical example of how Russian oil and gas majors manipulate the state-to-state relationship and government officials in their own commercial interests.

Within the Russian political elite, there is some disquiet over Moscow's conciliatory approach. The chairman of the Commonwealth of Independent States (CIS) Affairs Committee in the State Duma, Andrei Kokoshin, called the human rights situation for Russians

<sup>124</sup> "'No problems' in relations with Turkmenistan -- new Russian envoy", BBC Monitoring Central Asia, 4 August 2003.

<sup>125</sup> An example of Turkmenistan's reluctance to engage with its neighbours came two months after Molochkov's statement, when it refused a Russian initiative to control sale of portable missile systems. "Russian envoy hails Turkmenistan's role in region", BBC Monitoring Central Asia, 9 April 2003.

<sup>126</sup> Sergei Blagov, "Russia Acts Aggressively to Enhance Energy Position in Turkmenistan", Eurasianet.org, 26 February 2004.

<sup>127</sup> Ibid.

in Turkmenistan "intolerable", while, as noted above, the then chairman of the Foreign Affairs Committee, Rogozin, claimed to have information showing regime involvement in drug trafficking.<sup>128</sup> There have also been fairly strong media articles, particularly about ethnic Russians. Russian state television broadcast Arkady Mamontov's investigative program "Trafik", which examined regime involvement in illicit drug trafficking.<sup>129</sup> The deputy chairman of Russia's drug enforcement agency, Alexander Mikhailov, described on the program efforts by his agency to establish cooperation with Turkmen colleagues as a "dialogue of the deaf with the mute".<sup>130</sup>

Changing Russia's attitude toward Turkmenistan will always be difficult while the economic logic is what it is. Geopolitical rivalry with the U.S. also plays a role. Russian policy-makers believe that any replacement for Niyazov could well be more pro-Western and would almost certainly attempt to develop alternative pipeline routes to reduce dependency on Russia. This could cost Russia influence and cheap gas at one stroke. For now at least, the economic and geopolitical factors trump human rights. Under present Kremlin leadership, it seems unlikely there will be a significant change in attitude.

However, Russia has not really tried very hard to push alternative policies, and it is possible it could achieve much more with better diplomacy and a willingness to utilise its economic leverage. Russia should consider linking economic deals to an improvement in the situation of ethnic Russians. Possible benchmarks to insist on, either bilaterally or through the UN or OSCE, could include:

- expansion of Russian-language schooling and Russian-language media, including access to publications from Russia;
- rescinding of decisions limiting the employment of graduates of Russian universities;
- reintroduction of dual citizenship; and

- freedom of travel for Turkmen citizens within the CIS.

Russia might also seek ways to assist in education, for example funding a special program allowing Turkmen students access to Russian universities, with extra schooling where necessary, or proposing establishment of a Russian-Turkmen university in Ashgabat.

Russia has begun to look more favourably on UN and OSCE critiques of Turkmenistan and should actively work with other governments to continue this multilateral approach. An increase in informal coordination with the U.S. and EU on policies towards Turkmenistan would be very useful, both to point out Russia's concerns and to establish a possible coordinating relationship to deal with serious political turmoil in the country.

## 2. United States

The U.S. has been much more vocal about human rights than Russia but at times its message has been made more ambiguous by security and geopolitical interests. Washington continues to provide some limited military and border security aid as well as programs of the U.S. Agency for International Development (USAID).<sup>131</sup>

Long-term U.S. goals in Turkmenistan are largely focused on energy issues, with the addition since 2001 of security concerns related to Afghanistan. Before the Taliban government became an international pariah, U.S. diplomats made considerable efforts on the proposed Trans-Afghan gas pipeline to connect Turkmen gas fields to Pakistan's Arabian Sea coast.<sup>132</sup> Despite this energy interest, the absence of U.S. majors from the Turkmenistan and the lack of export opportunities to the outside world have limited commercial activity.

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<sup>128</sup> Anatoly Yurkin, "Lawmaker blasts Turkmenistan's human rights situation", Itar-Tass, 19 June 2003; Dario Thurnburn, "Turkmenistan Regime Supporting Terrorism, Drugs Smuggling, Says Top Russian Deputy", WMRC Daily Analysis, 26 May 2003.

<sup>129</sup> Initially, the program was to have been shown in February 2004, during Matvienko's visit to Ashgabat, but it was postponed at the last minute, and Niyazov's birthday celebrations received uncritical coverage.

<sup>130</sup> Arkady Dubnov, "What Moscow Should Expect From Ashkhabad", WPS: Defense & Security, 2 April 2004.

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<sup>131</sup> \$11.1 million was spent in Turkmenistan under the Freedom Support Act, primarily to support democracy programs. See "Fact Sheet: U.S. Assistance to Turkmenistan", 17 February 2004, <http://usinfo.state.gov>. In 2004, the Drug Enforcement Administration conducted a two-week seminar to train 35 law enforcement officials in interdiction, intelligence gathering, financial investigations, and operational planning, "U.S. Drug Enforcement Administration Conducts Training for Turkmen Law Enforcement Officials", 23 February 2004, at [www.usemb-ashgabat.rpo.at/pr115.html](http://www.usemb-ashgabat.rpo.at/pr115.html). Azlso, "United States donates 40 jeeps to Turkmen border guards to help prevent smuggling of weapons of mass destruction", APN, 25 June 2003.

<sup>132</sup> See Ahmed Rashid, *Taliban* (New Haven, 2001).

In early 2004, U.S. policymakers raised concerns about mass arrests and torture in the wake of the November 2002 assassination attempt and cosponsored a request to the OSCE to investigate. In April the U.S. embassy finally won the release of U.S. citizen Leonid Komarovskiy, who was accused of involvement in the November 2002 events. The tone of relations was best expressed by Ambassador Tracey Ann Jacobson, who said at her Congressional confirmation hearing in 2003 that the U.S. is very interested in Turkmenistan due to its natural resources and strategic position but there are barriers to cooperation, in particular the leadership's unwillingness to carry out democratic or economic reforms. Turkmenistan had "chosen a gloomy path of development copied from the Soviet model", and the U.S. must focus on "training the next generation" of citizens so they can make a modern developed state.<sup>133</sup>

This strategy is reflected in the exchange programs the U.S. offers secondary and university students, scholars, and professionals, including the Future Leaders Exchange Program (FLEX), the Edmund Muskie Graduate Program, the Hubert Humphrey Fellowship, and the American University-Central Asian Scholars Program. USAID has also directed much of its efforts to training. In 2003, this included supporting a centre in Ashgabat for economic education of high school students; training students in international accounting standards; providing technical assistance to the Central Bank; and training over 1,000 people in NGO development, business and economics, water resource issues and agriculture.<sup>134</sup> Other programs have been blocked, such as a Community Action Investment Program and one to improve primary and secondary education.

The U.S. has been active at the OSCE criticising restrictions on religious freedom and travel, and lack of international access to prisoners.<sup>135</sup> This pressure, coupled with meetings between U.S. representatives and Niyazov, seemed to bear fruit in March 2004. After speaking with U.S. Deputy Assistant Secretary of State Lynn Pascoe, Niyazov eliminated the requirement that religious groups have 500 members to gain registration and announced travel barriers would be ended.

The State Department has not listed Turkmenistan as a Country of Particular Concern under the U.S. International Religious Freedom Act -- as requested by the U.S. Commission on International Religious Freedom -- preferring to use the threat of listing to seek changes from the regime.<sup>136</sup> Similarly, the administration in 2004 issued a waiver under the Jackson-Vanik amendment, granting Turkmenistan normal access to U.S. markets on the basis that restrictions on emigration had been eased in early 2004.<sup>137</sup>

Stronger diplomatic pressure has not been applied also perhaps partly because Turkmenistan has been cooperative in granting over-flight rights to the U.S. Air Force and has maintained a balanced foreign policy between Moscow and Washington. It does not belong to CIS defence structures and has begun to cooperate with NATO and other Western structures on some defence issues.

Some mechanisms that the U.S. might use have not been tested, including financial and political sanctions, or more aggressive examination of Turkmenistan's involvement in narcotics trafficking.<sup>138</sup> Partly this

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<sup>133</sup> "Turkmenistan chooses 'gloomy path of development' -- U.S. diplomat", BBC Monitoring Central Asia, 19 June 2003.

<sup>134</sup> "Turkmenistan Portfolio Overview", USAID/CAR, at [www.usaid.gov/locations/europe\\_eurasia/car/index.html](http://www.usaid.gov/locations/europe_eurasia/car/index.html).

<sup>135</sup> See, for example, James Morrison, "Turkmenistan Warned", *Washington Times*, 24 September 2003.

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<sup>136</sup> "U.S. Commission of Religious Freedom Suggests Including 11 Countries in Black-List", RIA Oreanda, 24 February 2004. For full version, see [www.state.gov/documents/organization/2297.pdf](http://www.state.gov/documents/organization/2297.pdf). The designation involves sanctions, such as suspension or limiting of U.S. development assistance and security cooperation, opposition to loans from international financial institutions, refusal of export licenses.

<sup>137</sup> The amendment subjects Communist or former Communist countries to an annual review of emigration policies and links normal trade to freedom of emigration. It authorizes the president to grant such countries normal trade relations (NTR) for the year if he deems that its emigration laws meet certain standards. Some countries, such as Georgia, have been "graduated" from this process and granted permanent normal trade relations (PNTR). See National Conference on Soviet Jewry website for more details, [www.ncsj.org/AuxPages/JV-background.shtml](http://www.ncsj.org/AuxPages/JV-background.shtml).

<sup>138</sup> U.S. law provides for sanctioning countries that do not make sufficient efforts to counter drug production or trafficking. Under the certification process required by Section 490 of the Foreign Assistance Act of 1961, the president is required to submit to Congress a list of countries he has determined to be major drug producing and/or drug transit countries. Most U.S. aid is then conditioned on certification that genuine efforts are being made to counter production and trafficking. Turkmenistan has not been listed; most experts suggest this requires proof drugs transiting the country reach the U.S. However, investigation of possible listing could be a useful warning. See "Annual Presidential Determinations of Major Illicit Drug-Producing and Drug-Transit Countries", at [www.state.gov/g/inl/rfs/prsr/ps/36263.htm](http://www.state.gov/g/inl/rfs/prsr/ps/36263.htm).

reflects an ambivalence based on security cooperation but the U.S. should avoid any impression that it is compromising on human rights because of geopolitical or security interests in the country. Indeed, a return of Russian influence to Turkmenistan could hardly make things worse -- for most of the population it would be a positive improvement on what Niyazov's policy of "permanent neutrality" has brought them.

## B. MULTILATERAL DIPLOMACY

The most influential powers, Russia and the U.S., both have opportunities for greater pressure on the regime. In many cases, though, it will be more useful to channel such pressure through multilateral diplomacy. Niyazov has been expert at playing off states and organisations against each other, and using multilateral routes diminishes the possibility of his manipulation of geopolitical tensions.

### 1. United Nations

UN agencies in Ashgabat have a reputation among diplomats of being among the least likely to criticise government policies. However, UN human rights mechanisms have begun to address the abuses seriously and to pull together useful coalitions around a number of key resolutions. The UN Commission on Human Rights (UNCHR) in April 2004 adopted a resolution condemning human rights abuses in Turkmenistan and listing concerns, from repression of dissidents, to discrimination against the Russian and Uzbek minorities and failure to respond to criticisms of the Rapporteur of the OSCE Moscow Mechanism.<sup>139</sup> It also requested that UN Special Rapporteurs visit in 2004-2005 to examine questions of torture, extrajudicial execution, and freedom of religion and belief. Ukraine opposed the resolution, while Russia abstained.<sup>140</sup>

The UNCHR needs to reiterate these points in 2005 and seek further ways to obtain implementation of its recommendations, including by appointing a Special Rapporteur on Human Rights in Turkmenistan, as has been done for a number of other countries. In addition, it should request the new Special Rapporteur on the Right to Education, Vernor Muñoz Villalobos, to examine education in the country, with particular

attention to ethnic discrimination, the curriculum, access to higher education, and child labour.

The office of the UN High Commissioner for Human Rights (OHCHR) sent an assessment team to Turkmenistan in March 2004. It stayed only five days, and its access was restricted. Nonetheless, an agreement was reached in principle on technical assistance in four areas: reporting by Turkmenistan on implementation of its UN human rights treaty commitments and human rights training for police and security officials, judges, and the civil service.<sup>141</sup> Experience in other Central Asian countries suggests treaty reporting has little initial impact but does serve as a basis for further action by UN human rights bodies.

What those UN bodies have achieved in highlighting abuses has made an important change in climate among other UN agencies, some of whose officials in the past have been too willing to toast the Niyazov regime's achievements or at least ignore serious problems in their speeches.<sup>142</sup> The Department of Political Affairs (DPA) and the UN Development Program (UNDP), in particular, should ensure that their attempts to promote engagement with the regime are not misinterpreted.

### 2. OSCE

Turkmenistan's consistent flouting of the OSCE agreements to which it is a signatory finally led to an unprecedented use of the Moscow Mechanism, the procedure under which a special rapporteur, Emmanuel Decaux, was appointed after the November 2002 assassination attempt.<sup>143</sup> Turkmenistan did not cooperate, refusing to appoint a partner rapporteur and to permit Decaux to enter the country. The resulting report nonetheless detailed arbitrary arrests, torture, death in custody, and forced displacement of ethnic minorities and relatives of opposition figures. It concluded that, "The contrast between the law as it is

<sup>139</sup> On the OSCE Moscow Mechanism, see below.

<sup>140</sup> The vote was 25 in favour, eleven opposed, and 17 in abstention.

<sup>141</sup> ICG interview with OHCHR official, 20 July 2004.

<sup>142</sup> A former resident representative was particularly willing. He once said in a speech, "as captured in the 2010 Presidential program, the Turkmen development approach is comprehensive and ambitious -- the goal is to significantly improve the wealth of the nation, modernise the economy and make a real positive change in the livelihood of people". See [www.untuk.org/publications/index.html](http://www.untuk.org/publications/index.html).

<sup>143</sup> For more details on the Moscow Mechanism, see [www.osce.org/documents/odihr/1991/09/1567\\_en.html](http://www.osce.org/documents/odihr/1991/09/1567_en.html).



presented and the reality marked by terror and fright is mind-boggling".<sup>144</sup>

The Moscow Mechanism is largely an end in itself, providing no sanctions for a country that ignores its findings. Nevertheless, the OSCE has not followed-up as hard as it might. The personal envoy of the OSCE chairmanship, Martti Ahtisaari, visited four times in 2004. The June 2004 visit ended with a press conference that observers called upbeat, with praise for the dialogue the government has been willing to conduct with the organisation and no overt criticism.<sup>145</sup> A month later the government refused to extend the mandate of the highly effective OSCE ambassador, Paraschiva Badescu. This seems largely to have been the result of a blunder by the Bulgarian Chairmanship, but it did not result in particularly vocal protests from the OSCE.

The position of ethnic minorities in Turkmenistan makes the work of the OSCE's High Commissioner on National Minorities particularly important. The traditional approach of that official -- quiet, private diplomacy -- has been effective in many countries but it may be time to consider whether a more public approach would be more effective in this case. Overall, the OSCE needs to take a more consistent and principled line, with its different institutions and personalities working together to remind the government of the Decaux recommendations. While quiet diplomacy is often useful, there needs to be assurance that messages are really being delivered by envoys and considered by their recipients.

### 3. NATO

Turkmenistan has cooperated with NATO under the Partnership for Peace Program (PFP) since 1994. In March 2004 they concluded an Individual Partnership Program for 2004-2005. These agreements are signed with all PFP participants and cover military cooperation, crisis management, peacekeeping, and civil emergency planning, depending on the needs of the country. As recently as August 2004, during observations of Turkmen military exercises, a NATO

official said the organisation is interested in raising the level of cooperation and sees no obstacle.<sup>146</sup>

NATO's understandable interest in a region of potential security concern is not matched by a very overt commitment to the principles of the alliance. According to the framework document, PFP partners should be committed to democratic societies and human rights principles.<sup>147</sup> Turkmenistan is so far from these ideals that its participation in the program seems to empty that statement of meaning.

It could be argued that NATO engagement will provide more progressive military personnel a chance to develop and eventually facilitate alternative civil-military relations. Far from engendering change in the Turkmen armed forces, however, the program seems likely to lead to promotion of the most politically conservative officers and bolster the kind of political and ethnic discrimination that dominates personnel policy. Niyazov explained at a cabinet meeting:

Let us accept the NATO program Partnership for Peace....There are various courses....They take Turkmen youths for professional training. We need to select the cleanest and most honest young people. You [security chiefs] will all together choose them and check their lineage for three or four generations, to find out whether there were ever any traitors in their clan or not....If a single one of them betrays [us], you will answer for it. Nobody plays around with the motherland.<sup>148</sup>

At the next review of the PFP relationship, NATO should include benchmarks linked to increased assistance. These might include transparency of the military budget; changes to civil-military structures; mechanisms to ensure that personnel selected for training have not been involved in human rights

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<sup>144</sup> Decaux, "Report on Turkmenistan", op. cit.

<sup>145</sup> "Martti Ahtisaari Upbeat on OSCE-Turkmenistan Relations", NewsCentralAsia, 16 June 2004, at [www.newscentralasia.com/modules.php?name=News&file=article&sid=666](http://www.newscentralasia.com/modules.php?name=News&file=article&sid=666).

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<sup>146</sup> "'No obstacle' to further NATO cooperation with Turkmenistan -- envoy", BBC Monitoring Central Asia, 16 August 2003.

<sup>147</sup> The PFP framework document states: "...States subscribing to this Document recall that they are committed to the preservation of democratic societies, their freedom from coercion and intimidation, and the maintenance of the principles of international law....They reaffirm their commitment to fulfil in good faith the obligations of the Charter of the United Nations and the principles of the Universal Declaration on Human Rights". Available at [www.nato.int/docu/comm/49-95/c940110b.htm](http://www.nato.int/docu/comm/49-95/c940110b.htm).

<sup>148</sup> TV "Altyn Asyr", Ashgabat, in Turkmen 0400 gmt., 30 March 2004, via BBC Monitoring.

abuses; and movement by the government on at least some OSCE commitments. Failure to meet any benchmarks should cause the partnership to be reconsidered.

#### 4. European Union

In the past year EU officials have claimed a much better relationship with the government and have responded by offering to almost double the annual aid budget, from €2.2 million to about €4 million. Over a five-year period the EU is offering at least some €5 million. None of this aid has serious conditionality attached. It seems to be largely based on Niyazov's decision to improve relations with Europe in response to increased U.S. criticism. It is uncertain why the EU is considering such increases while the situation in Turkmenistan is what it is, and OSCE and UN recommendations remain unfulfilled.

Turkmenistan is the only Central Asian country without a Partnership and Cooperation Agreement (PCA) with the EU, which in theory could provide a structure within which to discuss human rights issues. A PCA was signed in 1998 but not ratified by member states. However, there are other channels within which to pursue human rights concerns. Ratification at this time would be a questionable reward for the regime.

Attempts by Brussels to engage the regime in dialogue are only useful if it would be used to transmit clear messages. The EU has been much less vocal about human rights than the U.S., and it should consider adjusting this balance by reacting quicker as issues arise and publicising the situation more. In particular, it would be helpful if EU assistance were conditioned to reform benchmarks. If there is no movement by the government, the EU should review its aid budget and consider political and financial sanctions.

#### C. INTERNATIONAL FINANCIAL INSTITUTIONS

Given their limited in-country exposure, international financial institutions (IFIs) do not have much influence. The EBRD reduced its operations 2001 due to lack of reform and has taken a firm line in conformity with Article 1 of its mandate, which restricts its activities to countries "moving towards" democracy and open economies. It has suspended any lending to the public sector and has severely limited lending in the private sector. It now focuses

exclusively on private sector projects, especially development of small- and medium-sized enterprises (SME). It will not invest in any venture connected to the off-budget FERF. It did launch in 2003 an SME credit line and a trade facilitation program (TFP).<sup>149</sup>

The dilemmas of its approach are illustrated by a loan to the Turkmenbashi jeans factory, one of Ahmed Çalik's firms. The factory relies on cheap cotton produced through exploitive working practices including child labour. However, workers there receive much better than normal wages, the factory provides a certain level of training and technology transfer, and EBRD involvement probably has ensured better environmental and safety conditions.<sup>150</sup> Nevertheless, the EBRD has a wider reputation to protect. Article 1 restrictions make any large-scale investment extremely problematic. The EBRD now seems to have struck a reasonable balance, focusing on low-level activity and micro-finance, while avoiding investments in regime-supporting enterprises and government initiatives. It could, however, add weight to its demands for political reform by setting benchmarks and prescribing a timeframe for their fulfilment as outlined below.<sup>151</sup>

Other IFIs are even less active. After a five-year absence, the IMF completed so-called Article IV consultations with the government in March 2004 but it has not released details. Because it refuses to accept the terms, Turkmenistan is the only former Soviet republic not to have an IMF-backed stabilisation program.

The World Bank currently has no projects and will not give loans because Turkmenistan refuses to report external debt. It has cancelled several projects and in

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<sup>149</sup> "Lack of reform limits activities in Turkmenistan", *Times of Central Asia*, 15 April 2004.

<sup>150</sup> EBRD says, "Gap Turkmen was the first company in the CIS to receive international certifications in quality and environmental management and continues to be one of the few successful textile joint ventures in Central Asia. There are potential demonstration effects regarding quality management, marketing and successful cooperation with the Government. The company has created over 2,500 local jobs in a state of the art denim jeans manufacturing plant. Product is shipped mainly to the U.S. (83 per cent) and supplied to major international brand companies such as Zara and Tommy Hilfiger. There has been substantial transfer of new skills and know-how, and the company has introduced clear and consistent accounting and auditing practices into the local textile sector". EBRD, "Strategy for Turkmenistan", 23 June 2004, p. 9.

<sup>151</sup> On the EBRD and benchmarking, see "Turkmenistan: Human Rights Update", Human Rights Watch submission to the EBRD, 14 May 2004.

2003 cancelled a loan that was to be used to provide water to a poor rural area due to basic procurement problems. The Bank has emphasised Turkmenistan's need to improve its public resource management but has received no response.<sup>152</sup>

Turkmenistan joined the ADB in 2000 but cooperation has been limited and it has yet to receive a loan. The ADB indicates it has worked to improve data availability and to implement policies encouraging foreign investment and private sector growth.<sup>153</sup> The most significant cooperation has been on the ADB's feasibility study of a Trans-Afghan pipeline. The Bank should make clear that the way the regime operates is a fundamental obstacle to further work on the pipeline and should include governance issues in any assessment it makes of the project's political risk.

## VI. A NEW STRATEGY: ENGAGEMENT WITH RED LINES

Their variety of approaches makes it relatively easy for Niyazov to play international actors against each other. By all accounts, he is particularly adept at manoeuvring between Russia and the U.S. He also selects occasional favoured interlocutors, with whom he builds personal relationships, but whose involvement tends to split the international community. UN officials have sometimes played this role of positive engagement; presently it appears to be filled by the OSCE Chairmanship's personal envoy and EU officials.

A good personal relationship with the president provides a useful channel within which to work on individual human rights cases and occasionally can produce small, formal policy changes that can help at least some individuals. Engagement should be consistent however, and bordered by some red lines. There is no need, for example, to praise government policies fulsomely in press conferences or quote the *Ruhnama* in diplomatic notes. Negotiations can be conducted constructively without undermining values. Indeed, the only real concessions the government has made seem to have resulted from direct threats by U.S. officials of sanctions which would have impacted on the finances of key members of the regime.<sup>154</sup>

### A. BENCHMARKING

A first step would be for the international community to agree on a minimum list of conditions that could be linked to aid programs or greater cooperation. The best way of developing such a list might be through appointment of a special UN rapporteur on human rights in Turkmenistan, a position that has been created for a number of countries with troublesome human rights records, such as Myanmar and Belarus. The advantage would be to consolidate appeals behind one individual and make it more difficult for the regime to play multiple actors off against each other. A benchmarking exercise might focus on the following issues:

<sup>152</sup> "Country Policy Brief: Turkmenistan", World Bank.

<sup>153</sup> ADB, at [www.adb.org/Documents/Reports/Annual\\_Report/2002/TKM.asp](http://www.adb.org/Documents/Reports/Annual_Report/2002/TKM.asp).

<sup>154</sup> As described above, the threat of sanctions linked to emigration and religious freedom produced at least some formal changes in both areas.

- relaxation of restrictions on NGOs through repeal of the 1993 legislation;
- resumption of Russian-language teaching in some schools and of Russian-language broadcast media, such as Radio Mayak;
- continued relaxation of exit and travel procedures;
- an end to forced resettlement of ethnic minorities;
- access by the ICRC to prisons, including to political prisoners;
- invitations to special UN human rights rapporteurs; and
- permission for international organisations to increase education programs and an invitation to the UN Special Rapporteur on the Right to Education to visit and report on the education system.

While demanding free elections or legalisation of opposition parties would be unrealistic in present circumstances and certain to fail, such a minimalist list would be realistic and could be productive at least in reversing some of the actions of the past several years. Unless the exercise has both a time-limit and some sanction attached, however, would be empty. At least, there should be an understanding to consider next steps should the government not move on any of the benchmarks within a year.

## B. SANCTIONS

There is extensive literature on the utility of sanctions. General sanctions in particular are widely criticised not only for failing to achieve the desired result but also in some cases, such as Myanmar and Cuba, arguably strengthening authoritarian regimes into place, or at least giving them an excuse for domestic failings. In Turkmenistan, where the regime is not averse to international isolation, it is unlikely that general sanctions would be effective. To limit regime revenues, they would need to include gas exports, which in turn would require agreement of Russia and Ukraine. They could well be undermined by the availability to the regime of alternative sources, such as drugs trafficking and other illegal business. They might also encourage Turkmenistan to seek even closer relations with Iran, which is itself the target of a strict U.S., though not multilateral, sanctions regime. Nevertheless, there is scope to examine other

measures, short of general sanctions, but with a targeted impact on the regime leadership and crafted not to harm the general population.

### 1. Political sanctions

As they have done with Belarus, Zimbabwe and other regimes with extremely poor human rights records, the EU and U.S. should consider a number of measures that would primarily indicate a degree of distance from the regime. Possible initiatives include:

- restrictions on diplomatic attendance at official functions, particularly those involving elements of the presidential cult of personality. Ambassadors might refuse to attend, for example, official events dedicated to the *Ruhnama*. The disadvantage is that this would reduce opportunities for diplomats to talk with regime members; and
- restrictions on leading government officials, their influential advisers and prominent businesspeople, and perhaps members of their families, to travel to EU and other OSCE member states. A similar measure has been applied to Zimbabwe and considered for Belarus.<sup>155</sup>

Such targeted political sanctions would not likely produce immediate change but would demonstrate international concern, restrict somewhat the ability of the regime to launder money through Western banks, and in general have some limited disruptive impact on its financial links. While it can be argued that Turkmen officials and businesspeople need more international exposure, the sanctions would apply only to the quite small number who have real control over the political and economic system and who are very unlikely to become more open to reform through Western contacts.

### 2. Financial sanctions

Consideration should also be given to freezing the accounts of such individuals as has been done in the Zimbabwe case. Leading members of the regime mostly keep their wealth outside the country. Opposition sources suggest that Niyazov's own money is in European bank accounts, particularly with Deutsche Bank. There is some evidence that the restrictions on Zimbabwe's financial assets abroad is

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<sup>155</sup> On EU sanctions criteria, see [www.eurunion.org/legislat/Sanctions.htm](http://www.eurunion.org/legislat/Sanctions.htm).

hurting leading members of the regime.<sup>156</sup> The move also has an important de-legitimisation effect, discouraging business dealings directly with regime members, and making off-budget payments by foreign companies more difficult.

### 3. Economic sanctions

Economic sanctions would be more problematic. It is unlikely meaningful measures could be applied against the country's main sources of revenue, its oil and gas exports, and care would need to be taken not to harm innocent citizens. However, some steps, not formal sanctions but rather requiring cooperation from Western firms, could be considered.

There are significant abuses of human rights in the cotton sector. The refusal of leading Western corporations to buy Turkmen cotton or its products unless there are guarantees child labour has not been used and farmers have received fair payment would have almost no negative impact on the wider population, could damage the finances of some leading members of the regime, and might even lead to some positive change in the way the business is conducted.

Western companies should be encouraged to disclose their business arrangements in Turkmenistan. The notion that investors who support opaque government and personal structures ultimately threaten long-term stability is beginning to gain some acceptance inside the business community. A number of organisations are involved in global monitoring of revenues from the extractive industries. The Open Society Institute's Revenue Watch program, for example, encourages initiatives in this area, working with both governments and with NGOs. A useful step would be commitment to Publish-What-You-Pay guidelines for investors in extractive industries, an initiative that is supported by a wide range of NGOs, who seek national legislation that would force multinational companies to disclose fully all payments of royalties, signing fees or taxes to host governments.<sup>157</sup>

More generally, it would be useful to develop and publicise fuller information about investments in Turkmenistan. Compared with, say, Myanmar, human rights groups and international NGOs have given almost no attention to business in Turkmenistan. They should be encouraged to establish a research and advocacy program that would examine investments in detail and publicise those thought to have damaging effects. An example is the involvement of foreign companies in the construction sector, most of which goes towards boosting the presidential cult of personality. Bouygues' extensive involvement is in one sense normal business activity but it involves the waste of Turkmen resources on a grandiose scale.<sup>158</sup> Bouygues is a Fortune 500 multinational with \$20 billion in turnover in 2003 and an apparent commitment to social values, reflected in its statement that "it...naturally and actively takes part in the social and economic development of each region in which it is active".<sup>159</sup> The company has an Ethics and Sponsorship Committee which provides support for charity initiatives. This side of the company should be encouraged to take a closer look at what is being done in Turkmenistan.

Foreign investors could be encouraged to make more of a long-term positive impact through funding training, schools, business exchanges, internships and the like, with the explicit aim of developing a Turkmen technical elite that would be conversant with international business norms and skills. This would serve their own long-term interests in having a well-educated workforce while also improving their image as investors in one of the world's most repressive countries.

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confidentiality. Address the problem of non-transparency in all countries of operation. Depoliticise the issue of payment disclosure in authoritarian regimes and allow companies greater freedom of responsible behaviour. Publishing what is paid to such regimes is likely to have a knock-on effect of encouraging greater transparency and fiscal governance by default. Eliminate a major international double standard between levels of transparency in the developed and developing countries. Involve minimal associated costs. Companies already know what they pay for internal accounting purposes. Incorporate all the major players in the resource sector". See [www.publishwhatyoupay.org](http://www.publishwhatyoupay.org).

<sup>158</sup> Bouygues Batiment International is a subsidiary of the Bouygues group. Bouygues reports that "outside France, it has been involved in schemes in connection with major projects: construction of schools, teacher recruitment, creation of training centres and schools teaching reading and writing for the disadvantaged sections of the population living near work sites". "Annual Report, 2003", Bouygues, [www.bouygues.com](http://www.bouygues.com).

<sup>159</sup> *Ibid.*

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<sup>156</sup> ICG Africa Report N°78, *Zimbabwe: In Search of a New Strategy*, 19 April 2004.

<sup>157</sup> PWYP says it aims to: "level the playing field between competitors, preventing more principled and transparent companies from being undercut by their less scrupulous competitors; [and] eliminate concerns about confidentiality clauses gagging companies publishing payment data. Such contracts contain a 'get-out' clause exempting information that must be disclosed due to regulatory requirements from

## **VII. SAVING SOCIETY: A LIFEBOAT STRATEGY**

Increasing pressure on NGOs inside Turkmenistan, decline in education, and lack of alternative information and media sources are long-term threats to social development and hinder emergence of a capable political and technocratic elite that could rescue Turkmenistan from decline. However, there is considerable scope for donors and international organisations to fund media, NGO and education initiatives outside the country.

There is a growing Turkmen diaspora of politicians, journalists, businesspeople and intellectuals, some of whom are engaged in a range of opposition movements. There are numerous rifts within this diaspora, as is common with oppositions-in-exile. United by a desire to unseat Turkmenbashi, they are divided on almost everything else. Nevertheless, it would still be appropriate to craft programs that include them.

This engagement with exiles should not be limited to political affairs and human rights. A major problem that any post-Niyazov government will face is an increasing shortage of technical specialists, particularly on the economy. Donors should undertake to provide alternative educational possibilities for Turkmen in exile through scholarships, special education programs and similar initiatives. Finding common ground among these people may also be possible through cultural activities. Turkmen cultural centres outside the country would be a useful beginning. Likewise, attempts might be made to limit the isolation of exiles by facilitating informal channels through which they can receive and give information to those still inside Turkmenistan.

The internet has broadened the scope for information coming out of Turkmenistan. These activities should be further supported and training offered to journalists, who could also help expand international broadcasts. The UK should consider funding a new Turkmen-language program at the BBC.

## **VIII. CONCLUSION**

Efforts to influence President Niyazov's policies have long been disjointed and inconsistent. Countries with commercial interests have been too willing to tone down criticism or avoid it altogether in exchange for continued access to the country's natural resources. Bilateral relations have often been swayed by Niyazov's ability to manipulate geopolitical interests, and international organisations have too often emphasised "positive dialogue" that seldom achieves any real change.

Engagement needs to continue and intensify, but there also should be common understanding on what that engagement is supposed to achieve. The best way would be to formulate a minimal list of benchmarks that most of the international community could agree on and then use it to push for some genuine reform within a short time frame. A UN Special Rapporteur could be the most effective way to coordinate this approach.

Benchmarks should be backed up by more than just resolutions and denouncements. The international community should consider a range of potential political and financial measures that could have an impact on the regime, without harming the wider population. At the same time, foreign investors need to take more seriously their occasional rhetoric of social responsibility by operating more transparently and committing to social and educational assistance.

While regime policies continue to drive the country down a disastrous path, it is important that the international community does what is possible to maintain a lively and able society, at least in the Turkmen diaspora, through funding political, technical and cultural projects.

The problem of Turkmenistan is not going away and indeed is becoming more serious. It requires a joint cooperative effort to head off a catastrophe that will be far more costly, in human and economic terms, to resolve at a later date.

**Osh/Brussels, 4 November 2004**

## APPENDIX A

### MAP OF TURKMENISTAN

