



Feature Article
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Turkmenistan Lifts Its Head

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In recent months Turkmenistan has emerged from its self-imposed shell. Under its new president, Serdar Berdimuhamedov, it has launched a very active, though still cautious, foreign policy. While reaffirming its neutral status, which the UN recognized in 1995, it has intensified its relations with all the global powers and, significantly, with its neighbors as well. Both the U.S. and EU have applauded these initiatives and the new president's strategic concept that underlies them. However, events unfold, Turkmenistan has decisively lifted its head, and will henceforth be a significant factor in regional and continental affairs and not simply a perplexing outlier.

Many in the outside world have long viewed Turkmenistan as an enigma. Impressed by the country's vast gas resources, they failed to recognize the profound backwardness that was the Soviet legacy in many spheres. Education, public health, business, and technology all lagged, and the main posts were filled by Russians. Formerly divided among nomadic groups, the Turkmen people lacked a clear national identity, which the founding president, Saparmurat Niyazov, attempted to fill with grand architectural projects and his own idiosyncratic exposition of national values.

A major turning point was reached when Russia's Prime Minister Viktor Chernomyrdin and Chairman of Gazprom Rem Vyakhirev, irked by Turkmenistan's demand to be paid a fair price for its gas, abruptly closed down the country's sole

export pipeline in 1997. Ashgabat was right to demand more, for Moscow had been reselling the gas it had bought for pennies to Europe at world prices, pocketing the profit. This move by Moscow caused the Turkmen economy almost to collapse, unheated schools had to be closed, and the country came close to starvation. Turkmenistan's response was adroit and effective: it proposed to Beijing a Turkmenistan-China pipelines that remains today the country's main source of income. Otherwise, Ashgabat pursued policies that isolated the country both economically and culturally. True, it was an active leader of the successful effort by all five former Soviet republics of Central Asia to define their region as a nuclear free zone. But in most respects Turkmenistan pulled back from international engagement in order to pursue an isolationist strategy. Critics in the West

pointed to Ashgabat's curtailment of human rights and freedoms but made little effort to address the fragility and backwardness that gave rise to them.

New President, New Regional Priorities

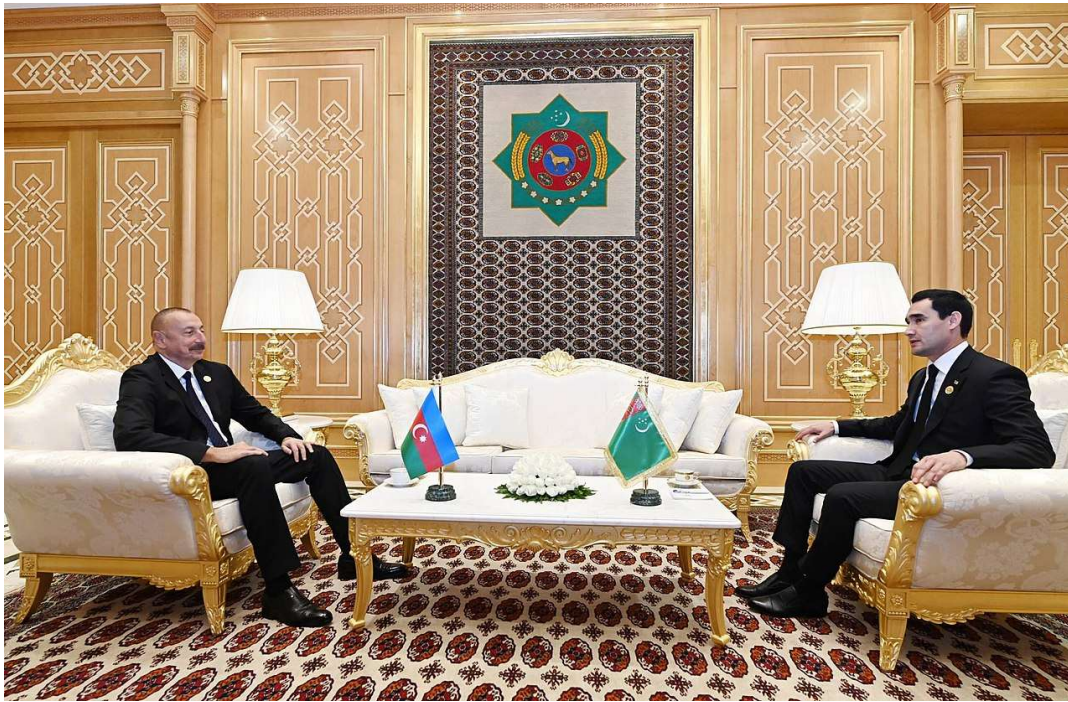
A decisive change occurred eight months ago when President Gurbanguly Berdimuhamedov turned over his office to his forty-year old son, Serdar. The transition was smooth, and the out-

self-effacing, quickly revealed a focus on strategy. In his "state of the union" speech on 23 September he laid out what he considers Turkmenistan's two most urgent needs: to overcome its isolation as a landlocked country through the development of all forms of transport including, of course, pipelines for the transmission of gas; and to open up heretofore underdeveloped channels of communication with the larger world. Inter alia, amidst Russia's war on Ukraine he also pointed to the growing demands of security, and

called for serious investments in defense. In short, the new government in Ashgabat reconsidered Turkmenistan's long-held isolationist interpretation of its neutral status and replaced it with multi-sided engagement designed to enhance the country's economy and security.

This new approach is evident in Turk-

menistan's recent actions at both the regional level within Central Asia and the international level. Within the region Ashgabat has greatly expanded its relations with both Kazakhstan and Azerbaijan – Kazakhstan because it is a potential consumer of Turkmen gas, and Azerbaijan because it is the most promising corridor for



Presidents Ilham Aliyev and Serdar Berdimuhamedov at the June 2022 Caspian Summit

(Photo credit: president.az)

going president continues to function as head of the Senate and a kind of roaming ambassador on priority projects. But a pronounced change of course became immediately evident. Whereas Berdimuhamedov Sr. was, and is, a man of diverse and colorful enthusiasms who revels in the details of projects, his son, Serdar, austere and

Turkmen gas to Europe and because its new Caspian port, Alat, is the vitally important western counterpart to the new Turkmen port of Turkmenbashi. This pairing of interests led President Serdar Berdimuhamedov to convene presidents of the five Caspian littoral states in June 2022. Azerbaijan's national oil company, SOCAR, promptly announced that it would soon open an office in Ashgabat.

For centuries the relationship between the Turkmen tribes and the settled peoples of Bukhara, Khiva and Samarkand could not have been worse. The new era of independence brought further tension between Turkmenistan and Uzbekistan until 2007, when President Gurbanguly Berdimuhamedov launched a policy of cooperation and friendship with Tashkent. For both countries the transport of energy and the promotion of trade and investments were the main drivers. Reflecting this astonishing change, Uzbekistan's president Shavkat Mirziyoyev recently announced during a visit to Ashgabat that he hoped Uzbekistan would soon import Turkmen gas and that the two countries would establish an international trade zone on their border. Shortly thereafter another Uzbek official announced the purchase of up to four billion kilowatt hours of Turkmen electricity.

Building on this opening, Kyrgyzstan's Energy Minister Talaibek Ibrayev announced in late October that he was negotiating to buy 350 billion cubic meters of Turkmen gas and two billion kilowatt hours of electricity. Pricing problems stalled this deal, but Kyrgyzstan meanwhile committed to buy electricity from Uzbekistan generated with Turkmen gas. Meanwhile,

Kazakhstan's President Kassym-Jomart Tokayev announced earlier in October that he was seeking to import 1.5 billion cubic meters of gas per year from Turkmenistan and proposed to build a grain storage depot in Turkmenistan to provide wheat to Afghanistan.

None of these sales of gas and electricity are large by global standards, but they indicate Serdar Berdimuhamedov's commitment not only to a more active regional role but also to the development of a solid economic base for these new arrangements. President Berdimuhamedov's dreams of regional communication and connectivity cannot be achieved amidst the mutual wariness and even hostility that often prevailed over three decades. He has therefore followed his father in opening windows to his Central Asian neighbors. Ashgabat's regionalism has a solid economic rationale, and includes Taliban-ruled Afghanistan, which is the key to the transmission of Turkmen gas to Pakistan and India via the proposed TAPI pipeline.

Ashgabat's new regionalism extends beyond selling neighbors Turkmen gas and electricity. President Berdimuhamedov has begun visiting all the neighboring capitals. And he played an active part in the critically important meeting of the five Central Asian presidents, held at Issyk-Kul in Kyrgyzstan on 22 July of this year. At that meeting the presidents agreed that region-wide institutional structures were urgently needed to foster region-wide development and also to prevent outside powers from playing the countries off against each other in "divide and conquer" tactics. To be sure, Turkmenistan's UN-inscribed permanent neutrality will prevent it from joining

certain projects relating to defense and security, but it is otherwise open to the creation of region-wide and exclusive consultative structures in dozens of fields.

This, then is the new regional basis on which Turkmenistan proposes to establish itself as a major player in the East-West and North-South transport of energy and other goods, including its own future manufactured products. Turkmenistan believes that cordial and productive relations with its Central Asian neighbors, including Afghanistan, will enable it to function more effectively in a world of major powers.

With respect to China Ashgabat has little room to maneuver, other than to balance its large gas sales to China with deliveries to the West. Significantly, the “West” in this case begins with Turkey. On 3 October Turkmenistan, hoping simultaneously to strengthen neighborhood relations and broaden its window to the West, joined the Organization of Turkic States initiated by NATO member Turkey. It had already purchased substantial numbers of Turkish-made Bayraktar TB2 UAV drone missiles and on 24 October, with recent events in Ukraine clearly in mind, proudly showed them off in a military readiness drill.

Turkmenistan’s links with Russia remain, as always, close but complex. President Putin was well aware that Turkmenistan, while attending his Commonwealth of Independent States, did not participate in its security projects and that it had otherwise downgraded its participation in that organization. Viewing these developments in the context of Turkmenistan’s balancing maneuvers with Turkey, and after a three-year standoff over pricing, Russia abruptly acceded to

Ashgabat’s rate and doubled its purchase of Turkmen gas. Sensing that he could no longer take for granted Turkmenistan’s acquiescence with Kremlin policies, Putin, in a meeting with former president Gurbanguly Berdimuhamedov, expressed the hope that the new president would soon revert to a more compliant stance.

Turkmenistan’s desire to overcome its physical isolation with new transport routes in every direction has caused it to redouble the export of gas to Iran and to significantly deepen its relations with the Gulf States. Persisting in its long-term goal of exporting gas to both Pakistan and India, Ashgabat has also reaffirmed its long-term links with Islamabad and, in April it received the President of India, Ram Nath Kovind, in a first-time-ever visit. To the same end, it has received a *chargé d’affaires* from Taliban-ruled Afghanistan and treated him as a *de facto* ambassador. The Asian Development Bank remains committed to this ambitious project but, like other potential investors, has paused its involvement until Kabul gains some sort of diplomatic recognition.

Berdimuhamedov’s Opening to Japan and the West

This, then is the regional and international context of Turkmenistan’s recent demarches to Japan, the European Union, and the United States. Berdimuhamedov Sr. travelled to Tokyo to affirm and expand his country’s existing links with Japan. After meetings with executives of a half dozen of Japan’s top firms and after promising a more predictable environment for foreign

investors, Ashgabat announced \$11 billion worth of deals with Japan.

If Turkmenistan seeks balance's relations with all the major powers it must expand its links with both Europe and the United States. The best engine for doing so with Europe would be to export Turkmen gas there. Russia long blocked this, using the bogus argument that a trans-Caspian pipeline would pose an environmental danger to littoral states. The European Union, itself dependent on Russian gas, did not challenge Moscow's hegemonic stance on this issue. However, both Turkmenistan and Azerbaijan made a series of moves, albeit *sotto voce*, that can make greater trans-Caspian energy transport a reality. As a sign of the EU's rising interest, Charles Michel, president of its agenda setting body, the European Council, has proposed a joint conference on the reduction of methane emissions. This skirts the issue of bringing Caspian energy to Europe but it is a positive step, nonetheless. Methane emissions are a major problem of all former Soviet gas fields, including those in Turkmenistan, so the issue is real. However, the conference could also jump-start serious discussion on the export of Turkmen gas to Europe. This likelihood is all the stronger because Azerbaijan is deftly promoting the same cause, because Turkey foresees for itself a major future role in such activity, and because the EU itself has taken a leading role in mediating the generation-long conflict between Azerbaijan and Armenia over Karabakh.

If there now exists a path forward on the export of Turkmen gas, the road is still riddled with potholes. No sooner did Turkey step up as a key link in this trade than Vladimir Putin, on October 13,

made the self-serving proposal that Russia could also export gas to Europe via the proposed Turkish hub. President Erdogan was quick to embrace the idea, but then fell silent in the face of EU embargos on the import of Russian energy.

These Turkmen-EU interactions, coming after a long period of negative interactions, set the context for several path-breaking new interactions between Turkmenistan and the United States. Turkmenistan has reminded Washington that after 9/11 it had opened its skies to American planes provisioning forces in Afghanistan and otherwise supported NATO logistics. Now it has welcomed the chance to revive Turkmenistan's partnership with the Montana National Guard that had existed for a decade and a half before President Obama terminated it in 2011. And early in October a group of major American executives and the U.S. ambassador to Ashgabat held a video conference with top Turkmen officials for a meeting of the Turkmenistan-U.S. Business Council. A visit to Turkmenistan by a team of American corporate CEO's is also being planned for December.

These changes were followed by a November 6-7 visit to Ashgabat by Donald Lu, Assistant Secretary of State and head of the Bureau of South and Central Asian Affairs. By starting his three-country tour in Turkmenistan, Lu signaled that Washington now considered it to be of the same level of importance as Uzbekistan and Kazakhstan. Reaffirming America's long-held commitment to Turkmenistan's "independence, sovereignty, and territorial integrity," Lu is reported also to have briefed the Turkmen on how they might beneficially deal with Washington's sanctions

against Russia, noting how Kazakhstani investors had taken over local branches of several of the major Russian banks. Beyond this, Lu noted how the high world price of gas creates an unprecedented opportunity for Turkmenistan to send its gas westward via the much-discussed trans-Caspian pipeline. And, Lu added, Washington would support such a project.

Turkmen media also reported that Lu also suggested that the Turkmen economy will advance best by strengthening bilateral ties with the U.S and with the main international financial institutions. On its own, Ashgabat had already begun moving in this direction. It recently applied to join the World Trade Organization and received applicant status, but the path forward will place unprecedented demands on the Turkmen state. Realizing this and signaling that it is serious about addressing these demands, the Turkmen government for the first time sent a delegation of senior officials led by the vice-president to attend this year's annual joint conclave of the World Bank and International Monetary Fund.

The Regional Implications of Turkmenistan's Opening

Numerous developments in Turkmenistan suggest that that country has entered a fundamentally new phase of its development, with a strategy designed to overcome the isolation imposed by geography. Its new president, Serdar Berdimukhamedov, has prioritized transport and communications in all their dimensions as the key elements of that strategy. These present serious challenges for a people without a tradition of statehood, with little prior experience in

governance, and a legacy of backwardness inherited from Soviet times. The fact that this country of only six million inhabitants also possesses the world's sixth largest reserves of natural gas presents grand opportunities, but equally formidable challenges as well. These include the need to strengthen its sovereignty and viability in a highly contested region, and to develop its physical and human resources in a manner that meets public expectations.

President Berdimukhamedov's formula for development is at once cautious and highly ambitious. As such, it gives rise to seeming anomalies. On the one hand he has preserved his predecessors' tradition of top-down control and carefully proscribed civic interactions with the outside world by blocking web sites and IP addresses deemed problematic. And, on the other hand, he has welcomed the renewal of the U.S.- sponsored Future Leaders Exchange Program (FLEX), that will enable numbers of Turkmen students to compete to study for a year in American high schools and live with American families. A positive step, to be sure, but one balanced by Ashgabat's announcement that a new Turkmen-Russian University will be launched in 2023.

Can Mr. Berdimukhamedov flesh out the details of his approach and sustain it amidst the inevitable setbacks that innovation always brings? That he succeeded his father helped assure that the transition of leadership was affected without strife, while the many initiatives noted above suggest a cautious but genuine openness to change.

Serdar Berdimukhamedov, who is seen as modest and self-disciplined, abjures public speaking. He studied agriculture in Turkmenistan and

international affairs in Moscow and then served several years at Turkmenistan's embassy in Switzerland. He also brings a basic command of English and is computer literate, which mean that he can avail himself of global information sources.

While acknowledging the many constraints on change, it is clear that the world must reconsider old stereotypes and prepare to deal with a Turkmenistan that seeks to participate actively in the world economy and to benefit from doing so. This could bring a greater social openness in some areas, but the government will doubtless continue to calibrate this carefully in order to reinforce centripetal forces in society and maintain security. Overall, by engaging more actively with his Central Asian neighbors and with the global economy, and by introducing changes at home that will enable him to do so, Serdar Berdimuhamedov has challenged Turkmenistan's nearby and distant partners to revise and update their perception of his country and their policies towards it.

Conclusions

Turkmenistan has moved away from the isolationism that prevailed in Ashgabat since the United Nations endorsed it as a neutral country back in 1995. In its place, the country's new

President has proposed what might be called "engaged neutrality." This new approach, announced in Berdymukhamedov's state of the union speech on September 23, finds expression in a focus on the transport of both energy and goods, in regional and continent-wide economic integration, and in macroeconomic reforms at home. This shift began under his predecessor, as was evident in 2021 in the abrupt end of the tensions with Azerbaijan over the contested *Dostlug* gas field in the Caspian, and Ashgabat's declared willingness to develop it together. But it has greatly accelerated under President Serdar Berdimuhamedov, and now shows every sign of continuing.

A principal challenge posed by this new direction will be to convince international financial institutions and investors in all sectors that the new course will find practical application in their projects and that it will endure through the years. As of now, the prospects appear positive. If they remain so, Turkmenistan may come to assume a pivotal regional role in energy cooperation and transport.

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