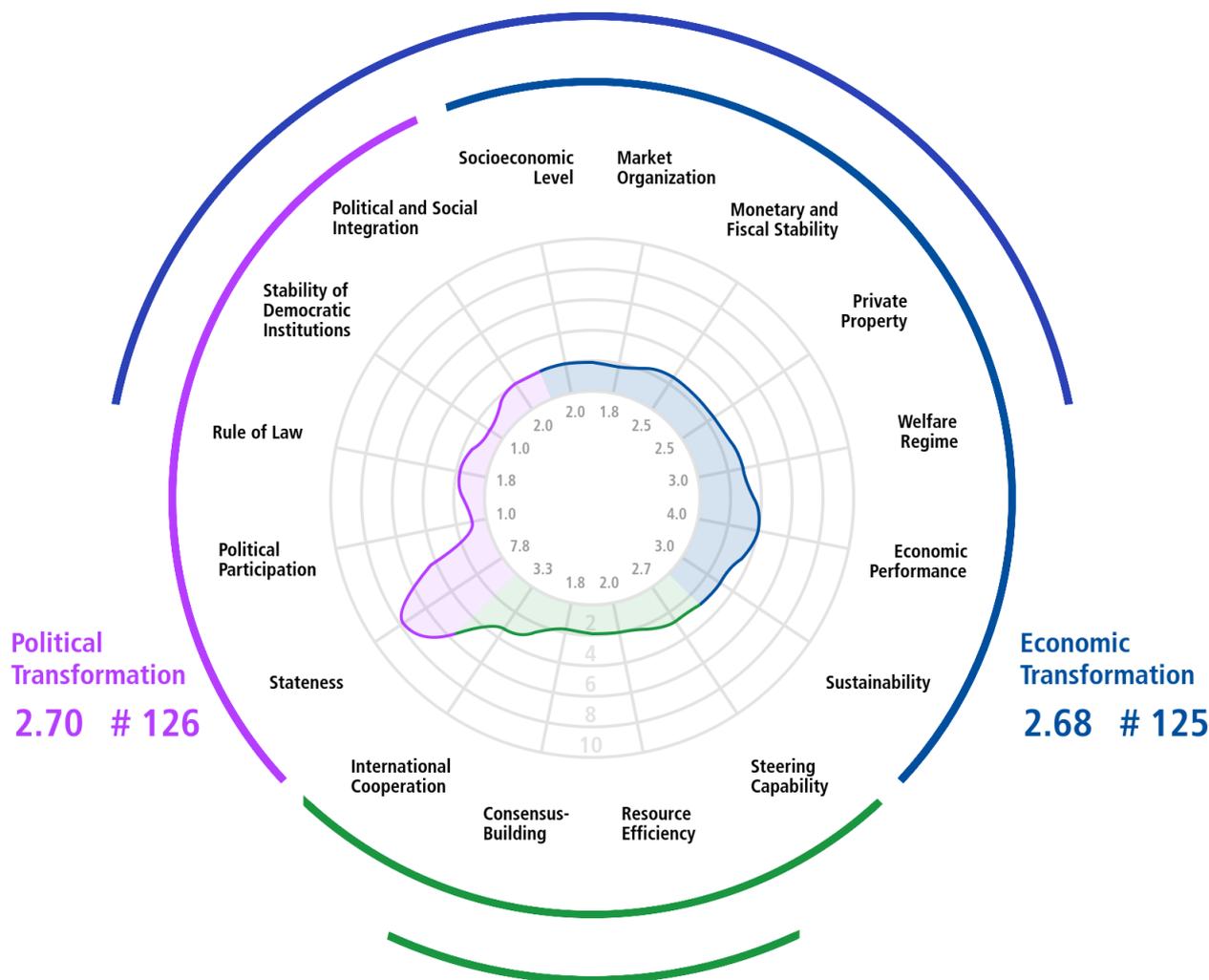


Turkmenistan

Status Index

2.69 # 125

on 1-10 scale out of 137



Governance Index

2.18 # 128

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	7.5	HDI	0.764	GDP p.c., PPP \$	20408
Pop. growth ¹	% p.a.	1.8	HDI rank of 193	95	Gini Index	-
Life expectancy	years	70.1	UN Education Index	0.741	Poverty ³	% -
Urban population	%	54.5	Gender inequality ²	-	Aid per capita \$	4.9

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

During the reporting period, Turkmenistan adapted parts of its legislation to align with internationally recognized legal standards, joined several regional and multilateral agreements and agreed on action plans for cooperation with international organizations, such as the International Labour Organization. Diplomatic engagement with foreign governments has improved modestly, albeit from an extremely low baseline.

However, none of these developments signal a genuine political or economic opening. They primarily serve the leadership's political and economic interests – enhancing the regime's domestic and international image, attracting much-needed investment into the gas sector and related industries, and integrating Turkmenistan into international transport corridors running east–west and north–south to generate new revenue streams for the ruling elite.

These activities are entirely formal. They do not contribute to democratic governance or to the government's officially proclaimed goal of opening the market. The growing number of international conferences and forums hosted annually in Turkmenistan serves chiefly to reinforce the impression that the leadership and its policies enjoy broad international prestige.

Dictatorial Turkmenistan remains one of the world's most repressive states – marked by an exceptionally restrictive political system, systematic human rights abuses, entrenched corruption and an almost surreal personality cult surrounding President Serdar Berdimuhamedov and his father, former President Gurbanguly Berdimuhamedov. The two continue to rule jointly: in January 2023, the elder Berdimuhamedov was appointed chairman of the Halk Maslahaty (People's Council), which now functions as the country's highest representative institution. Shortly thereafter, the “Law on the National Leader of the Turkmen People” was adopted, formally conferring upon him the title of National Leader. The personality cult has since reached new extremes, including the mandatory purchase of watches featuring the leaders' portraits – costing up to \$850 – for civil servants.

The economic situation in the country remained strained during the reporting period. It is characterized by a considerable loss of purchasing power, inadequate supplies of basic food for the less affluent and rising poverty and unemployment. The population's dissatisfaction with their socioeconomic situation, the arbitrariness of the state and the personality cult is reflected in an increasing number of protests. The government has responded with further restrictions on basic rights and freedoms and harsh punishments for even minor infractions.

Since Serdar Berdimuhamedov took office as president in March 2022, the anticipated reforms in human rights, anti-corruption efforts and market economy development have not materialized. On the contrary, suppression of democracy and freedom of expression and the press has intensified.

President Serdar Berdimuhamedov and his father, Gurbanguly Berdimuhamedov, jointly determine virtually everything in politics, business and culture. Every change in the state apparatus – including the courts and public prosecutor's offices – and every noteworthy project in all spheres of society requires a presidential decree or at least approval at the highest level. Without direct personal contact with President Serdar Berdimuhamedov, his deputy prime ministers and ministers, as well as the chairman of the People's Council and National Leader, Gurbanguly Berdimuhamedov, nothing can be implemented in the country.

Accurate assessments of Turkmenistan's political and economic conditions are hampered by restricted access to information and highly curated official data. Government reports of economic success bear little resemblance to reality. Since 2020/2021, the International Monetary Fund has ceased relying on Turkmen official data, instead using alternative methodologies that incorporate the parallel exchange rate and more realistic inflation estimates. Based on these adjusted calculations, the IMF estimates that GDP growth averaged around 2% in 2023/2024 and is expected to remain at a similar level through 2025/2026 – roughly two-thirds lower than the 6% growth claimed by the Turkmen government.

History and Characteristics of Transformation

Turkmenistan gained independence in 1991 with the collapse of the Soviet Union – a situation for which it was unprepared politically or economically. Saparmurat Niyazov, the first party secretary of the Communist Party of the Turkmen Soviet Socialist Republic, usurped Moscow's authority in decision-making and declared himself president of the newly independent state in direct elections held in October 1990. He remained president without term limits until his death in 2006.

Turkmenistan's first constitution, adopted in May 1992, declared the nation a presidential republic grounded in democratic principles and the rule of law. It ensured the separation of powers and fundamental civil and political rights for its citizens. In practice, however, all forms of political engagement were suppressed, and an autocratic government was established that relied on intelligence services and the security apparatus to maintain control.

Domestic legitimacy was established through a cult of personality surrounding President Niyazov, which gave him a larger-than-life public presence as the chief of all Turkmen (Turkmenbashi). The failed August coup in 1991 sealed the fate of Marxism-Leninism as a ruling ideology, leading to ethnic nationalism becoming the foundation of the new sociopolitical order. Consequently, the “Turkmenization” of state and educational institutions was aggressively pursued.

Turkmenistan faced significant pressure to adapt to the new situation in the 1990s as central planning by Moscow and Soviet-era producer and consumer relations dissolved. Export revenues from gas, oil and cotton, now under state control, were insufficient to compensate for the loss of Moscow’s budgetary financial transfers. Due to declining shares in the Russian pipeline network, outstanding payments from the country’s top customer (Ukraine) and a lack of investment in infrastructure maintenance and improvements, gas production fell by 85% from 87 billion cubic meters to 13 billion cubic meters between 1990 and 1998. Numerous factories were closed. In 1993, the government implemented free water, gas and electricity for households and began subsidizing basic foodstuffs and gasoline to ease the impact of high inflation and impoverishment on the population.

After gaining independence, Turkmenistan passed several laws, such as those on joint stock companies, entrepreneurial activity, denationalization and privatization of property, to pave the way for a gradual transformation of the economy. However, the reforms stalled in the early years of Niyazov’s tenure and came to a complete halt in the second half of his presidency.

The denationalization of the economy was limited to small actors in the retail and service sectors and to the most unprofitable enterprises in other sectors. Collective farms (kolkhozy) were dissolved in the mid-1990s, and peasant cooperatives emerged based on lease contracts. However, the state continued to maintain control over land use and held a purchasing monopoly on grain and cotton. As a result, agricultural incomes for farmers without access to good land and subsidized goods and services remain very low. The ecological degradation caused by decades of extensive cotton cultivation – which has rendered hundreds of thousands of hectares of land unusable – has further hampered the restructuring of the agricultural sector.

When President Gurbanguly Berdimuhamedov assumed office in early 2007, optimism surged across the country about potential progress toward a transparent, pluralistic and market-oriented state. However, this excitement quickly faded, and actual progress has been minimal at best. The decision-making process is based on the personal interests of the leadership. The foundations of the current regime are informal networks of patronage and deeply rooted corruption. Berdimuhamedov’s state network centers on an inner circle of about 80 to 100 loyal supporters and relatives, primarily from his native Ahal province.

Nothing changed in March 2022 when Gurbanguly Berdimuhamedov handed over presidential power to his son, Serdar. This is not surprising as the father retained considerable power – as chairman of the reformatted, elevated Halk Maslahaty and in the newly created role of “National Leader of the Turkmen People.” Consequently, Gurbanguly Berdimuhamedov continues to wield power very visibly as Turkmenistan’s pre-eminent leader.

As before, members of the president's family and inner circle continue to occupy all significant positions in politics, business (including trade) and education. They primarily use their rank as a source of private income. In addition, proceeds from the export of hydrocarbons – mainly natural gas – provide a solid source of funding for the repressive apparatus, despite wide fluctuations in world market prices.

The president and his allies benefit from an intentionally low level of education in the country, political apathy and a total absence of press and information freedoms. Additionally, the population is extremely fearful because any criticism of the regime results in reprisals against critics and their families.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The dominant position of the president forms the foundation for the state's monopoly on the use of force throughout Turkmenistan. The exercise of state administration in the form of a presidential republic, and the overriding role of the president as head of state in controlling and directing domestic and foreign policy, legislation and economic, social and cultural development, are enshrined in the constitution.

Political forces aligned with the president, rooted in regional elites and his closest confidants, serve as the decisive stabilizing force in the country's political and security apparatus. There is no competition with the state monopoly on the use of force within the national territory. This dominance also extends to the control of state powers. Small informal political groups, which exist mainly at the regional level in a more or less rudimentary form (especially in the capital region and Mary province) and which mostly originate from the business community representing particular economic interests, are not publicly visible due to their pervasive persecution by the security and police forces and the omnipotence of the president and his closest confidants. As a result, they have no opportunity to develop.

The population overwhelmingly supports the unity of the state and the legitimacy of the nation-state but secretly desires far more freedom, democracy and justice in the country. The constitution guarantees all citizens the same rights, protection and opportunities (Articles 4, 5 and 25 to 65). Yet constitutional guarantees are not implemented in practice. The rights of people without access to decision-makers or financial resources for bribes, socially disadvantaged people, dissidents, members of national minorities and members of the Turkmen nationality who do not belong to the powerful and numerically largest Teke tribe are regularly curtailed.

The range of restrictions on the population's freedoms is pervasive. There is no freedom of movement or settlement, and citizens lack free access to elected representatives, employment in the public sector or public social services including

Question
Score

Monopoly on the
use of force

10



1

State identity

7



1

education. The right to a fair trial exists only on paper. The protection of private and family life, as well as the privacy of correspondence, mail and telecommunications, is not guaranteed. Critics of the regime, disgraced officials, members of religious communities, relatives of dissidents living in exile, many journalists, cultural workers and academics – often including family members – are denied permission to leave Turkmenistan.

Citizens with registered residency outside the capital, Ashgabat, have little chance of renting or buying an apartment in the country's capital. People from the regions who want to work there must go through a bureaucratic approval process. Such permits are rarely granted. As a result, applicants are denied their legal right to freely choose their place of work. Naturalization of foreigners and stateless persons requires a high degree of loyalty to the Turkmen state.

Turkmenistan is a secular state. Religion and the state are formally separated in this predominantly Sunni Muslim society. For most of the population, Islam is part of national culture and history and serves to uphold moral values, customs and traditions. A large segment of the urban population is only formally religious. There is no visible religious fanaticism.

Religious dogma exerts little direct influence on political or legislative decision-making, yet the president instrumentalizes Islam as a pillar of his authoritarian rule. Imams are appointed, monitored and routinely consulted by the state to gauge public sentiment on political and social issues.

The government severely restricts freedom of religion and belief. All religious activities are subject to state censorship and oversight through the Council for Religious Affairs (CRA). Officially registered religious communities include the Russian Orthodox, Armenian Apostolic and Ukrainian Orthodox churches. The activities of unregistered religious groups are strictly prohibited, and the import or publication of religious materials is tightly controlled.

Active members of religious communities are monitored. Believers who practice faith beyond what is accepted by the state face severe penalties. In 2024, as in previous years, the World Persecution Index (WVI) of the non-denominational Christian aid organization Open Doors ranked Turkmenistan among the 30 countries where Christians are most persecuted by police, secret services, local authorities and Islamic religious communities. Christian converts of Muslim origin are often forced to return to Islam through pressure and physical violence.

Due to concerns about the growing influence of foreign Turkmen jihadists on religion and politics and rising public frustration with the country's deteriorating social and economic conditions – grievances increasingly echoed by ordinary believers – the state further tightened control over Muslim religious life during the reporting period.

No interference of religious dogmas

9



1

The state has a basic administrative infrastructure throughout the country. However, it remains severely underdeveloped in regions outside the state capital. The implementation of annual plans and medium-term programs to expand infrastructure in the provinces and rural areas is often only partially aligned with the actual needs of the population.

Outside the capital, there are hardly any secondary educational institutions or hospitals that are well equipped with technical and specialist staff. Stable drinking water supply is also not guaranteed in many parts of the country. The large and increasing water deficits in the northern and eastern provinces – Dashogus and Lebap – and in several cities in western Turkmenistan are alarming. Most of the irrigation systems are dilapidated.

During the reporting period, no significant improvements were observed in the administrative, social and or public service infrastructure. On the contrary, several waves of layoffs preceding and following the poorly executed administrative and territorial reform of 2022/2023 further deepened dysfunction in public administration and utilities. In many cases, the dismissals affected qualified specialists who were either uninvolved (or less involved) in corruption networks or lacked personal connections to senior decision-makers.

Persistent inefficiency in the state administration is compounded by widespread arbitrariness, frequent reshuffling of civil servants – often ordered by the president without clear justification – and pervasive nepotism and favoritism in senior appointments.

2 | Political Participation

Universal suffrage is guaranteed by law. While former President Niyazov was appointed for life on December 28, 1999, by the highest legislative body, the Halk Maslahaty (People’s Council), regular elections have been held again since his death in 2007. President Gurbanguly Berdimuhamedov, who was in office until March 2022, achieved 90% or more of the vote in the 2007, 2012 and 2017 elections. The early presidential election on March 12, 2022, served solely to hand over the baton from father Gurbanguly Berdimuhamedov to his then 40-year-old son Serdar Berdimuhamedov. He received 73% of the vote.

The electoral process in Turkmenistan is neither democratic nor impartial, and it is not free, fair or transparent. It is consistently marked by serious irregularities and a lack of independent reporting.

In the last presidential election in 2022, candidates from all three officially registered parties in the country ran for the top office: the leading Democratic Party, the Party of Industrialists and Entrepreneurs and the Agrarian Party. However, the latter two

Basic
administration

5

'06 '26 10



1

Free and fair
elections

1

'06 '26 10



1

parties, as extensions of the ruling Democratic Party to which President Serdar Berdimuhamedov belongs, do not pursue independent policies. The representatives of these parties, as well as all candidates from regional initiative groups (mostly heads of authorities and directors of state-owned companies), served as candidates for decorative purposes. Their nomination was intended to create the appearance of party pluralism in the country but has nothing to do with real opposition. The preselection of candidates prevents genuine competition, allowing only figures loyal to the regime and their close associates to stand for election. Under the constitution and current electoral law, only candidates who have lived in Turkmenistan for at least 15 years and are employed in state institutions, civil society organizations or other officially sanctioned entities are eligible to run for president. These provisions effectively exclude members of the political opposition in exile. Within the country, no genuine opposition exists due to the regime's systematic repression of dissent.

Even in the most recent elections for members of the Mejlis (parliament) and members of the local councils (Gengeshes and Halk Maslahaty) on March 26, 2023, only candidates close to the state – mainly representatives of the three parties and so-called independents – ran for election. The leading Democratic Party won 65 of the 125 seats in parliament and 3,320 of the 7,222 seats in the local councils. The final report of the Election Observation Commission of the Organization for Security and Co-operation in Europe (OSCE) on October 10, 2023, gave a clear verdict on the elections: “There was a lack of genuine competition and pluralism. The candidates did not offer voters any real political alternatives.”

President Serdar Berdimuhamedov, along with his father Gurbanguly (Chairman of the People's Council, which is the country's highest authority, according to the constitution), continues to control the country with a firm hand. He appoints all key positions at the highest, regional and local levels, including the heads of all ministries, judges and higher state and regional authorities, as well as all Turkmenistan's representatives in international organizations. He is head of state (president), chairman of the cabinet of ministers, commander-in-chief of the armed forces and chairman of the State Security Council.

With his approval and signature, the president confirms all political, economic, social and cultural programs of the country, including individual projects. He confirms the basic directions and strategies in domestic and foreign policy. The president appoints the editors-in-chief of all mass media in the country.

While Turkmenistan has elected representative, they are not freely elected and ultimately represent only the interests of the president and his followers. Alternative political groups have no opportunity to participate in the power structures.

Effective power to govern

1

'06 '26 10



Freedom of assembly is guaranteed in the constitution and in the law “On Assemblies.” The law allows peaceful private assemblies, provided they are approved in advance and do not take place near government buildings or other locations specified by the state. Due to the repressive atmosphere in the country, it is practically impossible to hold rallies without unpleasant consequences for participants.

Local spontaneous protests, expressing dissatisfaction with central and local decisions, occur only sporadically. During the reporting period, people primarily protested the lack of subsidized food supplies, overdue wage and pension payments or limited access to funds in their own bank accounts. Security authorities immediately break up protests, often using violence. Participants must expect to be punished.

The right to establish, register and operate independent social organizations is enshrined in the constitution, the Political Parties Act and the Law on Social Organizations. However, these principles of freedom of association are not implemented due to lack of political will and deliberately high bureaucratic hurdles. Independent organizations exist only sporadically and have very limited areas of activity. Politically active civil society organizations are de facto banned. The few NGOs that are actually active in the country are subject to strict state control. In its action plans on human rights, Turkmenistan has committed to creating favorable conditions for the registration, development and activities of NGOs. These plans remained unimplemented during the reporting period.

The Media Act of 2013 guarantees independent reporting and freedom of expression. In reality, however, the situation stands in stark contrast to this guarantee. Turkmenistan is among the countries with the least press and media freedom and complete surveillance of all media. Consequently, the organization Reporters Without Borders (ROG) places the country at the bottom of its latest press freedom ranking (2024) alongside North Korea and Afghanistan.

The roughly two dozen small-circulation newspapers, most with only a few pages, and 26 magazines are primarily filled with praise for the President, official press releases and success stories from state and state-affiliated institutions. The President, the cabinet of ministers and ministries are the founders of nearly all press media. The editors-in-chief are appointed by the President.

There is no press in Turkmenistan that publishes genuine political or economic reporting, let alone critical analysis. The population has almost no access to foreign newspapers or other printed material. Journalists who refuse to produce uncritical content face harassment and punishment. During the reporting period, several journalists who wrote critically were fined or imprisoned on fabricated charges or as a result of cases initiated by state institutions.

Association / assembly rights



Freedom of expression



The state maintains a monopoly not only over print media but also over the book market, radio, television and the internet. There are no private television channels. Although free internet access has been guaranteed by law since 2014, it is not observed in practice. Internet traffic is heavily censored and monitored by state authorities.

Foreign websites, VPNs and online social networks, online media, messenger services, cloud storage and file-sharing services, as well as online platforms for creatives and designers such as Behance and Dribbble that the state disfavors, are repeatedly blocked. According to estimates, three-quarters of IP addresses in the country are arbitrarily blocked. Turkmenistan is also among the countries with the lowest average download rates for internet connections. Creators of VPN servers on computers to bypass blocked sites face penalties and confiscation of their computer equipment. Cell phone users who use Uzbek SIM cards and access independent internet media in border regions are threatened with criminal prosecution on suspicion of espionage.

High internet prices make access unaffordable for many. Official statistics report around 3.2 million internet users as of early 2024, including 2.8 million mobile users, though actual figures are likely much lower due to recurring shortages of SIM cards and frequent connectivity issues.

Some online portals claiming to be independent primarily reproduce official information in simplified form, and details about their publishers remain opaque. Genuine independent outlets operate only from abroad and depend on foreign funding. For most citizens, the only way to access uncensored information about their own country is through foreign satellite television channels.

3 | Rule of Law

The separation of powers is enshrined in the constitution. In practice, however, there is a significant gap between the constitutional provisions and reality. The president and head of government, Serdar Berdimuhamedov, rules the country by decree. The legislative and judicial branches are dominated by the executive branch and the recently reconstituted Halk Maslahaty, which is chaired by former president Gurbanguly Berdimuhamedov and effectively functions as a fourth branch of power. The judiciary offers significant scope for corruption.

Presidential decrees determine what happens in all spheres of society. The president appoints all senior civil servants and removes or transfers them to other posts at will. Only he and the officially declared National Leader, his father Gurbanguly Berdimuhamedov, are entitled to criticize ministries and other state authorities. The two also have tentatively established a kind of division of labor, with Berdimuhamedov Senior overseeing the most strategic sectors – gas and foreign relations – while Berdimuhamedov Junior is more engaged with domestic policymaking and bureaucracy.

Separation of powers

2

'06 '26 10

2

1

With a constitutional amendment on September 25, 2020, Turkmenistan decided to return to a bicameral parliament on January 1, 2021. Soon after, in January 2023, a joint session of parliament and public representatives decided to abolish the upper house and re-establish the Halk Maslahaty as the country's "supreme representative body." The legislature reverted to a single-chamber organ known as the Mejlis.

Gurbanguly Berdimuhamedov has maintained significant power even after transferring the presidency to his son, Serdar Berdimuhamedov. The political mechanism of the new National Council undermines the principle of separation of powers in Turkmenistan.

The judiciary is institutionally differentiated and officially enforced at all administrative levels. The independence of the courts is guaranteed by the constitution (Section 5) and by the On Courts Act of 2024 as amended on September 30, 2023. In practice, however, the judiciary is highly politicized and part of the administrative command structure. Enforcement and changes to legal norms depend on the personal will and wishes of the president. Rulings are corrected by the president as he sees fit.

Corruption, arbitrariness and clientelism are widespread in the judiciary. Securing one of the few places to study law, passing law examinations and obtaining employment as a judge or lawyer are rarely possible without significant financial "contributions" to the relevant decision-makers. The costs for a "successful" matriculation can reach several tens of thousands of U.S. dollars.

The attorney general, his deputies and judges are appointed by the president for a five-year term (with the possibility of reappointment for an additional five years). They remain dependent on him during their term of office. The Ministry of Justice issues licenses for lawyers. The system of granting these licenses is not transparent.

There is little procedural rationality in the court system. There is no independent judicial oversight or auditing authority. Even international audit firms must cooperate with state institutions and have very limited access to facts and data.

There is still no effective constitutional jurisdiction. The adoption of new rules governing the activities of lawyers is overdue. A long-promised reform of the judiciary and police has yet to materialize. In mid-2022, the president approved a concept to develop the country's legal system from 2022 to 2028. It is intended to ensure greater independence of the court system, improve access to justice for the population and provide better protection of people's rights and legal interests. However, there was no indication of the concept being implemented in practice during the reporting period from 2023 to the beginning of 2025.

Independent
judiciary

2

'06 _____ '26 10



Abuse of office remains an integral part of the system of rule in Turkmenistan. The state's practice of buying officials' loyalty by granting them – albeit not openly – “additional earning opportunities” persisted during the reporting period. The official press frequently publishes heavily filtered information in which the president criticizes signs of corruption, names corrupt officials, punishes them on the basis of “applicable law” and often confiscates their assets.

These activities have little in common with a genuine fight against corruption. The main motives for denouncing abuse of office are the dismissal and punishment of officials who have fallen out of favor for a variety of reasons, who have overstretched their positions of power to build up and expand their sources of income, who no longer want to share their income with authorities, who have to serve as scapegoats for the inadequate implementation of state projects or the deterioration of the social and economic situation in the country, or who are supposed to serve as examples of the “serious anti-corruption policy” allegedly pursued in the country.

Punishments usually affect people who are critical of the state, who have made decisions on their own authority or without consulting the president or his closest confidants, or whose positions are to be filled by other favored officials.

In sectors particularly affected by corruption such as public education and health care, customs, tax and judicial administration including prisons, the security and police apparatus and the oil and gas industry, incidents of corruption are prosecuted only selectively and almost exclusively on arbitrary grounds. The political, economic and legal system in Turkmenistan, which is based on a corrupt network, leaves no room for the systematic prosecution of abuse of office.

Citizens' rights are systematically violated. The constitutional protection of privacy and citizens' access to justice, including the right to effective legal aid and fair court proceedings as prerequisites for the realization of fundamental and human rights, is not guaranteed. Private property rights are frequently disregarded. Each year, residents are forced to leave their homes and apartments for the construction of prestigious public buildings and receive either no compensation or inadequate compensation.

The legal protection of women is severely lacking. In Turkmenistan's distinctly patriarchal society, women often have no say in arranged marriages, and they rarely have access to higher positions in politics and business.

Young men subject to military service who refuse to serve in the armed forces for reasons of conscience or religion are punished – even if they have valid health reasons. There is no alternative military service.

Prosecution of office abuse

2

'06 _____ '26 10



Civil rights

1

'06 _____ '26 10



Same-sex relationships between adults are criminalized and prosecuted. Under the new Criminal Code, in force since January 1, 2023, such voluntary acts can be punished with a prison sentence of up to two years (Article 133 of the Criminal Code).

Labor law regulations on wage payments, working hours and occupational health and safety continue to be routinely violated by employers. The practice of requiring public employees, including teachers and doctors, to participate in the cotton harvest, maintain green spaces or clean prestigious public streets and squares – under threat of punitive measures if they refuse – has not changed during the reporting period.

Members of national minorities face discrimination in exercising their civil rights across all areas of society. In the provinces of Dashogus and Lepab, for example, where there is a high proportion of people of Uzbek ethnicity, not a single school uses Uzbek as the language of instruction. Calls to reopen such schools have gone unanswered. Russian-language schools, which are in high demand, are rare and the classes are often severely overcrowded. Members of national minorities are also marginalized in the civil service.

Members of the political opposition and their families, independent journalists and other critics of society are monitored, bullied and harassed by the national security service. They are denied permission to leave Turkmenistan. At the end of 2023, for example, border officials in Ashgabat prevented photojournalist Soltan Akhilova from boarding a plane to Geneva, where she was scheduled to receive the Martin Ennals Prize for Human Rights Defenders in person. The fates of most people convicted in connection with the failed assassination attempt on former President Niyazov in 2002 remain unknown.

Moreover, officials have struggled to cope with a flood of passport applications as citizens seek to emigrate. Many have been unable to renew their expired passports, while others have had their passports confiscated. Turkmenistan has also banned its embassies from issuing passports to Turkmen nationals living abroad. Those Turkmen have no option but to return to Turkmenistan if they need to renew their old passports or replace a lost or damaged document. In August 2023, new restrictions were introduced requiring citizens wishing to leave the country to undergo an interview and a psychological test and to sign a guarantee that they would return to the country.

According to the online portal World Prison Brief, Turkmenistan is one of the three countries in the world with the highest number of prisoners per 100,000 inhabitants, with an estimated 35,000 prison inmates (2021, latest available data). These prisoners are deprived of their constitutional rights. Non-Turkmen prisoners face particularly severe discrimination. Corruption as well as physical, psychological and sexual torture are widespread in prisons, penal camps, police stations and security agencies. Pardons for prisoners can be bought with money.

Inmates often suffer from poor hygienic conditions, lack of medical care and malnutrition. Political prisoners frequently receive new sentences of several years in prison for questionable violations of prison rules, unfounded accusations of new offenses or simply because authorities consider them a danger to society. For fear of reprisals, even against family members living outside prison, inmates do not report their tormentors or do so only rarely.

4 | Stability of Democratic Institutions

The criteria used to assess the performance of democratic institutions are not applicable in Turkmenistan, as there are no democratically functioning institutions in the country. The institutions are completely subject to the authoritarian rule of the “presidential duo” consisting of Gurbanguly Berdimuhamedov (National Leader and Chairman of the People’s Council, a supra-state body that was re-established in March 2023) and Serdar Berdimuhamedov (president since March 2022) and their followers. At best, there are vague signs of democracy in the institutional sector – limited to small-scale and insignificant decision-making processes.

The legislative and judicial branches are subordinate to the executive branch, which is dominated by the presidential administration, even though the constitution formally calls for the separation of powers. The president governs the entire country by fiat and makes decisions that are officially the government’s responsibility.

There are no signs of a shift toward institutions with a democratic face. Achieving this would require not only political will but also a fundamental overhaul of all institutions, with reform-minded and professionally qualified public servants. The country is far from meeting either of these prerequisites.

The vast dictatorial powers granted to the president leave no room for alternative political power or democratic institutions. Official democratic institutions are only a formal component of the presidential regime and do not function independently. This applies without exception to the Institute of State, Law and Democracy, which was founded in 2018 and reports directly to the Office of the President, and to the semi-governmental office of an ombudsperson for the protection of human rights and citizens from unlawful state action, established in 2017. Neither institution contributed to even the most rudimentary democratization of the country during the reporting period.

The Institute for State, Law and Democracy focuses exclusively on describing formal political legislation – such as the multiparty system, equal rights for all citizens and media law – rather than analyzing laws that fail in practice. The Ombudsman’s reports, published annually since 2018 at ombudsman.gov.tm, do not critically examine human rights issues. Instead, they primarily feature lists of new formal initiatives and programs for the country’s socioeconomic development and offer praise for the state’s “successful economic and social policies.”

Performance of democratic institutions



Commitment to democratic institutions



In 2022 and 2023, the ombudsperson received a total of 1,085 complaints and inquiries, a third of which related to civil and political rights (court rulings, issuing passports, residence registration, entry and exit). Only a small number of these were decided in favor of the applicants. A quarter of all complaints concerned the resolution of housing problems.

5 | Political and Social Integration

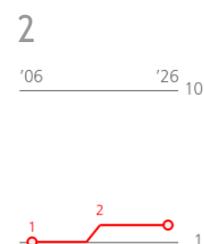
With the adoption of a law “On Political Parties” on January 15, 2012, former President Gurbanguly Berdimuhamedov paved the way for the introduction of a multiparty system. Formally, in addition to the ruling Democratic Party, two other parties were established: the Party of Industrialists and Entrepreneurs and the Party of Agrarians. However, owing to the omnipotence of the president and his entourage, none of the three parties can steer and advance social and democratic processes in the interests of the population at large.

The alternative parties exist primarily to promote the official narrative of party pluralism. They fully support the president’s policies and those of the ruling party and, to a limited extent, serve as a management and control body for the small private entrepreneurial class and for implementing the government’s program for developing rural regions and food production. It is unlikely the parties will achieve any independence from the state or government in the short or medium term.

Civil society and advocacy groups are weakly represented in Turkmenistan’s political system. The limited number and diversity of such groups reflect the lack of democratic development in the country. Existing interest groups, which are subject to strict state control, are mainly organizations for sporting activities, environmental protection and social concerns of the population.

There are no interest groups advocating for issues such as improved labor conditions and democratic and sustainable economic development. Such groups require official registration to operate, and such registration is routinely denied. There are also no business associations, independent trade unions or professional associations in the country. The only representative of private sector interests is the state-controlled Association of Industrialists and Entrepreneurs of Turkmenistan, which is heavily influenced by the economic interests of the president and his entourage.

Party system



Interest groups



There are no surveys on the population's attitudes toward democracy as a form of government in Turkmenistan. Private conversations between foreigners and Turkmen citizens on the fringes of international forums, congresses and sports competitions, as well as isolated comments by Turkmen citizens published on the internet, indicate that a small but growing segment of the population is expressing a desire for more democracy in their country.

Approval of
democracy

n/a

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Several relatively quiet protests by the population against government policy were observed during the reporting period. However, these demonstrations were less political in nature and more an expression of dissatisfaction with the country's social situation, particularly concerning food supply, labor market and freedom of movement issues. Turkmen citizens have repeatedly protested abroad against Turkmenistan's government policy, including in Türkiye and the United States.

n/a 1

The desire for change in society is mainly expressed by people with higher education and citizens who have experienced democracies while traveling or living abroad. The real potential for protest is undoubtedly greater. Many people in Turkmenistan do not dare to make critical statements because they fear reprisals against themselves and family members. At the same time, there is no question that a large proportion of the population, especially those living in regions outside the capital, are simply not informed about democratic processes and practices or their rights as a result of the one-sided information policy dictated by the state.

Civil society self-organization remained at a low level during the reporting period. It is heavily suppressed and controlled by the state and therefore enjoys little trust in the country. Representation is only possible within personal networks. Services in the education, health and social sectors are provided almost entirely by state institutions and organizations and are strictly monitored. They offer only limited scope for self-organization. Even the farmers' cooperative and the Association of Industrialists and Entrepreneurs are constrained by state regulation at the central and local level.

Social capital

2

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Self-help groups, which are almost always informal networks, typically exist on an ad hoc basis as informal personal networks providing services that were once supplied by the state or collective farms – such as construction and maintenance of housing or material support for people in need. Independent groups face state repression, including surveillance, constant monitoring and bans. Private institutions backed by foreign funding are allowed to operate only under strict state control. Independent civil society organizations and groups with declared or hidden political goals are effectively banned in the country.

II. Economic Transformation

6 | Level of Socioeconomic Development

Turkmenistan achieved a score of 0.744 in the latest United Nations Human Development Index (HDI 2022) and is therefore considered a country with a high level of human development based on Turkmen statistical data. However, market experts consider the calculated HDI to be significantly overstated. The HDI relies on national statistics that overestimate per capita gross national income while paying insufficient attention to qualitative factors in the education and health sectors.

There is no officially calculated inequality-adjusted Human Development Index (IHDI) for 2022. The major inequalities in education, health and per capita income in the country suggest that the inequality-adjusted HDI for Turkmenistan is likely at least 20 percentage points lower than the HDI given above.

The Gini index, compiled by the World Bank to indicate the degree of income inequality in a country, is not shown for Turkmenistan due to a lack of data. The same applies to the U.N. Gender Inequality Index (GII).

Unofficial poverty and significant inequality in opportunities have long been deeply rooted in Turkmen society. These issues affect much of the rural population overall, particularly ethnic minorities and Turkmen who are not part of the leading Teke tribe. During the reporting period, the poverty rate increased due to a deteriorating economic situation.

Critical observers, both domestic and international, estimate that at least one-third of the population must survive on an income below the poverty line, as determined by international criteria. Most farmers, or rural dwellers, practice subsistence agriculture. The actual unemployment rate is several times higher than the officially reported 4% to 5%. A large part of the population is excluded from medical care and secondary education due to a lack of financial resources or because medical and educational facilities are simply unavailable in poorer regions.

Experts from the Association of Economists of Turkmenistan estimate that the country's small political and economic elite owns at least three-quarters of all private assets. This elite earns money from the export of hydrocarbons, state-financed prestige projects and the diversion of public funds into their own pockets. They are the main beneficiaries of the exchange rate differences between the official and unofficial rates of the Turkmenistan manat against the U.S. dollar.

Question
Score

Socioeconomic
barriers

2

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The association is a long-established civil society group of economists, accountants and auditors that is close to the government but remains relatively critical in some respects. In cooperation with state institutions and foreign partners such as the EBRD, it supports various activities to promote entrepreneurship, for example in the startup sector or through support for women who want to become entrepreneurs.

Economic indicators		2021	2022	2023	2024
GDP	\$ M	50007.4	58972.0	60628.9	64239.9
GDP growth	%	6.2	6.2	6.3	2.3
Inflation (CPI)	%	-	-	-	-
Unemployment	%	4.5	4.1	4.1	4.3
Foreign direct investment	% of GDP	2.6	1.6	2.3	2.6
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	12.3	7.1	5.5	4.1
External debt	\$ M	4986.4	4645.4	3917.7	-
Total debt service	\$ M	1651.3	1136.4	1160.3	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	11.9	11.4	12.7	-
Public education spending	% of GDP	3.8	3.6	2.7	-
Public health spending	% of GDP	0.9	0.8	-	-
R&D expenditure	% of GDP	0.1	0.1	-	-
Military expenditure	% of GDP	-	-	-	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Fair market competition does not exist in Turkmenistan. The economic system is characterized by central administration, a planned and command economy, an almost exclusively state-run banking system and a high level of corruption.

There are only vague indications of economic competition in the small and medium-sized private sector. These economic entities can develop only within the framework of the state-directed and controlled Association of Industrialists and Entrepreneurs and an established network with strong connections to high-ranking political decision-makers and their allies. They are subject to strict state regulations and depend on the favorable support of the Association's management and state decision-makers when implementing projects. Bazaars are still administered and regulated by the state.

The president and his immediate entourage control and direct all key areas of the economy and the export business. This includes the strategic sectors of oil and gas, electricity, cotton production and ginning, as well as many areas of the manufacturing industry, telecommunications and international transportation by rail and sea. For the most important agricultural goods – cotton and grain – the state continues to enforce purchasing and trading monopolies at prices below the world market level.

Competition is virtually absent from Turkmenistan's state procurement system. Contracts are typically awarded to companies with close ties to government officials and the contracting authorities, often in exchange for "additional services." These services include paying bribes, often in substantial amounts, to decision-makers in the tendering agencies and affiliated banks or local companies, as well as contributions to local infrastructure projects and state prestige events. During the reporting period, the political leadership repeatedly intervened to annul tender results and reassign contracts to firms serving their own interests.

Foreign direct investment is concentrated almost exclusively in oil and gas production, primarily through production-sharing agreements in capital-intensive and technologically demanding off-shore operations. Direct commitments in the textile, food and electronics industries are negligible. The main reason for this is the lack of investment freedom and only very limited freedom of enterprise. Additional obstacles include extreme corruption, pervasive state interference in entrepreneurial activities and significant problems with foreign currency conversion.

International and leading national market observers estimate the size of the shadow economy at more than 50% of gross domestic product. The primary drivers of the gray market are pronounced favoritism and nepotism among the elite, widespread corruption and bureaucracy, poor quality of public institutions and a lack of trust in authorities, significant deficits in the rule of law, precarious labor market conditions and, finally, a nontransparent currency and foreign exchange policy.

Market
organization

2

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There is no anti-monopoly legislation in Turkmenistan. There are also no indications that the government intends to introduce competition regulations into national economic law. The amended legislation on state support for small and medium-sized enterprises contains regulations that prohibit the restriction of rights and legal interests as well as anti-competitive price agreements and market sharing. There are also regulations prohibiting restrictions on market access for small and medium-sized enterprises. These regulations, anchored in Article 17 of the law, are declarative in nature and are not included in any other legal act.

All particularly lucrative businesses are firmly under the control of the state or, more precisely, in the hands of the president and his close associates. The profitable trade in luxury goods, consumer electronics, household technology, many building materials and luxury foods (including tobacco products), as well as the sale of SIM cards for mobile phones, is entirely or largely concentrated among the families of the highest officeholders. Trade in other consumer goods and a broader range of capital goods can develop relatively freely but is still regulated and controlled by the state and is often curtailed to secure additional sources of financial income for high-ranking government officials and their relatives.

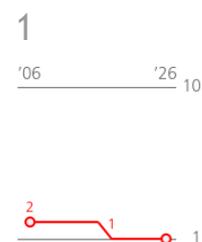
The scope of official tariff trade barriers, including customs duties and other levies, is comparatively small. Import duties are imposed on 85 product groups, including subgroups, and are mostly set at low levels. The list of customs duties is available on the customs authority's website (<https://www.customs.gov.tm>).

However, there are considerable non-tariff barriers that hinder the free development of foreign trade. These include lengthy and sometimes costly bureaucratic procedures for export and import transactions, significant corruption-related unofficial trade barriers – especially concerning approval and customs procedures – major problems with foreign currency conversion and difficult and often time-consuming visa procedures for business trips to Turkmenistan.

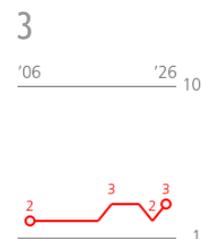
Imports at the favorable official exchange rate are accessible only to companies close to the president, important state-owned companies and, to a limited extent, member companies of the Association of Industrialists and Entrepreneurs. All other importers are suffering from the massive increase in the cost of obtaining foreign currency – acquisition of foreign currency at the black market rate – and generally severe restrictions on access to foreign currency. The government, or rather the president, is not ready to devalue the national currency (Turkmenistan manat) against the U.S. dollar, which is long overdue.

Through the State Commodity and Raw Material Exchange of Turkmenistan, the government maintains a state monopoly on foreign and wholesale trade, as well as control over a significant share of the flow of goods in exports and imports in terms of volume and prices for raw materials, semi-finished goods and intermediate products.

Competition policy



Liberalization of foreign trade



Turkmenistan has made little tangible progress toward potential membership in the World Trade Organization (WTO). The country was granted observer status in July 2020 and formally applied for membership in November 2021. In February 2022, it was accepted as an official applicant. During the reporting period, several meetings were held between the Ministry of Foreign Affairs and WTO representatives, but no concrete steps toward accession were agreed upon. There is no visible willingness to restructure the trade regime, financial and banking systems or trade-related legislation – including customs, taxation, insurance and export financing – in line with market economy principles. Consequently, WTO accession remains unlikely in the foreseeable future.

Turkmenistan officially has a two-tier banking system: an independent central bank responsible for ensuring price stability and monetary control, and commercial banks that handle all types of banking transactions. However, the central bank is not truly independent. It still performs the functions of a commercial bank, manages the accounts of major state entities in the oil and gas sector and replaces bad loans from state-owned companies with new loans. The president sets the guidelines and directs the activities of the central bank and all other banks in the country. There is no independent financial supervisory authority or capital market.

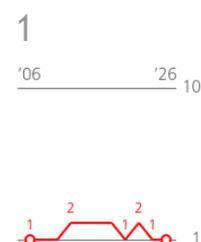
With the exception of Turkmen Turk JSC Bank and Rysgal Bank, which is operated by the state-controlled Association of Industrialists and Entrepreneurs, all of Turkmenistan's commercial banks are wholly state owned. The Turkish universal bank T.C. Ziraat Bankası A.Ş. and the state-owned Turkmen Dayhanbank each hold a 50% stake in Turkmen Turk.

By far the largest commercial bank in Turkmenistan in terms of total assets (\$9.1 billion as of December 31, 2023, converted at the official exchange rate) is the State Bank for Foreign Economic Activity (TurkmenVnesheconombank). Most projects co-financed by foreign donors and private banks are managed financially through this institution. The project portfolio is manageable and focuses on the electricity, oil and gas, transportation and chemical industries. The main donors are the Japan Bank for International Cooperation and the Asian Development Bank.

Among the other larger state banks, the following institutions are particularly noteworthy: Dayhanbank (financing focus: agricultural sector), Turkmenbashi Bank (mining and heavy industry, transportation/telecommunications, construction and trade), Halk Bank (financing of state-owned enterprises and the corporate sector) and the State Development Bank of Turkmenistan (financing of major state projects).

Turkmenistan's banking system has faced a shortage of cash and foreign currency for many years. Many companies that depend on foreign currency imports for their production have had to cease operations due to ongoing conversion problems. These issues are a direct result of the country's nontransparent exchange rate policy – the coexistence of an official exchange rate and a parallel rate.

Banking system



Free access for companies and individuals to their own bank accounts is often not guaranteed. The state transfers wages, pensions and social benefits to public servants, pensioners and other population groups almost exclusively to cash cards, from which cardholders can withdraw only a limited amount of cash.

There are no official figures on the proportion of bad loans in the credit portfolio. However, various internal sources, particularly from the construction sector, indicate that debt among private construction companies has grown year upon year. Missing or delayed payments by public clients – the state – to private contractors are the main reasons for the increasing stock of non-performing loans and the resulting critical situation in the banking system. During the reporting period, the state repeatedly misused financial institutions for politically or economically motivated purposes. For example, citizens who took out loans and have not yet repaid them were required to surrender their passports to the migration service and/or were denied permission to leave the country.

8 | Monetary and fiscal stability

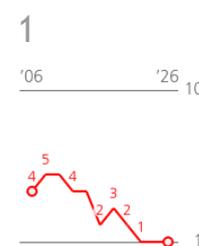
The Turkmen currency, the Turkmenistan manat (TMT), is not freely convertible. On January 1, 2015, the central bank devalued the national currency to a rate of \$1 = TMT 3.50 due to turbulence in international oil and gas prices. This exchange rate remains in effect today, although economic conditions have long warranted further devaluation. The parallel rate, or black-market rate, has remained stable at about 5.5 times the official rate during the reporting period.

The recurring shortage of foreign currency in the local financial market has resulted in frequent restrictions on currency conversion. Currently, except for state-owned enterprises, only entrepreneurs close to or sympathetic to the president are generally permitted to exchange foreign currency at the official rate. The central bank is not authorized by the president to develop and implement an independent policy for adjusting the official exchange rate in line with current requirements.

The prices of imported consumer goods (food and non-food goods), intermediate products and supplies for domestic production have risen exponentially due to the high parallel exchange rate. The president's family, clan and networks benefit from the current foreign exchange policy insofar as they are able to siphon off the difference between the official and unofficial exchange rates. As a result, the government shows little interest in overcoming the currency crisis. Notably, the unresolved currency problem is one of the main reasons real inflation has been high for years.

The annual price increases of less than 10% from 2023 reported by official statistics and, as a rule, by donor banks are not very realistic and should be critically scrutinized. The real price indices are more likely in a clear double-digit range from

Monetary stability



13% to 15% and higher. This is supported by the consistently high price increases for many basic foodstuffs, imports and services that have been observed for some time, the increasingly limited supply of subsidized basic foodstuffs, an unrealistically composed basket of goods for recording the price indices and the nontransparent exchange rate policy.

In macroeconomic terms, Turkmenistan was in a comfortable position until the outbreak of the economic and financial crisis in 2015 thanks to high revenues from the export of oil, gas and oil products. After 2015, the economic situation deteriorated significantly as a result of a massive slump in exports.

Spending cuts and rising tax revenues from non-oil and gas sectors meant that, according to official data, Turkmenistan's state budget was again largely balanced – and even showed a small surplus – during the reporting period. Government figures also indicate that public debt stood at just 3.8% of GDP as of June 30, 2024, compared with around 11% at the end of 2021.

However, it remains impossible to form an objective picture of Turkmenistan's fiscal policy. The limited data available is embellished and therefore not meaningful. The government publishes little information on the current account balance, public and foreign debt, public consumption, foreign exchange reserves and other fiscal data. The information it does release is sporadic and opaque. Many details concerning budget revenues and expenditures are withheld entirely.

Even assessments by international institutions, including the IMF and donor banks, are of limited reliability, as they rely on the questionable data provided by the Turkmen authorities. In particular, it is unclear to what extent these figures account for the numerous extra-budgetary funds and other budgets managed by the president and his close associates. To date, there are no signs of progress toward a more transparent or accountable fiscal policy.

9 | Private Property

The guarantee and protection of property rights, as well as the acquisition of property, are formally enshrined in the constitution and other laws. In practice, however, property rights are often disregarded. Even minor offenses such as failure to pay taxes, lack of current licenses and permits or alleged or fabricated offenses are often punished with the confiscation of personal and company property.

Successfully operating companies in Turkmenistan must contend with the potential for fictitious takeovers by individuals close to high-ranking officials. Forced resettlement and expropriation of residential buildings and entire settlements in the “interests of the state” – usually without justification, prior notice or adequate compensation – are common practices in Turkmenistan.

Fiscal stability

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Property rights

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Domestic and foreign investors are not effectively protected against the expropriation of their assets due to the country's political conditions. This risk is reflected in the annual Property Rights Index compiled by the Heritage Foundation, where Turkmenistan receives one of the lowest scores worldwide for the protection of property rights. The situation is also critical regarding the protection of copyrights.

With regard to personal property, in many residential areas, state authorities regularly dismantle private satellite dishes without prior notice. The stated reason is an officially unsightly cityscape. In reality, the state is concerned about the reception of foreign channels.

The Turkmen economy is and remains a highly centrally managed state economy. Private activities dominate only in the retail sector, such as bazaars and markets, and in some service sectors. In manufacturing, construction and wholesale, including imports, the number of private players has been growing year over year since the Association of Industrialists and Entrepreneurs of Turkmenistan was founded in 2008. At the beginning of 2024, the association had a total of about 29,000 members, including players in the agro-industrial complex, trade and transportation, although no more than two-thirds of them are economically active.

The association is officially independent but, in practice, is subject to strict state regulations and state control. It conducts its activities on behalf of the state and therefore in the interests of the president and his close associates. For their business activities, member companies depend on “support” from the association's management and government decision-makers.

Business decisions are often politically motivated and require navigating numerous bureaucratic hurdles. Contracts for major projects, including commercial transactions, are frequently awarded to individuals or companies close to the president and his confidants. These projects often act as transshipment points for embezzled funds and the elimination of unwelcome competitors. In any case, to implement their projects, young entrepreneurs need high-ranking relatives or close friends, connections to networks and access to financial resources from these networks.

The development of private entrepreneurship in Turkmenistan has not, to date, brought any improvement in the business environment for private sector activities. During the reporting period, privatization projects focused on selling unfinished buildings, commercial and service areas as well as smaller, dilapidated industrial sites. Large and medium-sized industrial companies in the manufacturing sector remain state owned. Private companies still account for only about 14% to 15% of Turkmenistan's total industrial production.

Private enterprise

3

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10 | Welfare Regime

Turkmenistan's welfare system is anchored in a social insurance framework that was restructured in 2013, complemented by the Law on Social Services adopted in December 2021 and several medium-term expansion programs in health care, education, childcare, youth sports and housing promotion. Improvements in the social sector have been limited and largely confined to specific areas, particularly the quantitative expansion of social infrastructure – most notably, the modernization and construction of schools and medical facilities.

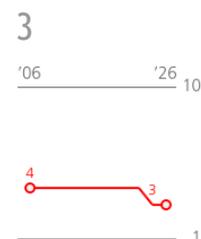
The state's social protection system for vulnerable population groups rests on two basic pillars. The first consists of subsidies for essential goods such as bread and flour, as well as limited quantities of water, gas and electricity. The second is a rudimentary network providing care for the elderly, the ill and others in need of assistance. However, this network remains underdeveloped, and there are virtually no safety nets for the unemployed or those at risk of job loss.

The food security problems of less affluent segments of the population worsened during the reporting period. Fewer people can afford to buy food at market prices in bazaars and private stores, making them dependent on the subsidized food available in state stores. In these stores, however, both the quantity and quality of low-priced foodstuffs are decreasing year by year. This situation stems primarily from production constraints, limited access to foreign currency restricting imports and a lack of transparency in distribution networks susceptible to corruption.

The development of an effective, nationwide public safety net for those in particular need – the elderly, sick and socially disadvantaged – announced by the government in 2019/2020 has still not entered its active implementation phase. Between 2020 and 2022, the first pilot projects for introducing high-quality social services close to home were implemented as part of a cooperation program between the United Nations and the Ministry of Labor and Social Protection of the Population of Turkmenistan.

On January 1, 2022, the Social Services Law came into force in Turkmenistan for the first time. It provides for basic social services to be granted to particularly needy people and financed from public funds. In the years after 2022, however, there was hardly any noteworthy activity to expand public social services for people in particular need. These people therefore continue to rely almost exclusively on family and neighborly help, support from village communities and informal structures as well as handouts from higher earners. Only around 12,000 elderly, dependent and disabled people were cared for by the public social services network in 2024. That was less than 0.02% of the population (according to official figures). The National Plan for the Development of Social Services envisages that up to 2% of the vulnerable population will be covered by publicly funded services by 2030. Turkmenistan is likely to fall far short of this target.

Social safety nets



The constitutional guarantee of equal access to participation in society for all citizens, regardless of their nationality, creed or social status, is not upheld in practice. During the period under review, significant social inequality among the population has worsened as a result of the country's declining socioeconomic situation.

Members of national minorities, non-Muslim believers and stateless persons continue to face difficulties in exercising their rights. This stems from the elite-driven "Turkmenization" of society and the often substantial costs – including bribes – associated with obtaining one of the few available training positions or civil service posts. There are no formal restrictions on access to general education, and both school enrollment and literacy rates reportedly exceed 99% (World Bank, UNICEF).

Citizens of non-Turkmen ethnicity are disproportionately affected by recurring waves of dismissals from state institutions. They are often followed by members of the titular nation who are weakly – or not at all – integrated into informal networks, lack access to senior decision-makers, or cannot afford the often exorbitant "expenses" required to secure new employment.

Due to the country's strong patriarchal social order, along with the overemphasis on Turkmen national traditions, culture and family sanctity, women do not have the same rights and development opportunities as men.

The critical situation of women in society has deteriorated since President Serdar Berdimuhamedov took office. Turkmen women must adhere to traditional dress and appearance codes more strictly than before. For example, they are required to wear uniform clothing such as long dresses and refrain from eye-catching manicures, makeup and cosmetic procedures. Women are under-represented in the civil service, often perform low-paid and unskilled work and rarely hold higher offices. According to the 2023 Women, Peace and Security Index published by the Georgetown Institute for Women, Peace and Security and the Peace Research Institute Oslo (PRIO), Turkmenistan records particularly poor scores on two indicators: women's access to the judiciary and access to financial services.

Equal opportunity

3

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11 | Economic Performance

It is difficult to objectively assess the performance of the economy. There are no reliable national statistics. The official data does not reflect the real state of the economy due to nontransparent survey methods, large exchange rate differences, underestimated inflation and embellished figures. Serious problems and shortcomings in many sectors of the economy also suggest that the published economic data is greatly overstated.

The government has consistently reported annual real GDP growth of 6% or higher for several years. However, most international observers – including donor banks and economic research institutes – rely on the same questionable official data, meaning that their analyses offer little credible insight into the country’s actual economic performance.

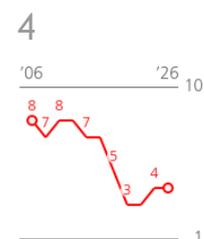
The International Monetary Fund has used alternative calculations to assess overall economic performance in 2022 – 2024, providing a more realistic picture. These calculations take into account differences between official and parallel exchange rates (or exchange rate overvaluation), international trade statistics (UN Comtrade), verified data on private consumption and investments as well as independent sources of information.

Real GDP is estimated to have grown by about 2% per year in 2023 and 2024. The hydrocarbon sector accounts for more than 50% of total economic output. High revenues from the export of gas and, to some extent, oil and oil products, along with an artificial curb on imports, ensure officially reported current account surpluses. The officially reported nominal gross domestic product per capita of around \$9,000 to \$10,000 in 2023 (depending on the source) is greatly overestimated because of the artificially inflated production value of the oil and gas industry.

The government’s declared efforts to diversify the economy are progressing slowly. The implementation of numerous initiated and planned projects in the manufacturing industry is stalling due to poor management and a shortage of foreign currency. The annual investment ratio – that is, the contribution of realized investments to gross domestic product – has shown a negative trend. It averaged about 15% during the reporting period, down from 25% to 28% in previous years. The absolute annual investment volume in 2022 – 2024 was roughly 10 to 11 billion TMT per year, accounting for only half the investment volumes of previous years. Foreign direct investment fell to an annual average of just \$1.2 billion between 2021 and 2023, compared to \$3 billion or more in previous years.

Officially, the government reports the unemployment rate at around 4%. Unofficially, it is several times higher. Today, the local labor market cannot offer jobs to everyone seeking regular employment or absorb the annual influx of young people entering the

Output strength



workforce. At least a third of all employed people in the country work in the often poorly paid informal sector without access to social security or employment protection.

There is no doubt that Turkmenistan's hydrocarbon sector, cotton fiber and textile production and gas refining products provide a considerable cushion for its budget revenues and boost the economy in other sectors. However, there is a lack of political will to use these resources effectively in the interests of a targeted and sustainable economic policy.

12 | Sustainability

Turkmenistan has formally committed to environmental protection by signing several international agreements, including the Paris Agreement on Climate Change; renewing its National Strategy on Climate Change; adopting a national strategy and law on renewable energy; and ratifying additional international documents on resource conservation and waste management.

The country has recently demonstrated a greater willingness to cooperate with the Regional Environmental Centre for Central Asia and international environmental programs and organizations such as various U.N. agencies and the Global Environment Facility. In mid-2023, a dedicated ministry for environmental protection was established to coordinate these efforts and promote internationally funded projects.

At the end of 2023, President Serdar Berdimuhamedov announced Turkmenistan's accession to the Global Methane Pledge, launched in 2021 to cut global methane emissions by 2030. A government action plan for 2025 and 2026 envisages deeper cooperation with foreign partners to reduce methane emissions, including hosting expert conferences and preparing feasibility studies for the processing and industrial use of associated gas from oil and gas production. Turkmenistan's hydrocarbon fields are among the world's largest methane emitters, underscoring the urgent need for action to curb this potent greenhouse gas.

However, the implementation of previous activities to improve the country's ecological situation has remained at a low level. Environmental protection continues to be subordinated to economic growth concerns. Pollution at major industrial sites remains high. Measures to reduce emissions in the gas sector – including those at the Turkmenbashi oil refinery and fertilizer plants in Mary – remain insufficient. Announcements about solar and wind power projects are made regularly but with little tangible progress.

Desertification in the arid country is increasing each year, causing estimated annual economic losses of several hundred million U.S. dollars. No progress has been made in reducing significant water losses from the central drinking water supply and the



irrigation sector. Depending on the region, these losses account for between one-third and 50% of water consumption. Much of the pipeline and pumping infrastructure is in disrepair, desalination capacity is limited, and most cities and rural areas lack functioning wastewater treatment plants. Modern, water-saving irrigation systems are scarcely used. Water scarcity is especially acute in the Dashogus and Lepab provinces, which have become centers of out-migration.

During the USSR era, Turkmenistan had an education system with a relatively high standard and good access for all social classes. Former President Niyazov implemented massive cutbacks in the education system. His successor, Gurbanguly Berdimuhamedov, restored general, vocational and higher education to normal standards and promoted the construction of new school buildings at all levels of education.

Nevertheless, the situation in the education sector remains critical to this day. General school education is guaranteed throughout the country but is of low quality. The university and vocational school system is poorly developed in both quality and quantity. In the 2024/2025 academic year, there were only 16,000 new enrollments at the country's universities. Of these, only 600 young people started a master's degree. There are hardly any higher education institutions in the five provinces outside the capital. Several thousand young Turkmen men and women study abroad every year.

The number of places offering several years of vocational training at the 45 secondary vocational schools across the country was only slightly more than 12,000 during the 2024/2025 school year. Almost three-quarters of the approximately 90,000 students leaving secondary schools each year are unable to continue to vocational or tertiary education.

Equally important, there is a severe shortage of qualified teachers and scientifically sound teaching materials. Study and training courses are overloaded with ideologically driven social science content, leaving little room for specialized or practical instruction. The education system is exclusively state-run and rife with abuse of authority. Access to universities, most vocational schools and elite general education schools is virtually impossible without paying substantial bribes. At universities, the trend toward fee-based courses is intensifying. Most parents cannot afford the tuition fees and cost of living at the universities.

According to the World Bank, public spending on education amounted to 2.7% of GDP in 2023, which is low by international standards. The government, however, reports a higher figure of 3.9% by including additional budget items. However, a significant proportion of spending on education traditionally flows into the construction of grand, oversized and ineffectively used buildings, such as universities and academies.

Education policy /
R&D

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The R&D sector is severely underdeveloped in Turkmenistan. It primarily includes the activities of the State Academy of Sciences, its institutes and centers for technology and technology transfer, as well as cooperation agreements between the academy and state authorities and companies and, to a limited extent, private companies. Investments in the entire R&D sector totaled less than \$40 million in both 2023 and 2024.

Governance

I. Level of Difficulty

Turkmenistan is a sparsely populated country. According to official figures from the last census at the end of December 2022, it has a population of around 7.1 million. International organizations including the World Bank and U.N. estimate the number of inhabitants for that year at between 6.2 million and 6.4 million. Critical market observers estimate that the country is currently home to barely more than 5 million people due to a demographic crisis and increasing emigration. In sum, there are no reliable figures available.

The country has a distinctive economic advantage. According to the Eni World Energy Review 2024, the country possesses the world's fourth-largest proven conventional natural gas reserves, totaling 13,950 billion cubic meters. Its proven oil reserves amount to 599 million barrels of crude, and it ranks among the world's top 10 producers of cotton. Turkmenistan's geographic position also gives it strong potential to develop into a regional and international hub for transport and logistics. Together, these resources provide a solid foundation for socioeconomic development and considerable opportunities for the country's leadership to steer national progress.

However, the state, represented by the president and his confidants, uses these resources largely for their own interests. They serve to maintain power and facilitate the private enrichment of the elite. This has not changed during the reporting period. Many of the country's structural problems – including poverty, underdeveloped infrastructure in the provinces, major deficits in education and health care, severe water shortages and soil erosion – result from this “use of resources.” However, in the interests of social peace, the state is forced to invest more, at least in a basic way, in areas such as water supply, irrigation and social facilities including housing and schools.

Due to disastrous economic and exchange rate policies that have persisted since the massive global drop in prices for the country's main exports – gas, oil and oil products – in 2015, the standard of living in the country has fallen significantly. Food supply for the poor is barely guaranteed. Many non-food goods and services, including medical services, have become unaffordable for the majority of the population.

Structural
constraints

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In Turkmenistan, civil society traditions are virtually nonexistent. Civil society organizations must register with the Ministry of Justice. Approximately 130 such organizations operate in the country. Several large so-called GONGOs – government-organized non-governmental organizations – are active at the national level. These include the trade union with its 14 industry associations (1 January 2023: 1.0 million members), the youth organization Makhtumkuli (0.9 million members) and the women’s association (0.7 million members). Other GONGOs include the Association of Industrialists and Entrepreneurs and the Chamber of Commerce and Industry.

Civil society traditions

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The GONGOs, established by law, fully endorse the official policies of the president and his inner circle, serving primarily as their mouthpieces. Their activities are largely confined to information and propaganda work; mobilization for mass events; and the development and implementation of medium-term government programs related to trade unions, women’s and youth initiatives, as well as the organization of exhibitions and trade fairs.

All other civil society organizations are small, specialized associations focused on social and ecological concerns, such as support for disadvantaged groups, environmental protection and ecotourism or the operation of sports clubs. These organizations often receive limited financial and technical assistance from foreign donors. A small number of NGOs operate abroad, primarily in Türkiye and Russia, led by Turkmenistani activists. The government has engaged in transnational repression to intimidate these activists, and many have been forcibly deported back to Turkmenistan.

Political and legal advocacy groups, as well as foreign NGOs, do not exist in the country and are not allowed to operate. This practice stands in stark contrast to the law “On Social Associations” from 2014, as amended in August 2020, which guarantees the right to establish a social association of one’s choosing without prior approval from the central state or local administration.

Existing regional and informal networks, generally based on patron-client relationships, serve as partial substitutes for civil society organizations, although typically only in the social and economic spheres.

As a result of repressive state power and widespread fear of severe penalties, open conflicts are very rare in Turkmenistan. However, smaller localized social protests continued to increase during the reporting period.

Conflict intensity

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The population expressed discontent mainly over the lack of transparent access to subsidized basic foodstuffs; the heavily restricted, bureaucratic and costly process for obtaining foreign currency; unpaid wages and social benefits; and the continued commercialization of higher education. These protests occurred primarily in the cities of Turkmenbashi and Ashgabat as well as in the provinces of Dashoguz and Lebap.

During the reporting period, it was also observed that a growing number of citizens were willing to voice criticism of the president's economic and social policies and his personality cult, including in conversations with foreigners, thereby incurring a significant risk of denunciation.

II. Governance Performance

14 | Steering Capability

Strategic medium- and long-term priorities in Turkmenistan are set by the president and the presidential administration and confirmed by the country's parliament and the People's Council (Halk Maslahaty). These priorities reflect general development trends in many spheres of society that conform to international standards. In the first few years after President Gurbanguly Berdimuhamedov took office in 2007, some priorities also entered an implementation phase. These included limited reforms for entrepreneurship and revitalization of the education and health sectors. In the later years of his term, the implementation of such priorities markedly declined.

During the reporting period, the new president, Serdar Berdimuhamedov, adopted several new strategic documents as well as medium- and long-term programs for socioeconomic development and initiated reforms to reorganize central and regional administrations and sectoral associations. None of these activities are based on clearly defined strategic or operational objectives.

The priorities generally remain proclamations. The reason is obvious: the president and his followers are not interested in political or economic reforms because they want to maintain their power. They insist on their dominance in all spheres of society and do not want to give up their sources of income.

There is a lack of political will for change. The government is only minimally implementing its proclaimed political goals. Underdeveloped legislation, a lack of independent judiciary and continued state control of all political and economic matters are the main reasons Turkmenistan has made little progress toward its liberalization goals. Vested interests and corruption also remain key factors in the lack of liberalization in the country.

The government has officially declared the expansion of market economy principles as an economic policy goal. However, this is merely a pretense aimed at maintaining unbridled power. The business activities and new projects of private companies, including members of the Association of Industrialists and Entrepreneurs, depend on the goodwill of the president and the rest of the elite, as well as regional and local

Question
Score

Prioritization

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Implementation

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authorities. The government shows interest in private sector projects primarily in the context of import substitution to save foreign currency.

In the Index of Economic Freedom published annually by the Heritage Foundation and the Wall Street Journal, Turkmenistan continues to perform poorly, ranking 162nd out of 184 countries in the 2024 edition. This dismal position underscores the lack of freedom for private enterprises to operate and develop in the country. Turkmenistan performs particularly badly in four of the 12 assessed categories: government integrity, judicial effectiveness, investment freedom and financial freedom. There is also considerable room for improvement in protecting private property rights and ensuring labor market flexibility.

The president and his entourage are interested neither in the proper implementation of many regulations adapted to international standards nor in the implementation of their own medium- and long-term reforms for a more open and market-oriented society. The administrative apparatus is and remains a restrictive instrument for securing the power of the elite and maintaining its rule. All state institutions carry out their activities exclusively on the instructions of the president and his close allies.

With regard to innovations from below, employees' own initiatives are curtailed for fear of severe criticism and reprisals. Arbitrary appointments and transfers within the civil service, preferences given to "applicants" from the president's inner circle and the elite as well as the frequent reorganization and restructuring of public administration also act as curbs on innovation and flexibility.

Policy learning in Turkmenistan can advance only if civil servants are authorized to issue clear directives and oversee their implementation. So far, however, their activities have focused exclusively on meeting fixed quantitative targets set by the cabinet of ministers. Only the limited adaptation to standards required by international organizations – particularly the alignment of national regulations with international labor and social norms – creates some, albeit externally driven, scope for policy learning.

15 | Resource Efficiency

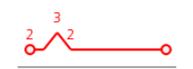
Resource-rich Turkmenistan is far from making effective use of its human and economic resources. State mismanagement, nepotism and favoritism, highly bureaucratic administrative procedures and a complete lack of a culture of compliance contribute to ineffective public administration. There is no transparent budget planning and no functioning control mechanisms for any phase of the planning and implementation of publicly financed projects.

Most state-owned enterprises are poorly managed, underutilized and generate little real profit. There is a lack of will to restructure or reorient these companies toward needs-based production. The agricultural sector suffers from excessive state

Policy learning

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Efficient use of assets

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regulation, insufficient investment in upstream areas – particularly water supply, irrigation and pasture management – and a lack of transparency in the provision of fertilizers and agricultural technology. Announced reforms in agriculture have yet to materialize.

The central investment policy is hindered by significant misallocations to prestigious construction projects, insufficient technical preparation and implementation of industrial projects and oversized, wasteful transportation projects.

High levels of mismanagement in state-owned companies and enterprises continue to cause major economic damage. The list of poorly managed companies is long. For example, the large gas chemical complex that produces polymer ores, built in 2018 for \$3.4 billion, is now facing an estimated \$1 billion refurbishment and retrofitting due to ongoing production problems. The second flagship of the national industry – the first large gas-to-liquids plant commissioned in 2019 at a cost of \$1.7 billion – is still unreliable and requires technical upgrading.

Many capacities in public hospitals and health centers remain unused because of an acute shortage of medical technology, medicines and qualified personnel, and because no regular service contracts have been concluded with suppliers of medical technology. New drinking water systems often fail temporarily or permanently shortly after commissioning due to faulty design or lack of maintenance work.

Costly prestige projects initiated by the president without genuine synergy effects for the country’s socioeconomic development remain at the top of the government’s agenda. The most recent example is the construction of an entirely new smart city located just 30 kilometers from the nation’s metropolis, Ashgabat. Named Arkadag – the honorific title of former president Gurbanguly Berdimuhamedov – it is the only city in the country granted the status of “city of state importance.” Approximately \$5 billion will be allocated to the first two construction phases during 2019/2020 – 2025/2026, including hundreds of millions of dollars spent on less practical buildings such as luxury hotels, oversized administrative and sports facilities, as well as additional residences for the presidential family and their associates.

Aside from what can be characterized as internal rivalries, the kleptocratic regime led by the president and his entourage does not have competing political goals and therefore does not recognize a need for compromise solutions. There is no horizontal or vertical coordination either within ministries or between ministries and downstream authorities and regional and local administrations. The stages of preparation, adoption and implementation of declared reform projects, strategic documents, development programs and action plans converge at the level of the deputy prime minister responsible for the respective part of the country (region) and/or economic sector before submission to the president for a final decision.

Policy
coordination

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Initiatives stemming from the ministries themselves and other authorities are not only unwelcome but undesirable. Only in certain sub-segments of the economy is there a limited degree of coordination between ministerial departments at the same hierarchical level for the preparation and implementation of larger priority government projects. However, the decision-making power for such projects also remains with the president. His decisions are often incomprehensible, arbitrary and unpredictable as a result of the existence of a patronage network and the pursuit of his own interests.

Turkmenistan has no reform programs worthy of the name. At meetings of the Cabinet of Ministers, the president presents his vision for the country's development along with each legislative initiative, no matter how small, and describes new medium-term socioeconomic programs as "significant reforms." He instructs the relevant ministers to draw up corresponding proposals, documents and amendments to laws and then approves them if they are well received.

Nothing has changed during the reporting period regarding widespread corruption in the state administration, judiciary and security apparatus as well as the education and health care sectors.

The Anti-Corruption Act of July 24, 2022, the National Anti-Corruption Program for the period 2020 to 2024 and regulations on the civil service, which are intended to prevent signs of corruption, are largely declarative in nature and are often misused politically to dismiss undesirable individuals.

There are many reasons for the high level of corruption in Turkmenistan. These include a pronounced patronage system, the widespread acquisition of "lucrative" public offices for sale, an economy of scarcity, a severe lack of control over public finances, the high dependence of construction and other companies on state contracts, a bloated bureaucracy and a general lack of an effective code of conduct to prevent corruption.

During the reporting period, dozens of high-ranking public officials in politics, business and education were once again forced to resign due to their real or perceived "corrupt behavior." In many cases, the reason behind the dismissal is that these public officials have fallen out of favor or have (allegedly) committed acts of corruption beyond the "usual level." It is also not uncommon to dismiss public officials for purely political motives.

Sporadic anti-corruption campaigns do little to address the fundamental problem of corruption, which remains widespread and largely unchecked. Abuse of power and corruption are everyday experiences for people in Turkmenistan.

Anti-corruption
policy

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16 | Consensus-Building

There are no major political actors or interest groups in Turkmenistan capable of advancing democracy. The country does not permit the formation of opposition groups that could challenge presidential authority. The dominant position of the president and his father, the National Leader, means that rivalries among different state institutions – such as the security apparatus, judiciary and ministries – when they exist, take the form of reciprocal denunciations of “corrupt practices.”

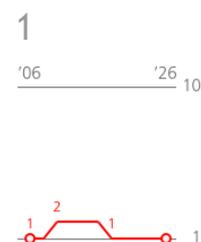
There is no class of independent businesspeople in Turkmenistan able to push for an open market economy. The presidential tandem sets the agenda, allowing elements of a market economy only when they increase the state’s export revenues (i.e. their own) or support the goal of import substitution. Moreover, government elites in various ministries and agencies fail to develop agendas that would benefit the country due to their short tenures in office.

In Turkmenistan, the state is fundamentally anti-democratic. President Serdar Berdimuhamedov and the national leader, his father, Gurbanguly, are not committed to liberal democracy and suppress nearly all activity in support of democratic reform.

Regional, ethnic, social and religious divisions do exist in Turkmenistan, but the leadership’s personal and pronounced autocratic rule and the security apparatus’s extensive control keep dissent to a minimum. For example, Turkmen who do not belong to the largest and most influential Teke tribe (Ahal-Teke/Mary-Teke) are marginalized and generally denied access to political and economic positions.

Preferential treatment given to the Teke tribe leads the government to offer jobs and investment mainly to residents of the southern provinces of Ahal and Mary. Despite such favoritism, tight control over the population prevents cleavage-based conflicts from escalating. As long as the president can offer sufficient material incentives to the country’s large security and police forces and maintain control over various informal networks, the likelihood of conflict remains low.

Consensus on goals



Anti-democratic actors



Cleavage / conflict management



The political leadership excludes all civil society actors from the political process. There is no involvement in political decision-making, strategies, implementation or subsequent monitoring and evaluation. Only in the preparation and implementation of internationally funded projects in the social and environmental sector (UN, donor banks) can state-regulated involvement of national and local civil society organizations be observed to a very limited extent.

It is impossible for truly independent NGOs to operate legally. Mandatory official registration requires them to be absolutely loyal to the regime. Only under this condition would they be able to open bank accounts, rent premises and set up an internet connection.

The political leadership is unwilling to acknowledge historical injustice and initiate reconciliation processes. Prisoners remain in Turkmenistan's jails who were sentenced to long prison terms or disgraced after unfair trials around the turn of the millennium for the alleged assassination attempt on former President Niyazov in November 2002.

The international Prove They Are Alive campaign, launched by human rights groups, has documented more than 160 such cases in prisons. To date, nothing is known about the fate or current whereabouts of 97 people. This includes 33 individuals whose prison sentences expired at the end of 2022. There is also little information about imprisoned people accused of having an alleged connection to the Gülen movement. There is no reliable information on the total number of politically persecuted prison inmates.

The Prove They Are Alive campaign has achieved only limited success so far. This includes the handover of an official list of those imprisoned during Niyazov's term, the restricted contact that has been allowed between some prison inmates and their families and rare visits to prisons by diplomats and representatives of civil society organizations. However, the prison visits did not allow direct contact with the inmates. The informative value of the list provided is very poor.

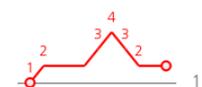
The common practice of arrests without due process of law did not change during the reporting period. Turkmenistan continues to reject offers from the OSCE and the U.N. to improve the human rights situation through reforms of the penitentiary system. Requests for visits by the Working Group on Enforced and Involuntary Disappearances are also denied. Turkmenistan ignores repeated calls for the country to ratify the U.N. Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) of December 18, 2002. A policy of reversing acts of injustice and reconciliation is still not on the government's agenda.

During the reporting period, the Turkmen government complied to a very limited extent with requests from human rights organizations for the Ombudsman's Office to carry out inspections in prisons regarding sanitary, food and other prison conditions. In the event, inspectors criticized only the condition of buildings and the lack of

Public consultation



Reconciliation



medical staff, omitting any mention of the inhumane and degrading treatment inflicted by guards and other prison staff in most prisons, as well as the lack of access to proper criminal proceedings and lawyers and the denial of access to external health care facilities.

17 | International Cooperation

The government of Turkmenistan makes purely formal efforts to participate in the activities of international organizations. It uses its membership in more than 50 international organizations and its accession to about 200 international treaties and conventions primarily for public relations purposes. The commitments to political and economic reforms made by the Turkmen government as part of its membership in international organizations or the signing of international agreements are barely discernible in Turkmenistan's government policy.

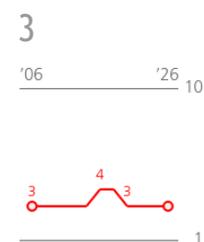
Cooperation with international organizations that provide financial and technical support remains limited to a few sectors, including social services, environmental protection and, to a lesser extent, education and health. Examples of Turkmenistan's participation in broader regional initiatives include projects to expand the Middle Transport Corridor (China – Central Asia/Uzbekistan/Turkmenistan – Azerbaijan – Georgia – Türkiye – Europe) and the trans-Caspian fiber-optic cable between Asia and Europe announced by the international company Neqsol Holding. In these few areas, the political leadership uses cooperation projects with international partners to bring about certain improvements.

However, efforts to transform best practices from pilot projects in these areas into permanent programs or regular planning have made little or no progress.

The president and his entourage have shown no interest in assistance from international partners that could stimulate real reforms in the country. Government reports on the outcomes of implementing international commitments generally read like hymns of praise for the government, relying on embellished data.

Formal membership in numerous international organizations, conventions and treaties continues to serve mainly as legitimation of the existing system of rule. It is intended to demonstrate to the Turkmen population that their homeland is a country closely embedded in the international system and respected globally. It is also meant to show that Turkmenistan complies with international legal norms and cooperates with foreign countries. In state media, reports about Turkmenistan's "intensive participation" in international organizations and "intensive cooperation" with foreign countries occupy an unusually large amount of space. These media activities serve exclusively propaganda purposes.

Effective use of support



During the reporting period, Turkmenistan established its formal presence on the international and, above all, regional stage, even though it did not significantly expand it. This presence is limited to membership in international organizations, a small or manageable number of political, economic and cultural international contacts at both the bilateral and regional levels in Central Asia, and the hosting of international conferences in Turkmenistan as a showcase for a purported policy of openness.

Cooperation at the multilateral level generally occurs only on a thematic or project-related basis. The country officially justifies its non-membership in multilateral organizations by citing its neutrality declared in 1995. In practice, however, neutrality serves to mask the intended isolation of the country in order to preserve the ruling system.

The government still does not act as a credible or reliable partner in its relations with the international community. The politically motivated restrictive visa policy for entering and leaving the country, as well as significant bureaucratic hurdles and coordination procedures for organizing meetings with foreign partners in Turkmenistan, reflect the low level of interest in international contacts. Any initiatives that are to be carried out in cooperation with foreign partners remain subject to strict state control.

The lack of significant progress in human rights, rule of law and democratization, along with continued non-compliance with human rights treaties to which Turkmenistan is officially a party, are the main reasons the country remains the only post-Soviet Central Asian republic without a partnership and cooperation agreement with the European Union.

There are only a few current examples of Turkmenistan at least formally fulfilling or partially fulfilling international treaty obligations in practice. This includes, for example, the implementation of labor and social standards of the International Labor Organization (ILO) in national labor law, including efforts to combat forced and child labor, the adoption of legal frameworks for gender equality, the updating of the national climate protection contribution under the Paris Agreement and accession to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 2022.

Credibility

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A positive development can be observed in Turkmenistan’s bilateral political and economic relations with the countries bordering the Caspian Sea region, Central Asian and South Caucasian countries as well as Russia and Afghanistan during the reporting period. The willingness to cooperate at an official level with these countries is growing. The main focus is on the economic sectors of transportation and logistics, foreign trade and oil and gas.

There are two main drivers behind Turkmenistan’s growing interest in regional economic cooperation. First, the government sees neighboring markets as potential destinations for its key export commodities – natural gas and gas products, oil products and electricity – as well as opportunities to generate additional revenue from transit trade. Second, the war in Ukraine has reshaped Eurasian transport routes, prompting regional and international logistics companies to reroute shipments between China and Europe from the Northern Corridor through Russia to the Middle Corridor via the Caspian Sea, Azerbaijan and Georgia/Türkiye. As a Caspian littoral state, Turkmenistan seeks to capitalize on this shift by positioning itself as a key beneficiary of the Middle Transport Corridor.

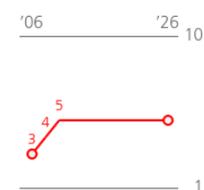
Relations with neighboring Uzbekistan intensified noticeably during the reporting period. The core areas of cooperation are energy – specifically, the supply of natural gas and electricity by Turkmenistan – and transport/logistics. The first free trade and logistics zone on the Uzbek-Turkmen border (Shovot/Dashogus gas region) is currently being established. The drivers of Turkmen-Azerbaijani relations are the expansion of the TRACECA transport corridors Lapis Lazuli (Afghanistan-Turkmenistan-Azerbaijan-Georgia-Türkiye) and Caspian – Black Sea, the possible laying of a fiber-optic cable on the floor of the Caspian Sea between Turkmenistan and Azerbaijan, which both countries are considering, and the still unlikely construction of an approximately 300-km trans-Caspian underwater gas pipeline between Turkmenistan and Azerbaijan to transport Turkmen natural gas to Europe via Azerbaijan, Georgia and Türkiye.

Turkmenistan’s investments in Afghanistan to date total an estimated \$1.6 billion as of the end of 2024 and focus on rail transport, border logistics, electricity and preparatory work for the planned Turkmenistan – Afghanistan – Pakistan – India (TAPI) gas pipeline. The strategic partnership with the Russian Federation is based on military cooperation – ensuring security on the long border with Afghanistan – and Turkmenistan’s economic dependence on Russia through foreign trade, agro-industry, participation in gas projects and opportunities for transit business on the north–south axis toward Iran and Afghanistan.

Outside the government-linked economy, cooperation with Turkmenistan’s “near abroad” remains underdeveloped. The reasons are complex, but the government’s concerns about foreign influences on society certainly play a role, particularly regarding a possible spillover of any reform and opening processes in neighboring countries such as Uzbekistan and Kazakhstan to Turkmenistan.

Regional cooperation

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Strategic Outlook

The prospects for the development of democracy and a market economy in Turkmenistan remain bleak. Improvements toward more democratic elements based on the rule of law are not to be expected. The great inequality between the rich and poor will persist due to the exclusion of entire population groups – for example, in the labor market, vocational training or studies, or qualified medical care – and the unabated high level of corruption. The government's unwillingness to set an economically viable exchange rate remains one of the main reasons for the tense economic situation.

However, the government of Turkmenistan is under increasing pressure to implement minor reforms in certain areas, make adjustments to international standards, selectively expand space for civil society organizations and initiatives and open up more to foreign countries in the interest of its reputation both domestically and internationally and to maintain social peace.

Officially adopted new medium-term programs, plans and strategies in the social sector – including those for the establishment and expansion of a nationwide social security system, international youth cooperation in education, culture, business, R&D and sports, ensuring gender equality and safeguarding children's rights – offer foreign policymakers possible starting points for cooperation with Turkmenistan.

International funding institutions and organizations, including the United Nations Development Program (UNDP) and European Union (EU) funding instruments, should make greater use of their opportunities to provide expertise and financial support to relevant projects and thus contribute to the development of civil society in Turkmenistan.

Projects for regional economic cooperation with neighboring countries in areas such as border trade, logistics and transport may help promote common interests and advance market opening in Turkmenistan in certain segments of the economy. Promoting innovative pilot projects in the water, wastewater and irrigation sector, which urgently needs modernization, also holds promise for addressing one of the essential prerequisites for the active participation of the rural population in social life.

The annual human rights dialogue between the European Union and Turkmenistan, held for the 16th time in June 2024, has not contributed in any respect to improving Turkmenistan's human rights record. In the future, the dialogue should be more results-oriented. Specifically, it should clearly identify reform steps and goals for reducing restrictions on civil society, and demand and monitor their implementation more closely.