CHAPTER 5

US-TURKMENISTAN RELATIONS AND PIPELINE POLITICS
In the aftermath of the Cold War, one of the most important foreign policy challenges for the United States was to secure adequate access to oil and natural gas resources. Further it was widely acknowledged in the government that the routes for oil and natural gas resources of the Central Asian Region were expected to become the “Silk Road” which would connect China, Eurasia and America. For instance, the 1999 White House Paper on a new National Security Strategy\textsuperscript{16} called for the investment in the Caspian Energy resources and their export from the Caucasus region to the world market in order to expand prosperity in the region. US policy makers believed that a stable and prosperous Caucasus and Central Asia would facilitate rapid development and transport of the large Caspian oil and gas resources to the international markets with substantial US participation. They were apparently influenced by a Task Force Report from the well known New York based Council on Foreign Relations.

The official rationale for many agreements that the US undertook in the region was that they could achieve several important goals such as the prosperity and independence of the Caspian states, support the development of their societies into a democratic, stable commonwealth and provide a more environmentally sound approach to transporting oil resources from the Caspian Region to world markets. For the purposes of this chapter however, the last articulation made sense, as it could be seen as the causal factor that forced the US to get involved in the pipeline politics of the region.

Data depicting the oil and gas production in the Caspian Region also provides evidence that the bulk of the Caspian hydrocarbon is located in Kazakhstan and Turkmenistan. Energy statistics from Turkmenistan suggest that

\textsuperscript{16} 1999 white Paper on a new National Security strategy “The United States depends on oil for about 40 per cent of its primary energy needs, and roughly half of our oil needs are met with imports. And although we import less than 15% of the oil exported from the Persian Gulf, our allies in Europe and Japan account for about 80% of those exports. The United States is undergoing a fundamental shift away from reliance on Middle East oil. Venezuela is our number one foreign supplier, and Africa supplies 15% of our imported oil. Canada, Mexico and Venezuela combined supply almost twice as much oil to the United States as the Arab OPEC countries. The Caspian Basin, with potential oil reserves of 160 billion barrels, promises to play an increasingly important role in meeting rising world energy demand in coming decades.”
their oil reserves are 32 billion barrels, second only to Kazakhstan. In terms of the natural gas reserves, it is the highest among all other Central Asian States.

The objective of this chapter is to examine the assumption that the US has both a geopolitical and commercial aim towards Turkmenistan. At the geopolitical level, the US objective is to help Turkmenistan to develop the oil and natural gas industries, while at the economic level the development of these oil industries will mean investment opportunities. The argument advanced here is that the US investments mean long-term engagement for the US and hence any pipeline politics resulting would have a strong US component in it. Apart from this, the chapter focuses on other political objectives of the US such as containment of Iran, China, Russia and also the reinforcement of Turkey’s role in this region generally and Turkmenistan particularly. Finally, the chapter analyses the reciprocation by the Turkmen government and the impact of it on US investments.

Turkmenistan is bordered by Afghanistan to the southeast, Iran to the southwest, and Uzbekistan to the southeast, Kazakhstan to the northwest and the Caspian Sea to the west. Turkmenistan is equivalent to the size of California with a small population (around 4 million) and vast underground energy reserves; it is seen as the “future Kuwait” of the former Soviet Union. Hence, it can be said that geography is a mixed blessing. But in order to exploit this natural wealth, Turkmenistan will have to overcome its lack of access to international waterways and the disadvantages of bordering “pariah-state”17 Iran and the strife-torn Afghanistan as well as problematic relations with Moscow. It is in this context that this chapter analyses the moves and countermoves made by the government of Turkmenistan in the realm of pipeline politics.

Turkmenistan was one of the least developed former Soviet Republics before becoming independent in October 1991. President Saparmurat Niyazov, generally called Turkmenbashi (leader of the Turkmens), eschewed serious economic reform, which could improve long-term economic prospects but weakened his hold on power and risked short-term disruption. Preaching the

---

17 A pariah state is one whose conduct is considered to be out of line with international norms of behavior. This term is closely related to the term rogue state.
overriding priority of stability and proclaiming the uniqueness of Turkmenistan's path, Niyazov maintained state subsidies of basic goods and services. Many prices remain regulated and small scale privatisation had begun (Watters 2007: Online: web).

Nevertheless, inflation had already struck hard at people's living standards. Niyazov's basic governing strategy was two-fold: to suppress any possible expressions of discontent through Soviet-era control on the population enhanced by a full-fledged personality cult around himself and, to use projected profits from the sale of Turkmenistan's natural gas deposits to Europe and Asia to obviate, or at least alleviate, the hardship of economic reform, thus maintaining stability and control. In short, the regime was in a race against time, hoping for an energy-generated windfall before the patience of a long-suffering people evaporated. Turkmenistan declared "positive neutrality" and "open door" as the two major components of its foreign policy in a UN resolution in 1995 (Sara:2007 Online: web). The "open-door" policy was adopted to encourage foreign investment and export trade, especially through the development of a transport infrastructure.

Economics substantially determined Turkmen foreign policy initiatives. Initially, as in the year 1996, all of Turkmenistan's gas pipelines went north into the Russian Federation and the CIS states, thus restricting sectors of its economic development to relatively poor neighbouring countries, which, at times, could not pay their bills. Turkmenistan's lack of strong military capability and its deep dependence on Russia for its security have spurred the need for balanced political relations with the Russian Federation and, Commonwealth of Independent State, CIS. Turkmenistan's geographical location, close to conflict-ridden Afghanistan, and to Tajikistan also required a secure posture towards the irredentist and Islamic forces active in Tajikistan and Afghanistan (Ibid). Niyazov ran a centralized government, reduced the length of public education, controlled news media as an instrument of state and restricted other forms of public expression.

After Niyazov's death in December 2006, Berdimukhammedov leadership started under circumstances when hopes for serious political change seemed probable. Niyazov's long and gloomy period of rule had finally ended and the
selection of a new President offered a fresh opportunity for democracy to take root in the country, according to Evan A. Feigenbaum the then US deputy Assistant Secretary for South and Central Asian Affairs (Feigenbaum in Panel Discussion at Carnegie Endowment for International Peace, September 17, 2007, Online: web).

Berdimukhammedov promised many reforms in Turkmenistan, as well as steps towards democratisation. However, the human rights and free speech situation remained the same as before. Political prisoners have not been released from jail, and political refugees were not allowed to return to their homeland. With the consolidation of the new regime, Turkmenistan was once again on the verge of a crucial tipping point. Many American analysts argued that it still had the chance to make major changes, but there was also a grave risk that may experience a complete regression to the worst practices of the former dictatorship. The expectation was that the Turkmen President Gurbanguli would hopefully have a significant effect on how the situation developed throughout Central Asia as well as the way that the entire area dealt with the political approach to human rights. This view was expressed by a prominent American private organisation, namely Freedomforsale that focuses attention on human rights and free speech abuses (Freedomforsale.org 2008: Online: web).

Apart from the hopes on the human rights situation, other factors also place compulsions on Turkmenistan. For instance, it was forced by Europe to observe economic and political reforms that enabled the transfer of power from the President to the Parliament. In the Turkmen Parliament, however, there was minimal enthusiasm for reform. Its parliament had little interest in creating cohesive economic and legal structures. In other words, the President seemed more inclined to favour progressive legislation than the Turkmen parliament. As in Azerbaijan and Kazakhstan, parliament tended to oppose liberalisation and privatisation. The parliamentarians considered the energy industry to be of prime significance and a political lever over outside world. As one commentator put it, the reform of political economy of Turkmenistan found several opponents, with the exception of the President who seemed to be the only possible advocate of legal reform. After several years battle and rejection, the parliament of Turkmenistan
finally accepted the international tender for exploration and creation of its offshore hydrocarbon reserves. The tender was initiated in the form of an ordinance signed by President Niyazov, which established a new commission to conduct the tender. As noted by observers, one main reason was that there was a fear of being left behind in the development of Caspian reserves that gripped Turkmenistan hard (Anderson 1997:28-35).

The US was constantly encouraging Turkmenistan’s government, and the companies operating there, to show greater openness, and to take stronger and more substantial steps towards democratic reforms. For Turkmenistan to develop and move on, it is important to admit the legitimate grievances of the nation’s people and to give them a genuine voice in the development of the days to come. Continuing along the present path, a path of denial and indifference to the nation’s problems and its people’s concerns will undoubtedly lead to a grim future, both for Turkmen citizens and for the international political and business establishments currently involved in the country (Sara: 2007 Online: web).

In the latter half of the nineties, US interests, goals and policy towards Turkmenistan remained focused on the fifth biggest reserves of gas in the world and largely untapped oil resources of Turkmenistan. The economic potential that Turkmenistan did have was however hindered by two factors: the personality of Niyazov and the landlocked status of the country. Evidence further shows that multiple pipeline proposals as well as several economic initiatives of Niyazov did not materialise because few were willing to financially back these project given the President’s nature. One such example was the Trans- Caspian gas pipeline. As evidence revealed this pipeline made Turkmenistan a key player in the Caspian Basin energy initiatives, which sought to facilitate negotiations between commercial partners and the Government of Turkmenistan, Georgia, Azerbaijan and Turkey to build a pipeline under the Caspian Sea and export Turkmen gas to the Turkish domestic market and beyond. However, the government of Turkmenistan removed itself from negotiation in 2000 by demanding multimillion dollar “pre financing” (Politlnfo.com: 2003). While the politics of this and other
pipeline will be dealt with later, it is important to look into the enormous energy potential of Turkmenistan and its relations with the US.

**Energy Reserves in Turkmenistan:** Turkmenistan has rich natural and energy resources. It is forecasted that the reserves of hydrocarbon resources are estimated at 21-23 trillion m³ of gas and 12.0 billion tons of oil. It has huge stocks of mining and raw chemicals: sulphur, iodine-bromide water, sodium sulphate, potassium and table salt, carbonate raw for chemical industry, etc. Mining raw is presented by bentonite, kaolin, raw for mineral fibre production, marble onyx, ozokerite, etc. The metal minerals are lead and zinc. The country possesses numerous deposits of raw for the building materials production industry. The production of oil level in 1998 was 6.637 million tons and natural gas - 13.3 billion m³. The oil production is located mostly in the western part of Turkmenistan near the Caspian Sea. In the east, near Uzbekistan, on the right bank of the Amu Darya river, the development of the big gas field has taken place. The two large oil refineries using local raw, are located in the west and in the east of the country. While it possessed the world’s fifth largest reserves of natural gas and substantial oil resources and the Russian government denied exporting Turkmen gas to hard currency markets which led to a sharp fall in the industrial production in 1994 (Ministry of Nature Protection of Turkmenistan, “Natural Resources”2003 Online: web).

Since then, however, there has been remarkable increase in the oil production. According to the New York based think tank focused on Central Asian countries and the region, the richest oil and gas fields are involved in joint development of some of the largest foreign companies of US, England, and others on a mutually beneficial basis (Eurasia Insight :2008 Online: web).

A Moscow based trade publication; “Oil and Gas Eurasia” revealed that the Soviet geologists maintain that Turkmenistan's reserves are the fourth largest reserves in the world, which ranged from 10 trillion to 14 trillion cubic metres. According to their estimates, its natural reserves place them even at higher levels of up to 24 tcm. In order to settle the matter of estimation Berdimukhammedov commissioned an independent audit by reputed British firm Gaffney, Cline &

During this, audit the British company Gaffney, Cline and Associates, GCA found that the Yolotan field near the Afghan border holds 7.85 trillion cubic yards (6 trillion cubic metres) of gas, making it one of the five largest deposits in the world. As the Turkmen President Gurbanguli Berdimukhammedov observed, "The deposits at Southern Yolotan alone, if it produces 50 billion cubic metres of gas annually, could provide enough gas to supply any state for 100 years" (Ibid).

However, the major obstacle with Turkmenistan was its landlocked status and the absence of a gas pipeline to the outside world. In November 1993, Moscow cut Turkmenistan's access to a Russian pipeline to Europe and redirected the gas to Ukraine and Trans-Caucasian countries. Problems in collecting payment from them and Moscow's show of control, induced Niyazov to accelerate the construction of a pipeline from Turkmenistan through Iran to Turkey and thence to Western Europe. The pipeline could potentially transport some 28 billion cubic metres of gas annually, providing Turkmenistan with substantial hard currency revenues (Ochs1995: Online: web).

In order to sustain its economy, the present Turkmen government has also turned towards its natural gas reserves. As mentioned earlier, Turkmenistan suffered from the continued lack of adequate export routes for natural gas and from obligations on extensive short-term external debt. Towards improving the situation, Turkmenistan’s Minister for Oil, Gas and Mineral Resources Gurbanmyrat Atayew reassured foreign gas customers that the country was fulfilling its commitments on natural gas exports "without delay and in full volume" (Nichol 2007, Congress Research Service Report on Turkmenistan Online: web). Berdimukhammedov on January 5, 2007 indicated an interest in enhancing Turkmenistan’s sovereignty by diversifying its energy export routes, including by building the proposed trans-Caspian and Turkmen-Pakistan pipeline (Ibid).

However, according to US analyst Martha Olcott, Berdimukhammedov may be insincere in promising reforms. She argues that his aim may be to get
Western governments to pay less attention to exiled politicians and to gain support for a very non-democratic constitution modified in a very non-democratic way, and to validate an election in which the electoral process was flawed from the beginning” (Ibid).

The skeptics were silenced by Gaffney, Cline and Associates, GCA who anticipated South Yolotan-Osman’s reserves to be 4 to 14 tcm of gas, making it the fourth or fifth largest field in the world. Turkmenistan was assigned to develop the South Yolotan gas deposit, and it received $3 billion for the same. The Deputy Prime Minister was effusive while addressing the reporters in the capital Ashgabat, about Turkmenistan’s potential to increase production. He stated that production of 50 billion cubic metres of natural gas in the South Yolotan reserve alone will fetch produce equal to the demand of any country for a century. They currently produce 80 bcm of gas. In addition, Malaysia’s Petronas-Carigali and others, operating in the Caspian Sea offshore zone, can produce up to 20 bcm”(Pannier 2008: Online: web).

**Pipeline as Lifeline: Origin and Development:** The idea of attracting foreign investors for the search and development of oil fields in Turkmenistan came into existence during 1992. In January 1992, the first international competition of foreign companies wishing to conduct exploration and subsequent exploitation of Turkmen oil and gas deposits took place in Houston. The chief condition was the creation of joint ventures in which Ashgabat defined very strict terms for the distribution of revenues among the partners. As a result of the passing over of such well-known oil companies as British Petroleum and Total, the competition was won by the Argentinian company Bridas, whose share in the resulting joint venture, Yoshlar was 31 per cent (Croissant, Aras 1999:3-7). The initiative of prospecting and developing of Turkmenistan’s oil and gas reserve was commenced with the Yoshlar joint venture with foreign companies, through mutual cooperation. The second international competition held in Houston in January 1993, granted to the victor the right to prospect and exploit new and already open oil and gas deposits in an area of more than 20,000 square kms situated mainly on the Caspian shelf (Croissant, Aras 1999: 13-18).
Oil extraction continues to be realised by cooperation with foreign partners through joint ventures and agreements of division of output. The legal ground for this was laid in March 1997 by the adoption of a law “On Hydrocarbon Resources” by which the Turkmen share in all joint ventures was to exceed 50 per cent. For example, in the Dutch-Turkmen joint venture, Larmag-Cheleken, which was already investing $98 million for oil production in the maritime block Cheleken-2, the share of Turkmenistan was 55 per cent (Russian Law News: 2006 Online: web). Amidst this scenario, it must be noted that both Washington and Moscow were lagging behind in making the most of the opportunity. This can be accredited to their perception of the Turkmen government as penniless and available for exploitation.

Turkmenistan has committed to export 65 billion cubic yards (50 billion cubic metres) per year to Russia under a 25-year contract, and it has also agreed to provide China with 52 cubic yards (40 billion cubic metres) annually. An additional 10 billion cubic yards are sold annually to Iran. However some international experts voiced doubts that Turkmenistan could meet all its supply obligations, but Berdimukhammedov affirmed that the nation has enough gas to supply all buyers. Berdimukhammedov added that the country’s annual production at present was 105 cubic yards (80 bcm) of gas, whereas the Malaysian giant Petronas along with other foreign companies produce 2 bcm of gas in the Caspian Sea, the Turkmen sector (Tehran Times 2009:Online:web). Thus the politics of pipeline became the defining feature of Turkmenistan’s foreign policy. Further, the deteriorating relationship with Russia contributed significantly to shape the direction of Turkmenistan’s oil and gas policy.

The antipathy towards Russian policies over the past two decades brought Turkmenistan increasingly closer to its Caspian southern neighbours. Both before the 1991 dissolution of the Soviet Union and now, the majority of Turkmenistan’s natural gas are exported through Gazprom’s Central Asia-Centre pipelines to Russia. Russia’s tightfisted low prices, led Niyazov in March 1997 to halt gas exports and to remind the Kremlin of Ashgabat’s other options. Later that year the
$195 million, 124-mile, 8.4 bcm Korpezhe-Kurt Kui pipeline to Iran was opened, Central Asia's first gas export pipeline to bypass Russia (Daly 2009: Online: web).

**Importance of Turkmenistan in US Policy:** The US had in the meanwhile, assessed Turkmenistan's enormous oil and gas potential for its energy needs. As discussed in the earlier chapters, the US was already facing a stark choice over its energy demand and supply situation. The Department of Energy had published data on Turkmenistan that influenced the policy makers that how Turkmenistan could be a significant player in the 'new great game'. While no official statement was made pinpointing this objective, several publications from the Department of State illustrate the fact that the US had begun to seriously consider the development of significant bilateral ties with Turkmenistan as major imperative of its policy towards Central Asian Region. Some of these alluded the need for critical cooperation with Turkmenistan due to the strategic economic interests. To observers this indicated that on the basis of US reservations on Turkmenistan's human right record and political culture, it would be willing to consider aid and other investments to advance mutually acceptable ties.

**US Involvement in Turkmenistan:** The Washington-based American Petroleum Institute reflected that major US oil companies call the Caspian region, "the area of greatest resource potential outside the Middle East." Further Dick Cheney told a gaggle of oil industry executives in 1993, "I cannot think of a time when we have had a region emerge as suddenly to become as strategically significant as the Caspian" (Anderson 1995: 509-515).

As argued above, owing to its alleged violation of human rights Capitol Hill maintained a distance from Ashgabat for several years. The US displeasure was indicated during visits to Ashgabat by the then US Secretary of State James Baker and US Special Envoy Strobe Talbot in 1992-1993, when the US even denied economic credits to Turkmenistan. However, it was observed that high priority was accorded by Turkmenistan to its foreign policy with the United States' recognition of the serious cooperation with Turkmenistan in diverse spheres, including oil and gas. Hence one could agree with the argument that the steady
development of ties indicates that the crisis in the two countries' relationship is being overcome due to factors other than political regime (Ibid).

The intensified interest of United States was manifested during the first official visit of President Niyazov to Washington in April 1998. In this visit several documents on bilateral cooperation were signed. The mutual interest was manifested by the fact that Niyazov and US Vice President Al Gore signed an agreement whereby the US was to grant $750,000 to fund a study for oil and gas pipelines to be built under the Caspian Sea to the West, to bypass both Iran and Russia. (APS Review Downstream Trends1998: Online: web).

However, US Turkmen ties were strained at times particularly after Turkmen authorities alleged that US officials (and those of Russia, Uzbekistan and Turkey) might have been involved in an alleged 2002 coup attempt. Turkmenistan also objected to criticism from the US and others in the international community about human rights abuses and the failure to democratise.

Thus, in the changed scenario the US administration appears to have cautiously considered that under Berdimukhammedov Turkmenistan might prove to be less isolationist and authoritarian, that human rights might improve and the country might seek to boost trade ties with the outside world, including building energy export pipelines. The then Assistant Secretary of State Richard Boucher, headed the US delegation on Turkmenistan’s president’s funeral to signal this US interest in “a new beginning of US-Turkmen relations” and to offer US assistance in reforms “if they are ready”18. He called for a “smooth and peaceful transition of power. Though he made it clear that United States would not “lay down a blueprint” of reforms for Turkmenistan to follow.

The importance of Turkmenistan in US foreign policy is clearly visible during the Bush Junior’s administration. The Bush Administration realised that, the United States had “strategic and economic interests” in Turkmenistan and “must remain engaged” with the country to gain its “critical cooperation” in reducing

---

18 On December 21, 2006, the U.S. Embassy in Turkmenistan expressed condolences and stated that the “United States hopes for a peaceful, smooth, constitutional succession.”
threats to regional stability, including terrorism and illegal trafficking in drugs, weapons of mass destruction and persons. Although the United States has limited its assistance to Turkmenistan because of its failure to reform, some US aid has been used to help Turkmenistan "achieve political stability, independence and integration into the global economy and to promote security cooperation in the interests of both countries (Nichol 2007: Online: web).

However, the US did not have great expectations that the prospective Presidential election would be free and fair, but praised Berdimukhammedov proposals to reform education, expand exchange programmes and expand access to the Internet as contributing eventually to a more open society. Condoleezza Rice, the then U.S. Secretary of State stated that it was in the interest of the U.S. to nurture a "stable, democratic and prosperous future" for Turkmenistan (Rice 2006: Online web).

Evan A. Feigenbaum the then Deputy Assistant Secretary of State for South and Central Asian Affairs speaking at an event organised by the influential Carnegie Endowment for International Peace on 17 September 2007 claimed that the US has a foreign policy in this part of the world of which oil and gas are one very important but not the only component. He stated that the US has multidimensional approach to this "tiny part of the world." He further stated that US was interested in securing cooperation and assistance in economic sphere, trade and energy security diversification with logistical support for the war in Afghanistan. He emphasised the fact that the US was also interested in democratic reform and human rights issues in Turkmenistan. While his remarks were principally about Central Asian side of the Caspian, his focus was on the pipeline politics and Turkmenistan was one of the major player in the US calculations (Feigenbaum:2007).

Richard Boucher the former Assistant Secretary of State for South and Central Asian Affairs also noted that US would like to see Turkmenistan be able to develop its resources, its oil and gas reserves in a market fashion that gets them a market price for their energy. He stated that "that's where the idea of multiple pipelines, multiple outlets and multiple options is really a question of how to
secure the sovereignty and independence of the nation". Some observers have warned that instability in Turkmenistan could disrupt its sizeable gas exports to Russia, and since these supplies permit Russia to export more of its own gas to Europe, such disruption could have a ripple effect in Europe. Other concerns of the Congress included Turkmenistan’s poor democratisation record and its lack of respect for human rights in legislative actions like its Hearings.

US domestic debate for example 110th Congress debated whether or not to change or boost the focus of US assistance on Turkmenistan’s reforms. Alternatively, sanctions or other forms of disapproval were also debated. Other concerns of the Congress included the ongoing US-Turkmen association on anti-terrorism, the possible outcome of the Turkmen regime change and the expected extension of humanitarian funds to address the issue of supposed food shortage in Turkmenistan (US 110th Congress, Session 2nd, House of Representatives, Committee on Foreign Affairs, Subcommittee on Asia, the Pacific and the Global Environment, Testimony of Richard Boucher, Assistant Secretary of State for South Asia and Central Asia, 29-35). However, according to the then US Ambassador to the Commonwealth of Independent State, CIS Stephen Sestanovich US policy did not begin from an assessment of its economic interests, but rather from a strategic standpoint (Nichol2001: Online: web).

Thus it can be argued that the growing presence of the US in the Trans-Caspian region was due to strategic and geopolitical aims that would eventually increased US influence. Such a policy essentially combined all the traditional instruments of power, superior economic potential and military power, as well as a commitment to integrate the area more fully into the West in terms of both defense and economics. This meant that the increasing US interests in the Trans-Caspian region concurred Europe’s security agenda. As NATO Secretary General Javier

---

19 Ashgabat, April 17, 2009 – The Assistant Secretary of State for South and Central Asian Affairs, Richard A. Boucher, visited Turkmenistan April 14-17 to meet the President of Turkmenistan, Gurbanguly Berdimuhamedov, and hold talks with other government officials. Assistant Secretary Boucher’s visit covered the full range of bilateral issues including support for international efforts in Afghanistan, diversification of Turkmenistan’s natural gas export routes, and cooperation in fields such as education, Embassy of United States Ashgabat Turkmenistan.
Solana made it clear, Europe cannot be fully secure if the Caucasus remains outside European security ambit (Blank 2000).

The shifting emphasis of US policy towards Turkmenistan was further highlighted by former high ranking officials such as John Deutch (Director, CIA) James R. Schlesinger former Defense and Energy Secretary who claimed a special Task Force on “National Security Consequences of US Oil Dependency.” Released in October 2006, this report judged that US lack of sustained attention to energy issues was undermining US foreign policy and national security. It went on to argue that US energy policy was plagued by “myths” such as the feasibility of achieving energy independence through increased drilling and other measures. In the reports view, the US would be better off if it equipped itself to manage its dependence rather than pursue “the Chimera of independence”(Council on Foreign Relations, Task Force Report 2006: Online: web). While considerable focus of the Report was on the domestic energy policy of the US, it raised the stakes for the US policy makers on how energy issues intimately affect US foreign policy.

The former Secretary of State Condoleezza Rice stated in April 2006 to the Senate Foreign Relations Committee that they were indeed facing energy issues, and that nothing had taken her back more than the way the politics of energy was covering diplomacy in the world. She noted that it has given extraordinary potential to some states for the international system, states that would otherwise have very little power (Rice 2006: Online: web).

Even more illustrative of the US policy goals and cooperative mood was the Foreign Operations Appropriated Assistance for Fiscal Year 2007 was $ 10.87 million $ 9.35 million FSA aid and $ 1.52 million. As stated by the Department of State, Turkmenistan and United States turned a new page in their bilateral relationship following the death of the Turkmen President Niyazov in 2006. Ostensibly, the focus of assistance was the strengthening of border security and combating narcotic smuggling amongst others, but energy security too lurked at the back (“Foreign Operations Appropriated Assistance: Turkmenistan, US Department of State 2009: Online: web).
By June-September 2008, US Coordinator for Eurasian Energy Diplomacy, Steven Mann and special envoy for Eurasian Energy Ambassador C. Boyden Gray visited Turkmenistan to confirm high level talk with Turkmen government officials on energy issues (Press Release, US Embassy : Turkmenistan 2008 Online: web). The remarkable exchanges and high level visits testify to the visible importance given both to the region and Turkmenistan. It was Senator Richard Lugar who had visited Kazakhstan and Turkmenistan in 2008 who told the Foreign Relations Committee that US must enhance its diplomatic engagement with Central Asian Nations such as these two in order to have a deeper dialogue on Trans-Caspian alternative so as to convert them into investment on the ground. The Senator was making the opening statement at the US Senate Foreign Relation Council, Hearing on the “Oil Oligarch and Opportunity: Energy From Central Asia to Europe” on 12 June 2008 at Washington DC (US 110th Congress 2008, Senator Lugar, Statement). In this Hearing he had recommended that a special envoy be appointed for energy issues. Thus it was clear that the Congress was involved and suggested what sort of policy operatives the Presidents needs to undertake in order to achieve the goals of US policy towards Turkmenistan. The Hearings also reveal the depth of bipartisan understanding of the energy and other issues regarding Central Asia in general and Turkmenistan in particular. Thus it may well be argued that US-Turkmenistan bilateral ties were poised to move in a positive direction by the end of the Bush Junior’s administration.

In the same Hearings, experts from the Centre for Eurasian Policy, Hudson Washington stated that the major problems of Russian controlled Gazprom was that any discussion to start privately financed commercially viable alternatives like NABUCCO which was deliberately undermined by Russians. Given the linkages between Russia’ geopolitical goals and pipeline it was time for the US to send a clear signal to Turkmen that, regardless of who the next US President be, The US would remain committed to large quantities of gas reaching European market via the proposed corridor. Influence of this view is visible at the Obama administration today.
The US' optimistic approach towards Turkmenistan has been continued by the Obama administration. This can be seen from the present Secretary of State Hillary Clinton’s statement that the government is supporting the policy pursued by Turkmenistan, including the diversification of fuel and complex energy initiatives on ensuring global energy security (Hasanov 2009: Online: web).

Deputy Premier of Turkmenistan, Foreign Minister Rashid Meredov, who had a meeting with Secretary Clinton during his recent visit to Washington, made this statement at the last meeting of the Cabinet Ministers. Heads of the world leading companies, such as Chevron and Exxon Mobil also displayed tremendous interest in international consolidation and expansion of partnership, which helps to solve very ambitious tasks. According to Meredov, the initiative of a further constructive interstate dialogue meeting was repeated by the US catering to the interests of both the countries. The statement also reiterated the tasks on sustainability and security of Central Asia. Turkmen President Berdimukhammedov highlighted the importance of developing productive talks with the US (Hasanov 2009: Online: web).

The willingness of the government of Turkmenistan to build broader ties with US was interpreted by the US as the Central Asian Republic wanting to diversify from the Russian control. In fact several experts testified to the Senate Foreign Relations as cited earlier, that US-Russian strategic relations need not come in the way of helping these countries. In particular Zbigniew Brzezinski urged the committee to energetically get involved in Central Asia and to obtain access either through the Caspian or directly to Turkmenistan (US 110th Congress 2007, Senate, Session 1st, Committee on Foreign Relations, Hearing “Strategic Assessment of US-Russian Relations”, 30-35).

**Turkmenistan’s Response to Pipeline Politics:** Turkmenistan favours the principle of multiple variants. (Such an approach makes Turkmenistan an advantageous partner for consumers and producers alike.) Therefore, Turkmenistan is committed to realise large-scale energy export projects in the most diverse directions. As a result, cooperation is emerging between Turkmenistan and many American companies, who are interested in doing business with a country that can
boast of possibly having the world’s fourth largest known natural resources after Russia, the United States and Iran. It has been found that Turkmenistan views the opportunity for extensive cooperation with one of the largest American oil companies Chevron. Positively that stated it is also important to note that offices have been opened in Ashgabat by such oil giants such as Shell and the Anglo-Dutch consortium, Royal Dutch Shell, the latter of which is the world’s largest oil company with operation in more than one hundred countries worldwide. During the visit of President Niyazov to Brussels in February 1993, a memorandum of mutual understanding was signed between the government of Turkmenistan and company Shell set aside for the latter the exclusive right to prepare a draft plan for transporting Turkmen gas to Europe and forming an international consortium for realisation of the project. Shell planned to focus its work in Turkmenistan in the sphere of creating a transport network for energy export (Croissant, Aras 1999: 220: Online: web).

Several other authoritative oil companies announced their aspiration to take part in the development of oil deposits on Turkmenistan’s shelf of the Caspian. Among them is the Japanese Company Stochu, which has shown an interest to conduct geographical and seismographic work, to be followed by joint work in the area of oil. The Malaysian company Petronas Karigala has discussed cooperation with Turkmenistan on the development of oil and gas on the South Caspian depression, where estimated reserves total 2 billion tons and 2 trillion cubic metres respectively (Ibid). Other companies that have proposed similar cooperation since 1992 include Larmag Energy (Netherlands), Robel Drilling (US), Mitsui (Japan), Elf Aquitaive (France), TPAO (Turkey), NIOC (Iran), Monument (Great Britain, and Mannesmann (Germany) (Ibid).

Turkmenistan is known to have attempted to actively organise international conferences for inviting foreign capital in the energy sector for its development. Towards this end, a conference was held in Paris in June 1994, at which the Turkmenistan government rated that it had developed a series of measures to promote capital investments – including improvement of the banking system, price liberalisations and adjustment of the taxation system. At the same time, in that
period less than 20 per cent of the republic’s oil and gas reserves were being exploited. Ashgabat was hence determined to develop the proposal for foreign developers in the prospective region of the development of oil and gas production over a total land area of 150,000 square kms (Turkmen Energy 2001: Online: web).

A contract on equal participation for the reconstruction of an oil refinery at the Caspian seaport of Turkmenbashi was signed between the leading companies from Japan, the US, Germany, France, Turkey, Iran and the Netherlands for the strategic development of the country’s oil and gas complex. It was signed at the International Conference of “Oil and Gas-1997”. The facility was expected to refine more than 5 million tons of oil in the first half of 1998. Plans were also made to build a new cargo terminal at the site, for which the European Union decided to allocate 2.5 million European Currency Units (ECU). Turkmenistan’s government announced a tender for the project later in 1997 (Ibid).

Further, a tender for the development of two blocks on the Turkmen shelf of the Caspian was also announced officially at “Oil and Gas-9. In addition to this on 27 May 1997 President Niyazor signed a decree “On holding an international tender for exploration and extraction of hydrocarbons within the Caspian Sea Shelf.” (World Oil 2001 Online: web).

So far as the cooperation with oil companies from Russia and the United States is concerned, Turkmenistan has announced adherence to the principle of equivalence, with the crucial significance given to its economic priorities. Ashgabat, for its part, pledged to assure recognition of international legal guarantees and to grant the necessary financial benefits to international oil companies.

The Russian analysts had previously forecasted that Ashgabat’s partnership with oil companies in the west will worsen its relations with Iran, which does not meet the interests of Turkmenistan. However, such a deterioration has not occurred.

It seems probable that the Turkmen government perceives that successful beginning and the steady development of relationship with the United States is
more important in the long-term than rapprochement with Iran. Although with the passage of time tensions between Washington and Tehran may relaxed, in all probability the US will in the foreseeable future seek to limit Iranian influence in the Central Asian Region and thus will prefer to seek Turkmenistan’s oil and gas exports pipeline routes other than through Iran.

Ever since Turkmenistan achieved independence, the country’s oil and gas sector has become the major component of its geopolitics. This has been triggered by the extraordinary prominence of hydrogen sulphide raw materials in the development of its national economy. The active inclusion of Turkmenistan in the process of establishing a new legal system for the Caspian has undoubtedly raised the foreign policy status of this state. The internationalisation and diversification of the search for and exploitation of oil and gas promoted Turkmenistan’s rapid determination of its foreign policy priorities. Turkmenistan is evidently planning between West and East. Of late, their reorientation towards the west has become more evident, although there is a risk triggered by Ashgabat of economically and politically disadvantageous decline in the relationship between the strategic partners of Iran and Russia (Daly 2009: Online: web).

Following in the footsteps of Kazakhstan and Azerbaijan, Turkmenistan has now realised the importance of observing a code of conduct for attracting foreign investment. It has acted in this regard by developing a belated legislative framework “Foreign Direct Investment in Turkmenistan,” (Tiryakioglu Law Office, 2009: Online: web).

Scrutinizing of Turkmen laws reveals that in December 1996, Niyazov signed the law on ‘Hydrocarbon Resources’ and in April 1998 he signed a partial privatisation decree. In May 1997, the former President of Turkmenistan Niyazov endorsed model contracts that offered favourable treatment to subsoil users operating under PSA agreements. Before these laws, arrangements with international partners were handled primarily through Presidential decrees. The Hydrocarbon Law established a tax regime streamlined the procedure for issuing licenses and set out tender procedures. Nevertheless, the disadvantages include Turkmenistan’s limited liability of the uncertainty surrounding its ability to review
contract teams (US Embassy, Turkmenistan, Ashgabat 2008 Online: web). The US official document emanating from the embassy reveal that US helped in both setting up of influential standard as well as in advising the Turkmen government on energy issues. (US Embassy, Turkmenistan, Newsletter, 2005-2009: Online: web).

**Diversifying Turkmenistan’s Natural Resources: Role of the United States:** In 1995, the US company Unocal started negotiating the Turkmenistan-Pakistan Pipeline through Afghanistan. Sections of Taliban leadership were even interested and arrived in Houston in 1997 to work out a deal. The Taliban was promised $50 to 100 million a year as transit fees if the pipeline was built (Newnation.com 2005). The Unocal head of International Affairs, John Maresca, continued to argue for the Afghanistan route and it was only in 1998 that these plans were stopped after the US bombing of Al-Qaeda. (US 105th Congress, Session 1st, House of Representatives, Committee on International Relations, Subcommittee on Asia and the Pacific, Hearings, “US Interests in the Central Asian Republic”: 43-45). In 1998, after Unocal pulled out, Delta, a Saudi company along with Pakistan’s Crescent Steel remained the two largest shareholders (Pakistan’s Crescent Steel and Allied products have a share of 3.3 per cent in the pipeline project). Iran has been competing for a route through its own territory but Pakistan continues to be interested in this route through India and several think tanks feel that it can be a confidence building measure between India and Pakistan. Pakistan’s renewed interest on building linkages with the new Afghanistan regime, after the fall of the Taliban, is to get closer access to Central Asian and Caspian Sea pipelines. The Russians have recently expressed interest in the Trans-Afghan Pipelines (TAP) and have initiated negotiations with Pakistan on this (Chazan 2009: Online: web). The source of all this intense interest was the enviable resources of Turkmenistan and its location. The US too revealed its interest when Evan A. Feigenbaum, Deputy Assistant Secretary of State for South and Central Asian Affairs, in his statement in an event organised by the Carnegie Endowment for International Peace, acknowledged that Turkmenistan is a small country but stirs large interest. In addition to this, it is interesting to note here that he mentioned that United States has “lost” Turkmenistan to Russia, “regained” Turkmenistan from Russia, “lost” Turkmenistan anew to Russia, and now in the
最新转旋俄罗斯似乎正在"失去"土库曼斯坦给中国（费根鲍姆在由卡内基和平研究所举办的讨论会上：2007年）。

几份报告清楚地显示，华盛顿渴望与土库曼斯坦合作，以增强其贸易、旅行、教学和学习、交流思想、参与国际体系、重新连接到国际经济、吸引外国投资和积极参与各自国家的社交、经济和政治生活。另外，有观察指出，华盛顿对这个"一无所知"的地区的新视角或拓宽视野旨在建立一个稳定、民主和繁荣的土库曼斯坦，一个融入其地区的土库曼斯坦和世界，包括国际经济，一个遵守并遵守国际规范的土库曼斯坦，一个与美国合作的国家。美国国务院助理国务卿曾承认，无论1991-2006年的双边关系的图表如何，未来应有所改善；他进一步指出，这在可能，因为美国和土库曼斯坦都有共享成功的记录。他回忆说，有：

• 边境保护和海关的合作。
• 对抗毒品扩散的合作。
• 非核扩散和对抗大规模杀伤性武器扩散的合作，最后是。
• 阿富汗的广泛协调。

换句话说，美国政策的四个核心原则是

• 坚定支持土库曼斯坦从俄罗斯政治控制的独立。
• 感到工作与土库曼斯坦来改变这两国自2001-2006年共有的僵局。

163
• Wishing to see exciting possibilities for change. However he cautioned that US was realistic about those possibilities (Ibid).

An era of new openness and willingness to discuss all bilateral issues of interest started. Berdimukhammedov meeting with the commissioners and staff of the US Commission on International Religious Freedom was the first meet of the foreign head of the state. President Berdimukhammedov agreed to host delegations from the United States in five key areas –

• Economy and agriculture,
• Democracy and human rights,
• Education,
• Security and,
• Energy.

Washington made it very clear that in the economic sphere it will continue to encourage state control mechanism reform and the restrictive currency exchange system. In its view, in order to attract international business, Turkmenistan needed to do its part to establish an economic environment that increased transparency, expanded the rule of law, and protected property, tackled issues corruption, excessive tax burdens, ambiguous regulations and dual exchange rates. Turkmenistan too expressed its interest. While pursuing the accomplishment of these issues, a technical team from the Treasury Department took up the matter not only to financial and banking norms but also the intellectual property rights issue (Newnations.com 2005).

Apart from this, Turkmenistan has expressed its desire that the US should help to develop its small and medium sized enterprises. Besides this, it has asked for assistance with the privatisation issue, diversification of its economy, anti-money laundering training, expanded agricultural cooperation and assistance with the dual exchange rate rights (Ibid).
The US is also hoping that Turkmenistan would ensure that Central Asian Countries connect with another and with neighbours in every direction on the compass including the south. The Minister of Economy and Finance Geldimyradov attended the US – Central Asia Trade and Investment Framework Agreement, or “TIFA”, meeting and demonstrated a new commitment to participate in regional efforts (Turkmenistan.RU 2007: Online: web).

As a testimony to its fight against regional instability, Turkmenistan has supported US-led coalition over flights for Operation Enduring Freedom (OEF) in Afghanistan land shipment of supplies for OEF, and subsequent reconstruction efforts. Military- to- military cooperation has also been enhanced and developed since recent past between Turkmenistan and the United States. This is manifested on the recent visit of Admiral Fallon, the Commander of CENTCOM, to Turkmenistan. The US is endeavouring to increase the visit of Turkmen military officials to the United States and vice versa (Pannier: 2008:2-4). In fact the, the New York Times reported that two countries have developed stronger ties since 9/11 and that the US is trying to engage one of the world’s most puzzling and tightly controlled countries (Chivers:2007).

The message by former Secretary of State Condoleezza Rice to the Turkmen people clearly manifests the fact that the US has broadened its horizon towards this small sovereign country, and that US has begun to turn a page on its relationship with Turkmenistan in order to advance a stable, democratic and prosperous future for Turkmenistan.”(The School of Russian and Asian Studies: 2005 Online: web).

Recently, Turkmenistan registered progress in its approach to economic policy. During his speech to the UN General Assembly on September 25, 2007, President Berdimukhammedov made it very clear that Ashgabat wants to “open up” to the outside world and build a more durable environment to further its economic interests. Praising the role of the UN in world affairs, he outlined aspects of Turkmenistan’s international engagement efforts, underscored by bilateral meetings with officials from the United States, Georgia, Lithuania and Croatia. The President also met Condoleezza Rice and the Presidents of countries of
Business found prime significance in the policy, with his consideration towards US business and a visit to New York Stock Exchange, NYSE (UN News Centre 2007: Online: web).

Furthermore, he stated that "we highly appreciate the fact that Ashgabat, the Turkmen capital, has been chosen as a venue for the preventive diplomacy centre and view this as deep trust by the UN in our country" (quoted in ibid). He expressed concern for macro issues like curbing the spread of terrorism and weapons of mass destruction while addressing Turkmenistan’s silent role in the Central Asian region and the country's commitment towards trade expansion there (Ibid).

During his visit to New York, The Turkmen President used the opportunity to expand and deepen Turkmenistan’s partnership with the United States. He also had words with Secretary Rice in order to open the door for further cooperation between the two countries. Broad agreements were reached on energy cooperation, sustainable development and security. Rice observed that Turkmenistan has huge energy resources and has formulated a “very attractive proposal” on their use, which Washington welcomes. Turkmenistan is also strategically important, in Rice’s view in terms of establishing inter-regional transit and transport routes (Stern 2007: online: web).

Addressing economic issues, Berdimukhammedov said Turkmenistan produces 70-80 billion cubic metres of gas and 10 metric tons of oil annually. On the country’s international pipelines, Berdimukhammedov suggested that cooperation existed with the government, banks and companies of several countries involving the Turkmenistan - China, Turkmenistan – Afghanistan – Pakistan, Caspian, and Trans Caspian pipelines. “I have heard plenty of concerns about these projects. The main (issue) is whether or not we have enough resources to meet all declared obligations. My answer is yes, we have enough, and 'moreover, we guarantee the implementation of these projects.'” (Quoted in ibid).

He affirmed that Washington’s growing security interests in Turkmenistan were emerging and that the US was keen to foster a stronger relationship with the new
regime despite Ashgabat’s avowed neutrality on September 27, 2007. Vice Admiral Kevin Corgriff, the Commander of the US Central Command Naval forces, headed a delegation on a working visit to Ashgabat. The delegation met officials on the Turkman Ministry of Defence and the State Border Guard Service, as well as the Ministry of Oil and Gas and Mineral Resources. Such bilateral security contracts are aimed at exploring mechanism through existing security cooperation (Red Tram News 2007: Online: web).

Maritime Security, humanitarian and disaster preparation, and counter-narcotics were among some of the topics discussed. “The experiences we have had in the Arabian Gulf region helped us to develop a deep appreciation for the challenges that face new countries and new navies,” said Casgriff (Quoted in ibid). “We hope we can assist Turkmenistan on increasing their abilities in the Caspian Sea through our expertise in Maritime Security Operations (MSO) and the defence of the Iraqi Oil Terminals” (Quoted in ibid). Like the Persian Gulf, the Caspian Sea is crucial to the economies of several countries, with vast hydro-carbon reserves and a booming fishing Industry. “The Caspian Sea has some of the largest hydro carbon reserves in the world, so it is everyone’s interest to have a safe and stable environment”, said, St. Comdr. Jerry Boster, Director Theatre Security Cooperation, Arabian Sea and Central Asian States “stability factors prosperity and economic growth” (“COMUSNAVCENT visit Turkmenistan” 2007: Online: web).

Over the years, the U.S. military has created a history of assistance with Turkmenistan. The US Army National Guard has engaged in humanitarian, firefighting and medieval training over the past decade and the US Coast Guards has provided training to the Turkmen State Border Service and their maritime forces. In 2001, the United States gave Turkmenistan a Coast Guard Cutter, which they still use to patrol the Caspian Sea. The US Embassy in Ashgabat says bilateral relations have improved since Turkmen President Gurbanguli Berdimukhammedov came to power in late 2006.

Berdimukhammedov is attempting to open Turkmenistan to Western influence, insofar as it meets Ashgabat’s economic needs. Washington, on the other hand, needs to calibrate a joined up policy that brings about a closer
cooperative security relationship without alienating the regime politically. The
ground for optimism is based on the extent to which the Turkmen leader expressed
interest in his peace talks with Rice. Ashgabat, in turn scrutinises Washington’s
relationship with the neighbouring countries of Turkmenistan in Central Asia.

According to the Embassy Public Affairs Officer, Washington will
continue to support the democratisation process in Turkmenistan but noted that
progress depends on the willingness of Turkmen authorities to make changes.
Further it was made clear that the policy of the United States towards
Turkmenistan is unlikely to change much under the incoming administration of
Barack Obama. Critics of increased engagement with gas-rich Turkmenistan argue
that international pressure should continue till that country does a better job to
eliminate democratic shortcomings, systematic rights abuses, and curbs on free
speech and assembly.

Yet it seems clear that by seeking to improve relations with Turkmenistan,
the US is placing special emphasis on regional security along with its energy goals.
In particular Turkmenistan was even offered membership in Line communication,
a project expected to connect NATO countries with Afghanistan via Central Asia.
(Ferghana.ru 2008: Online: web).

**Pipelines in Turkmenistan**: The pipeline politics came into existence with
the issue of diversification of Turkmen natural reserves. In the previous section,
attempt has been made to trace the race for Turkmen’s energy reserves by its
neighbouring countries. Turkmen President Gurbanguli Berdimukhammedov in
this regard explicitly made it clear that the diversification of energy transportation
routes to world markets was a priority for the country.

Turkmenistan’s firm attitude towards diversification of its natural resources
can be well understood by Turkmenistan President’s statement: “My country and
the European community on the whole are highly interested in stable supplies of
hydrocarbons.” Berdimukhammedov added, “which Turkmenistan, pursuing the
policy of diversification of energy supplies to global markets, is so rich in’’(Turkmen Weekly Energy Review(TWER) 2010: Online Web).
However, in order to distribute its resources to Western Europe through Turkey and Iran, Turkmenistan will have to cover its own expenses while Iran and Turkey pay for the part of the sections passing through their territories. But costs are estimated at $7 billion, and outside help is doubtful: Iran's involvement raises blood pressure in Washington, which exerts considerable clout in international financial institutions. Further dampening the enthusiasm of prospective lenders are pipeline security problems in Turkey, where the army has been battling a Kurdish insurgency for years. Construction of the Turkmenistan-China gas pipeline began in August 2007 in the special economic zone of Bagtyarlyk, on the left bank of the Amudarya River, which is being developed by China Natural Petroleum Corporation. Under a deal signed in April 2006, China is due to buy an annual 30 billion cubic metres of Turkmen natural gas over 30 years (Mazurkevich 2009: Online: web).

China has offered energy-rich Turkmenistan $3 billion to develop its vast South Yolotan natural gas field. The loan marks a key step in Chinese efforts to secure long-term energy supplies from ex-Soviet Central Asia and is likely to loosen Russia's grip over Turkmenistan's gas exports (Tehran Times 2009: Online: web). Work on a 4,300-mile (7,000-kilometre) pipeline from Turkmenistan to China with the capacity to deliver 52 billion cubic yards (40 billion cubic metres) of gas per year was expected to be finished by the end of 2007 (Ibid).

Further, the $1.9 billion cent gas pipeline is to be 120 cm. in diameter, and to run 1271 kilometres from the Afghanistan-Turkmenistan border, due south and then east, generally following the Herat–Kandahar road, then cross the Pakistan border at Quetta, terminating at Mulat. The Turkmenistan government has agreed to build a short pipeline to the huge Dauletabad gas field. Twenty billion cubic metres of natural gas per year will flow down the pipeline, and the Turkmenistan government has guaranteed to deliver 708 billion cubic metres of gas to the consortium – equivalent to the entire reserves of the Dauletabad field (Tanter 2001: Online: web).

**US Pipeline Policy in Turkmenistan:** Before going into the discussion of the US pipeline policy in Turkmenistan it is advisable to have a look on
Turkmenistan’s interest in allowing a greater US presence in the country. Turkmenistan’s geo-political strategy aims at playing off Russia and Iran against the other, while not becoming too dependent on either. Ashgabat hopes that United States will support its independence by providing a counter to these regional powers. Though Niyazov always spoke of Turkmenistan's good relations with Russia, he, like the leaders of most former Soviet republics, was especially fearful of Russian domination and attempted to control Turkmenistan's natural resources, as well as its access to the outside world. Turkmenistan joined NATO's Partnership for Peace in May 1994, a signal of its desire for contacts with the west.

Turkmenistan, with the world’s fifth largest proven gas reserves, has been part of US interest for several years. It has only two outlets for gas, one from northern Iran and the other through Kazakhstan that is connected with the Russian grids. The Saudis, Pakistan and the US have been interested in an alternate route away from Russia. In 1996, an intra-governmental agreement was made among Turkmenistan, Kazakhstan, Pakistan and Central oil consortium led by the Texan oil company Unocal to build 1,440 kms of pipeline across Afghanistan from Turkmenistan, following the road from Herat to Kandahar. Unocal also proposed that the pipeline would cross the Pakistan border to terminate in Multan. Later, another 500 miles of gas lines would connect pipelines from Pakistan to India (Mustafa 2009 Online: web).

However, it is hard for Washington to accept the Turkmen-Turkey pipeline through Iran. The US government sees Iran as a destabilising force that promulgates Islamic fundamentalism and seeks to disrupt the Middle East peace process. As early as January 1995, the then Secretary of State Christopher repeated the warning that Iran is engaged in a crash programme to develop nuclear weapons, and said that countries aiding Iran economically were abetting terror. With the revenues generated from transit fees on Turkmenistan’s pipeline and the sale of its gas to Europe, a new unreformed government could be the outcome.

Washington might not oppose such a project only in one of two scenarios: substantive change in Iran's regime and/or policies or, a determination that it is strategically more important to secure the independence of Turkmenistan (and
other Soviet republics) from Russia than it is to contain Iran. In the short term, both these are improbable.

After the death of Turkmenistan's "President for life," "Turkmenbashi ("father of the Turkmen") Saparmurat Niyazov, on December 21, 2006, Russia, United States and China have accelerated their presence in order to ensure their dominance over Turkmenistan's vast but largely untapped gas deposits. In this struggle, Beijing offers and counter offers have got the inside track, in Turkmenistan. This was of course facilitated by the decision taken by Gurbanguli Berdimukhammedov. This development has eventually made Moscow and Washington aware of this once "into oblivion country" of Central Asian States (Daly 2009: Online: web).

Turkmenistan came under the pressure of the United States for preference to the Unocal Cent Gas Consortium over Bridas. In 1997 Cent Gas got the gas pipeline contract, but by the time it was ready to commence work, the political situation in Afghanistan that had looked promising to US eyes in the mid-1990s had deteriorated. Civil war continued, the Taliban’s cultural extremism and hostility to women exploded in the world media, and Afghanistan had become a major terrorist base. Four months after the US’s attack on the terrorist Osama bin Laden’s camps in Afghanistan, Unocal withdrew from Cent Gas. They found it difficult to handle the pressures from instability, and the attacks from women’s groups and shareholders (Tanter 2001: Online: web).

While Afghanistan was fighting terror within itself and with the United States, the ambitious Cent Gas project was kept on hold. This, in spite of the increased pressure for restarting the consortium from Turkmenistan, Pakistan and Afghanistan. Recently, Unocal was reported to be trying to edge back into the project recently. But in addition to its obvious problems in Afghanistan, Unocal is being sued in a US court for use of Burmese forced labour over its Thailand-Burma project. (If this case succeeds, it will be the first occasion in which a US court has held a US corporation legally responsible for foreign human rights violations related to its profit-making activities; Unocal could face many millions in damage awards). Economic impositions were made by the US on Myanmar to
ban new investment mainly due to the domestic reaction to Unocal’s exploitation of Burmese forced labour organised by the Myanmar dictatorship (Ibid).

Meanwhile Unocal remains the lead developer on the consortium to build a 105-cm diameter 1700 kilometre-long oil pipeline from northern Turkmenistan through Afghanistan to a Pakistani port on the Arabian Sea. Unocal’s spokesman boasted to Congress that it would compare with the giant (and environmentally risky) Trans-Alaska Pipeline. Unocal and Japanese executives regard this $2.5 billion plan as by far the cheapest and least difficult way of bringing Turkmenistan’s oil to the sea, where it can be loaded onto supertankers bound for Japan and Korea, and possibly China (Ibid).

Oil and gas are not the direct causes of the war in Afghanistan, but understanding the motives of long-term US policy towards that country is important. The pursuit of hydrocarbon interests has been a constant of US policy in the region for more than half a century. Furthermore, the CNPL, in which Unocal has active participation, has issued a statement establishing their proposal for a pipeline to link Turkmenistan’s Dauletabad field with Pakistan and possibly India.

This 790-mile pipeline was again planned through Afghanistan to cut into Multan, Pakistan costing about $2 billion, 400-mile extension to Pakistan, cost about $2 billion. A 400-mile extension to India was said to cost another $600 million. But Unocal in 1990 hitched the pipeline crossing Afghanistan to get “an internationally recognised Afghanistan government in place.” The direct intervention by US special envoy Zalmay Khalilzad (former advisor of Unocal), led to the appointment of Hamid Karzai, a former exile as a President, and the US got a free run and unrestricted access to the country. Any pipeline that will cross Afghanistan will have to be guaranteed by the US, which provides security to the Karzai regime (Natividad: 2002).

Top US officials dealing with the region have taken a different view of the "corridor" projects. According to the US Deputy Assistant Secretary of State for European and Eurasian Affairs, Matthew J. Bryza it was up to the countries involved to decide whether the pipelines should go ahead, noting: “Several
feasibility studies have demonstrated the technical, environmental and economic feasibility of a trans-Caspian pipeline [system] and it is up to the countries through which the pipelines would travel and the investors concerned to decide whether to proceed". Bryza said Turkmen President Saparmurat Niyazov "showed an interest in exploring the possibilities of the trans-Caspian pipeline, as well as other options", during a meeting the two had in Ashgabat in January 2006 before his death (Bryza 2008 Online: web).

**Political Objectives of US in Turkmenistan:** After analysing the geopolitical and economic objectives of US in Turkmenistan, detailed focus on political objective of US in Turkmenistan is also required to substantiate the above discussion. The international developments around Turkmenistan which proved to be a catalytic factor in enhancing the US presence in this ‘tiny country’ will also shed light on the final shape of US relations with Turkmenistan. They can be discussed as under:

*Turkmenistan’s Policy towards Iran:* During Niyazov’s presidency, friendly relations were maintained between Tehran and Ashgabat. The Turkmen President stated that, “We thank the Iranian people; we have cordial relations with them. We have trade relations with them and respect each other. And the Turkmen living there have taken a new lease of life. There is no point in prosperity if one cannot get along with one’s neighbour.”(Resizade2002:37-54). The relations between Iran and Turkmenistan were officially established after Turkmenistan’s independence in 1991. Since then, Iran had become an important player among nations competing to increase their political and religious influence in Central Asian countries. Iran’s political isolationist and religious policies have always been welcomed by Turkmenistan, because, in contrast to the Western countries, Tehran has no interest in Turkmenistan’s political system and has never criticised the absence of democratic traditions in that country.

Further thumbing his neutralist nose at his former Russian masters, Niyazov had concluded a 25-year natural gas delivery contract with Tehran. Despite Washington having passed the 1996 Iran and Libya Sanctions Act, threatening sanctions against any entity investing more than $20 million in Iran’s
hydrocarbon industry, in the case of Turkmenistan there was nothing the United States could do but quietly fume, as it had no pressure points against Niyazov. As a noted scholar observed the new agreement marks yet another hole that Iran has managed to puncture in US sanctions. In his view given the U.S. and EU interest in entering the Turkmen energy market, Washington is unlikely to threaten Ashgabat with punitive measures (Cummings2003Online: web).

This turned out to be true in the year after Niyazov’s death. It was also evident that the project also held political risks for Ashgabat; though Niyazov worked hard to establish cordial relations with his southern neighbour, Tehran was in favour of selling its own natural gas to Europe and would not like competition from Turkmenistan. Another risk was that relying on a pipeline through Iranian territory could make Turkmenistan dependent on a country that has had historically difficult relations with Turkmenistan, that pretends to regional dominance, and that also propagates militant Islam which is anathema to Niyazov’s staunchly secular regime, despite his careful overtures to religion. Yet it must be noted that President of Iran Ahmadinejad invited Berdimukhammedov the successor of Niyazov to attend as an honoured guest, the Economic Cooperation Organisation summit, held in Tehran, solidifying the energy diplomacy ties of the two countries (Daly 2009: Online: web).

“Our countries are capable of mutual beneficial cooperation in various spheres,” Iran’s supreme Leader Ayatollah Ali Khomeini said following the meeting on February 14, 2007 with Berdimukhammedov, which President Mahmoud Ahmadinejad also attended. “Iran has a powerful scientific and industrial potential, which may be used for the benefit of Turkmenistan” (Ibid).

According to the Turkmen Foreign Ministry, since establishing diplomatic relations in 1992, the two countries have signed more than 170 agreements. The Ashgabat-based Russian-language newspaper Neitralnyi Turkmenistan reports that bilateral trade between Iran and Turkmenistan in 2008 reached $3 billion. Iran had always been credited by Niyazov’s administration for the humanitarian assistance it provided when Turkmenistan, as a young nation, faced a tremendous shortage of
food and other items of daily necessity. Niyazov often paid tribute to former Iranian President Hashemi Rafsanjani, whom he called “brother Hashemi” (Ibid).

But Iran is establishing itself as a major friend to its oil and gas rich neighbours, despite the strength of its more dominant competitors and the international sanctions in place. Niyazov’s successor, Gurbanguli Berdimukhammadov, is comfortable talking trade with Iran, which could well wind up siphoning off a significant portion of Turkmenistan’s future production (Ibid). Apart from the energy sector, cooperation between Turkmenistan and Iran is visible in other areas as well. During Turkmenistan’s President Berdimukhammadov visit to Tehran in January, 2010, the two countries signed agreements providing for judicial cooperation and extradition of criminals along with a memorandum on consular, customs and border issues (Socor 2010: Online: web).

Turkmenistan exports fuel and energy, textiles, chemicals, agricultural goods and food products to Iran, receiving in return engineering materials and chemicals, construction materials, electrical goods and food products. “During the talks some very good proposals were made, which we hope will be implemented in due course,” Berdimukhammadov told reporters. He mentioned that his government had agreed to cooperate with Iran in the development of new gas fields, as well as increasing the capacity of the two nations gas pipeline network (Daly 2009 Online: web).

The two presidents also signed a joint statement on bilateral cooperation, while their foreign ministers signed several memoranda of understanding on political and economic cooperation. Officials from Washington to Moscow noted that the Iranian Minister of Petroleum Gholamhossein Nozari and Turkmen Deputy Prime Minister Tachberdy Tagiyev signed an agreement on natural gas cooperation. Tehran has expressed interest in nearly doubling its imports of Turkmen gas, from 8 bcm to 14 bcm annually. Under terms of the document, Iranian companies would develop Turkmenistan’s Yoloten natural gas field and be allowed in return to export its gas to Iran (Socor 2010: Online: web).
Iran clearly regards the agreement as a triumph, since the new field’s output and attendant pipeline, once online, will more than double the Korpeche-Kurt Kui pipeline’s current 8.4 bcm annual exports. “According to this agreement, 10 billion cubic metres of gas will be exported to Iran per year from the Yoloten gas field,” Nozari said (Ibid).

In addition, this the two countries already have close energy ties, that is hardly surprising as they share a 782-mile border. After Russia, which purchases 50 billion cubic metres of Turkmen gas annually, Iran is the largest buyer of Turkmen gas, with the daily volume of Turkmen gas going to Iran’s northern provinces now running at about 23 million cubic metres (Ibid).

**Turkish-Turkmen Relations:** Turkey was the first country to recognise the independence of Turkmenistan on 16 December 1991 and established diplomatic relations on 29 February, 1992. Turkmenistan and Turkey share a cordial relationship. Since their relations originate from a common history and culture, diplomatic efforts to keep these relations firm and to develop mutual cooperation even further are ongoing. The two states cooperate in the areas of military training and intelligence sharing. Furthermore, Turkish companies have opened shopping mall chains. In addition to this, Turkey has contributed to the initial development of the banking system in Turkmenistan, after its independence from the Soviet Union. Ankara is also interested in the construction of a gas pipeline between Turkmenistan and Turkey. The pipeline will provide the first viable export route out of Turkmenistan that circumvents Russia and will help to ensure Turkmenistan’s energy independence as well as its viability as an independent state.

The Turkmenistan-Turkey pipeline would parallel the Baku-Ceyhan oil pipeline and could sideline alternative routes such as the Russian projects. As Turkey’s Ministry of Foreign Affairs recorded the trade volume between Turkey and Turkmenistan reached $735 million in 2007, increasing from the previous year by 20 per cent. It also states that Turkey is the most important direct investor in Turkmenistan. Turkish firms have undertaken constructing project worth $8.5
billion. Turkish investment amounts to about $1.5 billion to China. (Birach 2007: Online: web).

However, as evidence shows, Turkey seized an opportunity created by Turkmenistan’s political transition after Niyazov’s death in 2006. It then began to attempt to expand its share of Caspian basin natural gas export, thereby reducing its own energy dependence on Russia. Turkey’s natural gas export strategy thus relies on two-pronged diplomatic offenses that strives to improve relations with both Turkmenistan and Iran. Under these circumstances, Washington’s overturns on the BTC pipeline and its eventual opening in July 2006, have provided for a fresh opening between US and Turkmenistan. Turkey also notes the Turkmen commitment of $80 billion cubic meters (bcm) every year for 25 years to Russia and China is also to receive annual 30(bcm) from 2009 onwards. Thus Astana seems to have sharpened its determination to fight for its share. This would definitely impact US strategy (Ibid).

**China:** In January 1992, China and Turkmenistan established diplomatic ties. The relationship is said to be steadily deepening mutual investment. The volume of bilateral trade hit $379.96 million in the first half of the 2008 as revealed by Chinese Ministry of Commerce. Turkmenistan is China’s seventh largest trade partner in Commonwealth of Independent States. The two countries have forged crucial links as both have given priority to cooperation in oil and natural gas (China Daily 2008: Online: web).

China nurtured favourable relations with Russia before its foray into the energy reservoir of Turkmenistan. This is represented through various initiatives such as the Memorandum of Understanding signed between China and Russia. The agreement was to manifest Russian annual supply of 60-80 bcm of natural gas to China. Export was transported in two ways: the west pipeline would enter China's Xinjiang through Siberia and Altai, and finally connect with the West-East Gas Pipeline, supplying natural gas to China's coastal areas. The east pipeline, yet to be confirmed, might transport natural gas from Kovykta or Sakhalin and Chayandinskoye gas fields located in Yakut. The plan also entailed Russia and China’s two biggest oil companies- China Petroleum and Chemical Corporation.
(Sinopec) and China National Petroleum Corporation to first construct a 3,000-km long west pipeline. The pipeline is expected to transport 30-40 bcm of natural gas annually to China within the next five years (Entrepreneur, 2008 Online: web).

As per the contract signed between China and Turkmenistan during Turkmen President Saparmurat Niyazov's visit to China, Turkmenistan will export 30 billion cubic metres of natural gas annually to China starting from 2009, two years earlier than China's agreement with Russia. The contract also provides that the China-Turkmenistan natural gas pipeline should be completed by then. The disadvantage in this context is that since China and Turkmenistan do not share borders, there is a need for them to make certain logistical and monetary arrangements to transport gas through connecting countries, Uzbekistan and several Kazakhstan territories before finally touching the West-East Gas Pipeline. Uzbekistan and Kazakhstan also have abundant sources of natural gas, and both have expressed their willingness to export to China. Once the China-Turkmenistan pipeline is constructed, all three Central Asian countries will be able to supply natural gas to China simultaneously (Ibid).

A “Framework Agreement of Expansion Cooperation on Natural Gas between CNPC and Turkmenistan Natural Gas Konzem (Konzern)” was signed between CNPC and Turkmenistan under the witness of Turkmen President Berdimukhammedov and the Chinese President Hu Jintao. The agreement stated that Turkmenistan will increase its annual supply of natural gas to China from 30 bcm to 40 bcm (Ibid). In such a situation, the strategic implication of Turkmenistan- China Pipeline project was not lost to Washington. Stephen J. Blank astute observer on the subject, noted that such a pipeline has significant consequences for US policy (Blank 2010: Online: web).

**Russia:** Ashgabat’s relations with its northern partner are no less difficult. Russia is a member of the pipeline's inter-state council. Russia, like Iran, seeks to earn hard currency by selling its natural gas to Europe and has agreed on a new pipeline through Poland instead of Ukraine, which Moscow has accused of siphoning Russian gas. Moreover, Moscow has consistently tried to keep Kazakhstan and Azerbaijan from developing their own pipelines to transport oil to
Europe. A dangerous example from Moscow’s perspective was the Turkmen construction of a gas pipeline outside their grid. This, because the neighbouring countries of Uzbekistan and Kazakhstan would be enabled to use Turkmenistan’s new outlets, thus decreasing their dependency on Russia (Mathies: 2006: 337-340). In fact, for Washington, development with Russia remains the most complex and intricate factor in its relationship with the countries of CIS. Turkmenistan in particular has been an important lever in the US diplomacy as developing ties with it are based on multiple goals.

Afghanistan: Turkmenistan’s former President, Saparmurat Niyazov, sent a letter to the US leader advocating the construction of a pipeline bringing Turkmen gas across Afghan territory to Pakistan’s Arabian Sea ports. In Niyazov’s opinion this pipeline would help in rebuilding Afghanistan, normalise peaceful life and work for the Afghan people and also accelerate socio-economic development of the entire adjacent system.

An estimated one-two million Turkmen live across the border in northwest Afghanistan. Turkmenistan has opened two consulates in Afghanistan, one in Mazari Sharif and the other in Herat. Niyazov had several times received General Dostam, commander of the northern grouping to attend the 1994 anniversary celebrations. Turkmenistan is already supplying northern Afghanistan with electricity. Niyazov declared the Turkmenistan-Afghanistan border a zone of peace and friendship and General Dostam has promised that the 600 kilometres of the border under his control will remain quiet. Niyazov thus tried to secure Turkmenistan against imponderables in war-ravaged Afghanistan, including the possible breakup of the country. By establishing working relations with the local warlords, he hoped to avoid instability on his borders. In the best case scenario, the groundwork could also be laid for the construction of a pipeline across safe, or friendly, territory to huge Eastern markets (Torbakov 2001 Online: web).

Pakistan: Turkmenistan signed a cooperation agreement with Pakistan in late 1991 and obtained a promise of US$10 million in credit and goods from Pakistan in 1992. The two countries signed memoranda in 1995 for the construction of a gas pipeline from Turkmenistan through Afghanistan to Pakistan.
The Bridas Company of Argentina was engaged to do a feasibility study for the pipeline (Mongbay.com 1996: Online: web).

In sum, from Washington's perspective, Turkmenistan under Niyazov demonstrated no willingness to open its political system, despite repeated representations by US officials to Turkmenistan's authorities about human rights. With the coming of Berdimukhammedov certain wary moves have been made in order to develop alternative pipeline routes to transport essential natural resources to the outside world. These pipelines could protect Turkmenistan against Russian capriciousness and pressure, while providing critical natural gas to Turkey. Turkmenistan's success could encourage other resource-rich CIS countries, such as Azerbaijan and Kazakhstan, to persevere with their own pipeline projects. Moreover, Washington is also banking the on hope that Turkmenistan supplies Ukraine with the required energy for its own independence and continues on with economic reforms.