



Energy and Human Rights: Two Irreconcilable Foreign Policy Goals? The Case of the Trans-Caspian Pipeline in EU-Turkmen Relations

Vanessa Boas

Abstract

The EU has been divided on how to frame its relations with resource-rich dictatorships. While energy security and the promotion of democracy/human rights are both foreign policy priorities, Brussels has frequently been criticized for trading the latter for its energy interests. In the case of Turkmenistan, negotiations on the Trans-Caspian pipeline have gone ahead without the inclusion of normative conditions. There are however dissenting voices in the EU which advocate the application of human rights based conditionality prior to the deepening of energy relations with Ashgabat. This paper argues that the EU lacks the necessary leverage for such an approach and should instead focus on using the proposed energy deal as a means of ushering in positive change through the inclusion of normative provisions into its sectoral policies in the country.

Keywords: *European Union / Energy supply / Natural Gas / Pipelines / Caspian Basin / External relations / Central Asia / Turkmenistan / Authoritarianism / EU-Turkmen relations / Human rights / Democracy / Political conditionality*

Energy and Human Rights: Two Irreconcilable Foreign Policy Goals? The Case of the Trans-Caspian Pipeline in EU-Turkmen Relations

by Vanessa Boas*

Introduction

The European Union (EU) has historically presented itself as a community of values, determined to be a force of good in global politics. Flowery wording has steadily permeated EU documents and declarations, whilst the Lisbon Treaty has added another coat of normative veneer to Brussels' foreign policy.¹ Be that as it may, these principles often fail to be transposed from paper to reality when hard interests are at play. In addition, institutional competition in the form of turf wars between the supranational and intergovernmental levels of the EU's institutional set-up can result in a potpourri of contradictory - and thereby ineffective - policies. The consequent double standards and incoherence make the EU appear fragmented and chip away at its legitimacy as a normative actor.

At the same time, the EU competes with other non-Western actors - with little interest in a value-driven foreign policy agenda - in an increasingly multi-polar system in which the pendulum of power is apparently shifting towards the East. European precepts of governance have little resonance beyond the EU's direct neighbourhood and are not placed on a pedestal as a model to be emulated. Whilst this gives rise to debates on the universalism of values, it also raises questions about the EU's ability to spread its norms beyond its backyard. Does the European Union have the power to shape the global system and, if so, does it have a duty to do so in line with its own values? The ongoing debate on the expectations-capabilities gap in EU external relations - in short, the gap between what the Union sets out to do and actually is capable of doing² - indicates that Brussels places the bar unrealistically high and thus fails to reach the objectives it sets out for itself. This can often be noted outside the Union's direct

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¹ The Lisbon Treaty makes the promotion of the EU's values a core objective abroad. An example of this is the inclusion of Article 3.5 which states that "In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter."

² The idea of an expectations-capabilities gap in the EU's international role was first put forward by Christopher Hill in 1993. Hill argued that if the gap is to be closed, the notion of a European foreign policy must be grounded in demonstrated behaviour rather than potential and aspirations. The alternative is simply to lower expectations. See Christopher Hill, "The Capability-Expectations Gap, or Conceptualizing Europe's International Role", in *Journal of Common Market Studies*, Vol. 31, No. 3 (September 1993), p 305-328.

neighbourhood, where the EU's leverage is either waning or was never really prevalent to begin with but EU rhetoric advocates human rights and democracy.

This paper strives to address a recurrent dilemma in EU foreign policy: the perceived necessity to renounce European values in pursuit of the EU's interests when dealing with authoritarian energy-rich states. By examining EU-Turkmen relations in the context of the proposed Trans-Caspian pipeline, this paper will maintain that the EU can combine values with interests provided it lowers expectations to a level that matches its true capabilities. Given that a row of actors are queuing up to buy Turkmen gas, there are few incentives for the government in Ashgabat to work with a demanding Europe. The EU therefore lacks the necessary leverage to impose conditionality and must adopt a more subtle approach based on the inclusion of normative provisions into its sectoral policies - and notably its trade relations - if it is to have a positive impact in the country.

1. The Central Asian Trade-off

Central Asia is a region where the interests vs. values dilemma in EU foreign policy is all the more pronounced by virtue of its leaders' hostility towards Western governance norms. Whilst the states of Central Asia vary in their levels of authoritarianism,³ the resource-rich Kazakhstan, Turkmenistan and Uzbekistan have consistently been classified as *Not Free* in the Freedom House Index,⁴ even if the former has not espoused totalitarian methods of governance to the same extent as the latter two.⁵ These non-democratic tendencies have come to the West's attention, but so have the region's vast hydrocarbon reserves.

Figure 1: Oil and Gas reserves in Central Asia (2009)

	Oil, proven reserves in billions of barrels	Natural gas reserves in trillion cubic metres
Russia	75.3	44.9
Iran	139.4	29.0
Turkmenistan	0.7	8.0
Kazakhstan	40.1	1.8
Uzbekistan	0.7	1.7
Azerbaijan	7.0	1.3
Russia	75.3	44.9

Source: European Commission, DG Energy

³ Kyrgyzstan was once hailed the "Switzerland of Central Asia" and has recently seen its status upgraded to *Partly Free* in the 2011 Freedom House Index.

⁴ George Camm, "Freedom Survey: Central Asia Still Home to "Worst of the Worst", in *Eurasianet.org*, 20 January 2012, <http://www.eurasianet.org/node/64868>.

⁵ These three countries are the most pertinent in this respect, insofar as Tajikistan and Kyrgyzstan do not pose the same interests vs. values conundrum due to their scarce hydrocarbon resources and high poverty levels (resulting in their dependence on external donors and consequently greater EU leverage on these countries).

The data in Figure 1 indicates that Kazakhstan has one of the largest proven oil reserves in the region, while Turkmenistan stands out by virtue of its gas wealth. Uzbekistan may have comparatively fewer resources, but arouses additional interest in the West by dint of its population size and proximity to Afghanistan. All three countries offer the EU the opportunity to circumvent Russia and diversify its energy providers, thus potentially increasing the security of its energy supply.

It comes as no surprise that these resources are also coveted by surrounding powers. Both China and India are keen on quenching the thirst of their burgeoning economies. Russia - the traditional hegemon in the region - is motivated by its desire to keep a monopoly over cheap Central Asian hydrocarbons. By hampering European diversification attempts, Moscow ensures its access to Central Asian gas below market prices, which it subsequently resells to Europe at world prices or uses to subsidize its domestic consumption. In addition, the Kremlin's pre-eminence in its hinterland - its traditional sphere of influence - is linked to its aspirations of great power status.

When the above powers engage with Central Asian leaders, as has increasingly been the case since the fall of the Soviet Union, business and politics are carefully compartmentalized. Actors in the region have emphasized stability and regime continuity over reform. China, for example, follows the principle of "no-strings-attached" and non-interference while supporting economic rights⁶ over individual rights.⁷ Western companies operating in dictatorships have, in contrast, increasingly been pressurized into promoting human rights and democracy by NGOs at home.

The European Union, restrained by the fear of public backlash in Europe, has often symbolically advertised democracy promotion, while realizing that the terrain is far from receptive to European governance ideals. For example, the EU has limited itself to releasing statements condoning or condemning certain events, while sanctions have only been imposed on one occasion after the 2005 massacre of anti-government protesters in the Uzbek city of Andijan. Moreover, European aid allocations to the region have been minimal and appear to be a token gesture merely aimed at giving the impression that Brussels is not completely indifferent to the plight of certain strata of Central Asian society.⁸ These discrepancies in EU rhetoric and action have given rise to a debate on the trade-off between energy interests and human rights/democracy as the former is deemed a greater priority than the promotion of the latter.⁹

⁶ Economic rights can be broadly defined as the right to an adequate standard of living, the right to employment, and the right to a basic income guarantee. See Shareen Hertel and Lanse Minkler, "Economic Rights: The Terrain", in Shareen Hertel and Lanse Minkler (eds), *Economic Rights. Conceptual, Measurement, and Policy Issues*, Cambridge, Cambridge University Press, 2007, p. 3-4.

⁷ Marc Lanteigne, "China, energy security and Central Asian diplomacy. Bilateral and multilateral approaches", in Indra Overland, Heidi Kjaernet and Andrea Kendall-Taylor (eds), *Caspian Energy Politics. Azerbaijan Kazakhstan and Turkmenistan*, London and New York, Routledge, 2010, p. 106.

⁸ Jos Boonstra and Jacqueline Hale, "EU Assistance to Central Asia: Back to the Drawing Board?", in *EUCAM Working Paper*, No. 8 (January 2010), <http://www.fride.org/publication/717/eu-assistance-to-central-asia:-back-to-the-drawing-board?>

⁹ Gordon Crawford, "EU Human Rights and Democracy Promotion in Central Asia: From Lofty Principles to Lowly Self-Interests", in *Perspectives on European Politics and Society*, Vol. 9, No. 2 (June 2008), p. 189.

2. Why Turkmenistan?

Turkmenistan could be qualified as the country in the region in which the EU's dilemma plays out in the most extreme way. On the global list of authoritarian states, Turkmenistan has been one of the world's greatest offenders since its independence in 1991.¹⁰ Despite initial optimism following the death in 2006 of President for Life Saparmurat Atayevich Niyazov - the self-styled *Turkmenbashi* (Leader of Turkmen) - critics have claimed that "nothing has changed".¹¹ During Niyazov's regime, governance was based on coercion, fear and patronage, while political decisions were made at the whim of the president.¹² The incumbent President Gurbanguly Berdimukhamedov has upheld a similar system, solely carrying out cosmetic reform in order to feign increased openness.

The EU has signed a Partnership and Cooperation Agreement with Turkmenistan but ratification is still pending by France and the United Kingdom.¹³ Brussels has consequently swayed between engagement and isolation as unanimity is lacking on the approach to be adopted with Ashgabat. The debate has largely been divided between those in favour of suspending the deepening of relations until certain political standards are met and those supporting unconditional engagement with a view to gradually imbuing the Turkmen administration with European values. These divergences partly account for the EU's lack of headway in the country as no single approach has been consistently applied over time.

Greater cooperation in the energy sector, first heralded by a Memorandum of Understanding in 2008, raised concerns that Turkmenistan would increasingly pull out the "gas trump card" when human rights discussions were on the table.¹⁴ While this may be the case, the EU is accused of applying double standards in its relations with Ashgabat and other post-Soviet states where it has fewer energy interests.¹⁵ On top of that, the Union is chided for undermining its self-proclaimed normative vocation by whitewashing the records of authoritarian regimes and endorsing cosmetic reform so as to justify commercial relations with the same dictatorships.¹⁶ This was at least the view of a number of NGOs after the EU adopted an Interim Trade Agreement (ITA) with Turkmenistan in 2009, despite the absence of clear improvements on the Turkmen side.¹⁷

¹⁰ George Camm, "Freedom Survey ...", cit.

¹¹ Vitaly Volkov, "Туркмения-2011: Ниязовский маятник продолжит качаться" (Turkmenistan 2011: Niyazov's Pendulum Is still Swinging), in *Deutsche Welle*, 6 January 2011, <http://www.dw.de/dw/article/0,,14754811,00.html>.

¹² Gregory Gleason, "Natural gas and authoritarianism in Turkmenistan", in Indra Overland, Heidi Kjaernet and Andrea Kendall-Taylor (eds), *Caspian Energy Politics*, cit. p. 81.

¹³ The UK and France have refused to ratify the agreement until Turkmenistan shows clear improvements in terms of political reforms.

¹⁴ Vitaly Volkov, "Туркмения-2011 ...", cit.

¹⁵ Stefano Grazioli, "Hillary, La Baronessa e il gas turkmeno", in *Linkiesta*, 14 February 2012, <http://www.linkiesta.it/blogs/gorky-park/hillary-la-baronessa-e-il-gas-turkmeno>.

¹⁶ Michael Denison, "The EU and Central Asia: Commercialising the Energy Relationship", in *EUCAM Working Paper*, No. 2 (July 2009), p. 2, <http://www.fride.org/publication/637/the-eu-and-central-asia-commercialising-the-energy-relationship>.

¹⁷ Franz Ebert, "European Parliament approves trade agreement with Turkmenistan despite its problematic human rights record", in *International Law Observer*, 25 April 2009,

It is unsurprising that Turkmenistan has caught Brussels' eye given its desire to diversify its list of energy providers. The EU currently imports approximately 50 percent of its energy needs, a figure which is set to rise to 65 percent by 2030.¹⁸ This means that its dependence on external sources will grow too. To date, a large proportion of natural resource imports stems from the Middle East, which is deemed an unstable high-risk zone.¹⁹ In addition, about 50 percent of natural gas imports and 30 percent of imported oil originate from Russia, which is distrusted for its penchant of using energy as a foreign policy tool.²⁰ This renders Turkmenistan an attractive source of energy supply for the EU, in virtue of its proximity to Europe and its relative internal stability, even if its reliability as an energy provider has been questioned by energy experts.²¹

If current estimates of Turkmenistan's unproven gas reserves are accurate, it is potentially one of the world's richest countries in terms of natural resource wealth and thus a cherished partner for most global actors. According to the impressive, albeit disputed, results of the petroleum consultancy Gaffney, Cline and Associates of 2011, Turkmen reserves reach 71.21 billion tons of natural gas, with the South Yolotan gas field being the world's second largest at 26.2 trillion cubic meters.²² Moscow, the main purchaser and transit state to Europe for Turkmen gas, has questioned the validity of this data²³ while a number of actors have sworn by the consultancy's credibility thus coming to the government's defence.²⁴

3. The Prospects of a Trans-Caspian Pipeline

Recent negotiations on a proposed Trans-Caspian pipeline linking Turkmenistan to the Caucasus south of Russia have brought to the forefront the interests vs. values debate in EU foreign policy. In some circles, the plan of deepening relations with Turkmenistan, which the construction of the proposed pipeline would inevitably entail, has been interpreted as a sign of Brussels' willingness to disregard the lack of improvement in Turkmen political and social life since Berdymukhamedov came to power. Failure to assume its normative commitments in the name of energy security, would indeed exemplify the trade-off between interests and values outlined in the previous sections.

<http://internationallawobserver.eu/2009/04/25/european-parliament-approves-trade-agreement-with-turkmenistan-despite-its-problematic-human-rights-record>.

¹⁸ Paul Belkin, "The European Union's Energy Security Challenges", in *CRS Report for Congress*, No. RL33636 (30 January 2008), <http://www.fas.org/sgp/crs/row/RL33636.pdf>.

¹⁹ *Ibidem*, p. 5.

²⁰ *Ibidem*, Summary.

²¹ "Expert: Turkmenistan is unreliable partner for Nabucco", in *EurActiv*, 20 May 2010,

<http://www.euractiv.com/energy/expert-turkmenistan-unreliable-partner-nabucco-interview-494342>.

²² Aleksandr Shustov, "Escalation Around the Trans-Caspian Pipeline", in *GlobalResearch.ca*, 30 November 2011, <http://www.globalresearch.ca/index.php?context=va&aid=27956>.

²³ Russia would be interested in undermining claims of Turkmenistan's immense hydrocarbon reserves because of its own domestic consumption, export commitments and desire to keep political control over the CIS).

²⁴ Regis Gente, "Turkmenistan: Ashgabat Energy-Reserve Controversy Continues To Flare European Dialogue", in *Eurasianet.org*, 20 October 2009, <http://www.eurasianet.org/departments/insightb/articles/eav102109a.shtml>.

It is however true that foreign and energy policy practitioners in the West have long argued in favour of a Trans-Caspian pipeline that would bring Turkmen gas to Europe circumventing both Iran and Russia. The US, keen to rein-in Russian and Iranian energy leverage, first tried to convince Turkmenistan that it was in its interest to back the pipeline. However, Russian and Iranian opposition to the Trans-Caspian pipeline and the discovery of the Shah Deniz field in Azerbaijan resulted in the construction of the South Caucasus Pipeline linking Azerbaijan with Turkey via Georgia instead.²⁵ Then, in 2006, the gas dispute between Russia and Ukraine, which disrupted the energy imports of a number of EU members, aroused interest in Brussels in a Southern Gas Corridor that would bring gas reserves from the Middle East and the Caspian to Europe, bypassing both Russia and the transit country Ukraine. The American Trans-Caspian proposal thus gained in attractiveness as a means of ensuring European energy security, as it would potentially feed into another pipeline going from Azerbaijan to Europe.

Figure 2: Trans-Caspian Pipeline



Source: Interfax

On 12 September 2011 the European Commission received the green light from the Council to go ahead with the negotiations for constructing a legal framework for a Trans-Caspian pipeline system, scheduled to have an annual capacity of 30 billion cubic metres (bcm).²⁶ Kazakhstan was also invited to take part in the endeavour by pumping gas from its Tengiz field.²⁷ Astana expressed interest in participating, but

²⁵ Friedbert Pflüger, "The Southern Gas Corridor: Reaching the Home Stretch", in *European Energy Review*, 12 January 2012, <http://www.europeanenergyreview.eu/site/pagina.php?id=3455>.

²⁶ Andreas Walstad, "EC predicts Trans-Caspian pipeline decision by June", in *Interfax*, 25 January 2012, <http://interfaxenergy.com/natural-gas-news-analysis/european/ec-predicts-trans-caspian-pipeline-decision-by-june>.

²⁷ "EU invites Kazakhstan to join Trans-Caspian Pipeline project", in *RIA Novosti*, 4 October 2011, <http://en.rian.ru/business/20111004/167369488.html>

noted that it lacked the necessary capacity to meet such commitments for the time being.²⁸

While these are positive steps, there are a number of hurdles to be overcome along the way. Firstly, the proposal requires substantial investment and construction work: the Trans-Caspian pipeline as well as the 800 km East-West pipeline would have to be built and subsequently Turkmen upstream production (South Yolatan) would have to be further developed.²⁹ Secondly, political pressure weighs heavily on the participants - Turkmenistan, Azerbaijan and Kazakhstan - of the project. Iran has openly expressed its opposition to the proposed pipeline while Russia has pursued several strategies in order to stall the proposal citing environmental concerns, the Caspian's undefined legal status³⁰ and the project's economic unfeasibility.³¹ A number of policy analysts have even gone so far as to claim that Russia would resort to intervening militarily or punish Azerbaijan by backing Armenia in the Nagorno Karabakh conflict if the endeavour were to go ahead.³²

Seen from Moscow, the Trans-Caspian pipeline is another example of a Western attempt to encroach on Russia's sphere of influence and to undermine its pre-eminence in the Caspian.³³ To date, the monopolization of transit routes of Central Asian gas has allowed the Kremlin to maintain a degree of political influence over the former Soviet republics.³⁴ It is thus understandable that Turkmenistan is keen on diversifying its export routes and enlarging its scope of partners beyond Russia as this spells greater room for manoeuvre for the leadership. At the same time, the completion of the Trans-Caspian pipeline could entail a considerable increase in the EU's clout in the Caspian region and equally contribute to its energy security. It is however crucial that the EU makes use of this increased leverage in a way that allows it to rectify the initial reputational damage incurred by deepening energy relations with dictators.

4. The Potential Ramifications for EU-Turkmen Relations

Controversy surrounds the Trans-Caspian Pipeline due to the contested volumes of Turkmen gas, its implications for Russia and the feasibility of the endeavour itself. The

²⁸ Kazakhstan is also far more sensitive to the Kremlin's opinion than Ashgabat.

²⁹ Friedbert Pflüger, "The Southern Gas Corridor ...", cit.

³⁰ According to a treaty signed between Iran and the Soviet Union, the Caspian Sea is technically a lake and while it should be divided into two sectors its resources should be shared. After independence, Kazakhstan, Azerbaijan and Turkmenistan announced that they did not consider themselves bound by this treaty and insisted that the sectors should be based on the median line, thereby conferring each state a share proportional to its Caspian coastline length. Iran has rejected this, insisting that the sectors should be such that each state would get a fifth of the whole Caspian Sea. Russia's stance has been deemed a compromise: it advocates that the seabed be divided along sectoral lines while the surface is to be shared between all states.

³¹ Heidi Kjaernet, "Azerbaijani-Russian Relations and the Economization of Foreign Policy", in Indra Overland, Heidi Kjaernet and Andrea Kendall-Taylor (eds), *Caspian Energy Politics*, cit., p. 157.

³² Friedbert Pflüger, "The Southern Gas Corridor ...", cit.

³³ Sohbet Karbuz, "The Caspian's Unsettled Legal Framework: Energy Security Implications", in *Journal of Energy Security*, 18 May 2010,

http://www.ensec.org/index.php?option=com_content&view=article&id=244:the-caspian-unsettled-legal-framework-energy-security-implications&catid=106:energysecuritycontent0510&Itemid=361.

³⁴ Heidi Kjaernet, "Azerbaijani-Russian Relations and the Economization of Foreign Policy", cit, p. 157.

sections above illustrated that the EU faces a substantial dilemma in Central Asia in general and Turkmenistan in particular as it stimulates the EU's appetite for energy resources but also triggers its normative consciousness. Moreover, Brussels has to grapple with substantial "domestic" pressure to juggle two potentially conflicting roles: it is expected to ensure European energy security and to simultaneously be a moral voice which fosters human rights and democracy globally. This becomes problematic in cases where it is in the EU's interest to pursue both these priorities at the same time but one is easier to achieve than the other.

The technical aspects of the Trans-Caspian pipeline will not be tackled in the section that follows. Instead, the focus will be put on the normative aspect of the proposed energy deal with a view to contributing to the debate on the conflict between interests and values in the EU's external relations.

4.1 European Approaches: Value-based Conditionality and Interest-driven Engagement

The NGO community as well as some voices in the EU advocate the use of human rights based conditionality vis-à-vis Turkmenistan. The main line of reasoning behind this approach is as follows: the EU enjoys substantial leverage stemming from the fact that Turkmenistan wishes to diversify its energy markets and can thus push Ashgabat to make a number of concessions in the human rights and governance field. Furthermore if the EU were to invest in the Trans-Caspian pipeline without conditions, it would lose all the clout it currently has and would have to limit its criticism lest it upset the Turkmen regime and lose its investments and supply.³⁵ Moreover, this camp argues that the construction of the Trans-Caspian pipeline is bound to strengthen the dictatorship in Turkmenistan by fuelling the "rentier effect"³⁶ - the use of low taxes and patronage to relieve domestic pressures for political reform in energy-rich countries - and would simultaneously allow the president to bolster his security apparatus. The EU would thus be fostering its energy security at the expense of the Turkmen people at large.³⁷ In addition, by pursuing such an approach the EU risks undermining the attempts of International Financial Institutions (IFIs) to lessen the effects of the resource curse³⁸ thus contributing to income inequality in the country.³⁹

While there is general agreement that isolation does not work, the above view contrasts with the stance upheld by parts of the Commission which advocate energy relations as a means of gaining leverage in the country. This, in turn, is believed to permit the EU to facilitate change through the opening of a sizeable delegation, an increase in the number of projects and the establishment of closer contact with the political elite. Moreover, it is argued that the Trans-Caspian pipeline would equally raise the level of interdependence between the two partners, drawing Turkmenistan into the

³⁵ Ibidem.

³⁶ This accounts for the elite's use of energy revenues to pay off the opposition, depoliticise society and buy their support, thus staying in power and avoiding democratization.

³⁷ Crude Accountability, *Energy Security, Human Rights and Western Engagement with Turkmenistan*, <http://www.crudeaccountability.org/en/index.php?page=western-engagement>.

³⁸ This refers to slower growth than in non-energy rich countries which is already visible through falling production, rising inflation and high unemployment outside the Turkmen gas sector.

³⁹ Brett Wigdortz, *The Natural Resource Curse: An Application for Turkmenistan*, unpublished paper, 27 November 1996, <http://wigdortz.tripod.com/naturalresource.html>.

European sphere. Ashgabat would thus be put under pressure to appease its European partner lest it lose revenues due to fraught relations while the elite would simultaneously undergo a process of socialization. Convincing the leadership to change its behaviour rather than coercing it into doing so would ensure more sustainable behavioural patterns in the long-term. This is because the elite would gradually internalise these values and thus shape their conduct in accordance with them rather than solely superficially imitate them in order to silence its European partners. Such an approach could then be complemented with the integration of certain social norms into commercial relations in order to directly increase the living standards of those communities implicated in the EU's endeavours and to indirectly promote the diffusion of those principles throughout society.

4.2. *The Limits of a Value-based Policy in Turkmenistan*

It is unlikely that any approach aiming at political reform in Turkmenistan will bear fruits in line with the expectations of NGOs and human rights advocates. This is because the patrimonial-authoritarian features in the system of clan relationships prevalent at societal level in Turkmenistan are difficult to combine with Western-style democracy.⁴⁰ According to that stencil, leaders create personality-based patron-client networks that amass power by handing out or denying political and material rewards to followers.⁴¹ Different clans - made up of informal councils of patriarchs and elders and more extensive networks of non-elite members (poorer relatives, kinsmen, friends, and women) which are reciprocally dependent on each other - try and funnel the riches of the state to their network instead of considering the greater good of society. Abandoning such a system, which is what the EU strives to foster with its pro-democracy policies, would potentially cost them their position in power and also force them to renounce access to the country's wealth.

Moreover, the current regime is moulded on a blueprint (personality cult, patrimonialism, the strong leader) which is in line with the leadership's "interpretation of the world".⁴² The system is based on the image of the hero president - the "father of the nation"⁴³, who wisely guides his people.⁴⁴ This benevolent dictator offers paternalism - in the form of gas and water subsidies⁴⁵ - in exchange for the renunciation of basic democratic freedoms. Without a point of comparison, this social contract based on "the people's well-being and living standards in return for political loyalty" appears to be

⁴⁰ Alexander Warkotsch, "Normative Suasion and Political Change in Central Asia", in *Caucasian Review on International Affairs*, Vol. 2, No. 4 (Autumn 2008), p. 240-249, <http://www.cria-online.org/Journal/5/NORMATIVE%20SUASION.pdf>.

⁴¹ Alexander Warkotsch (ed.), *The European Union and Central Asia*, London and New York, Routledge, 2011, p. 3.

⁴² Explained in Alexander Warkotsch, "Normative Suasion and Political Change in Central Asia", cit.

⁴³ Anna Vrazhina, "Ай, пойдёт" (Go!), in *Страна Которой Нет*, 5 January 2012, <http://strana.lenta.ru/turkmenistan/anna.htm>.

⁴⁴ James Kilner, "Turkmen president becomes 'Hero of the the Nation'", in *The Telegraph*, 25 October 2011, <http://www.telegraph.co.uk/news/worldnews/asia/turkmenistan/8848842/Turkmen-president-becomes-Hero-of-the-the-Nation.html>.

⁴⁵ Jean-Baptiste Jeangène Vilmer claims the population is split into a largely apolitical majority and a minority made up of educated individuals seeking to leave the county and of those firmly indoctrinated. See Jean-Baptiste Jeangène Vilmer, *Turkménistan*, Paris, CNRS Editions, 2010.

just.⁴⁶ Moreover, as opposition forces are brutally quashed and their members labelled as traitors, there are powerful disincentives to embark on political ventures in the name of democracy. In addition, studies have revealed that European and Asian views on democratization differ substantially: Central Asians tend to consider economic development as a precondition for effective democratic governance and value stability over democracy.⁴⁷ This makes the promotion of democracy extremely challenging as democratic governance is alien to the local system and the foundations for such developments (independent institutions, free media, political consciousness of population, a credible opposition) are missing.

In light of the above, the Turkmen government would need substantial incentives to introduce democracy-friendly reforms resulting in the loosening of its grip on the media, the opposition and civil society. Europe is a desirable partner to have due to its technical expertise, the diversification it can provide to Turkmen export markets, and the international prestige associated with working with it. However, there is little doubt that Ashgabat will consider its alternatives and the costs and benefits of the Trans-Caspian pipeline prior to agreeing to greater engagement. Seen from Ashgabat, relations with the EU entail an element of risk. This is because the EU is an inconsistent, even unpredictable, partner insofar as it seeks to secure Turkmen energy supply while being prone to criticizing non-democratic regimes. Turkmenistan would have to be relatively confident that such outbursts of EU criticism could be tamed. Moreover, Turkmenistan's commercial appetite would have to be stimulated to such an extent that lucrative deals would outweigh the potential costs. This is one of the greatest problems associated with conditionality, given that it raises the costs for the leadership, making engagement with the EU more painful.

Turkmenistan already proved unresponsive to the carrots and sticks applied by the EU during the 1990s and the beginning of the century.⁴⁸ The leadership knows that it can sell its gas to an array of international actors (Russia, China, Iran as well as potentially Pakistan and India), which do not place any political conditions on their commercial relations. On top of that, even if export diversification through the Trans-Caspian pipeline would be preferable, it is not indispensable for the regime's survival, insofar as Russia's gas giant Gazprom already provides President Berdymukhammedov with enough revenues to pursue his projects. Accepting conditionality, would however reveal the unspoken flaws in the domestic governance system, increase political openness and jeopardise the current leadership grip on power. For an elite focused on its survival and access to the country's wealth such an option is unlikely to be entertained in a serious fashion.

4.3. *The Potential Fruits of An Interest-driven Engagement Policy with Turkmenistan*

The above illustrates why an approach aimed at promoting values in Turkmenistan through conditionality is likely to fall on deaf ears. Conditionality can at best show the

⁴⁶ "Life in Turkmenistan. How myths are dispelled", in *Ferghana.Ru*, 21 December 2012, <http://enews.ferghananews.com/article.php?id=2287>.

⁴⁷ Mariya Y. Omelicheva, "Western and Central Asian Perspectives on Democracy and Democratization", in *IREX Fellows Research*, 8 November 2011, <http://www.irex.org/resource/western-and-central-asian-perspectives-democracy-and-democratization-research-brief>.

⁴⁸ Jean-Baptiste Jeangène Vilmer, *Turkménistan*, cit., p. 190.

extent to which the EU is committed to its norms and unwilling to compromise on these, but Ashgabat's consequent unresponsiveness would render this strategy futile. This is largely because the costs of conditionality outweigh the benefits the Turkmen government can reap from the construction of the Trans-Caspian pipeline. For the balance to shift, a number of elements (preferably in combination) would have to be present: falling gas prices, greater domestic disgruntlement and tense relations with Russia, all of which would make Ashgabat more receptive to European conditions. However, as none of these factors are sufficiently pronounced at this point in time, a conditionality policy linked to human rights would result in the EU ending up empty-handed both in terms of the promotion of its values and the defence of its interests.

The alternative path for the EU would be to go ahead with the construction of the proposed pipeline, thus fostering greater engagement. The EU could however avoid bowing to the dictatorship by catering for the inclusion of certain social norms in its deepened relations with Ashgabat. By applying a low-profile approach, the EU could appear less threatening to the regime's authority and increase its activities in the country, thus achieving more than through intransigent conditionality. The approach of imbuing certain values into society thanks to increased commercial and political contact subsequent to the construction of the Trans-Caspian pipeline is unlikely to enhance Turkmenistan's human rights record in the short-term. The promotion of values by means of normative suasion (bringing about change in behaviour through dialogue and persuasion) through the "induction of new members [...] into the ways of behaviour that are preferred in a society"⁴⁹ is destined to be a slow process. However, the current climate in the country leaves this as the only feasible way of impacting on society and allowing the EU to combine the pursuit of its interests with its values.

It is important to bear in mind that the EU's policy of engagement with Turkmenistan should not come fully devoid of any requirements: a number of rules would have to be laid down by both sides at the start, allowing European companies to respect their international legal obligations related to human rights, labour, social and environmental standards.⁵⁰ This would be a point that could not be compromised on, as it would entirely undermine the EU's legitimacy. In addition, Brussels should encourage respect for the UN Global Compact containing principles on human rights, labour, environment and anti-corruption as well as other voluntary Codes of Conduct which enhance environmental and social standards and serve as a blueprint for best practices. It should draw these principles to Turkmenistan's attention and stress that European companies have to abide by these rules for the Trans-Caspian pipeline to go ahead.

The EU could equally make active attempts to entrench rights for workers employed within sectoral areas in Turkmenistan once construction is underway. This could be done through the provision of health care, loans, internet access and training (in accountancy, foreign languages and IT for instance). Investments could equally positively impact on local communities by including infrastructure and local education

⁴⁹ James F. Barnes, Marshall Carter, Max J. Skidmore, *The World of Politics: A Concise Introduction*, New York, St. Martins Press, 1980, p. 35.

⁵⁰ Crude Accountability, *Turkmenistan's Crude Awakening*, January 2009, p. 23, <http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Turkmenistan%20Crude%20Awakening.pdf>.

projects in the list of EU normative commitments on the ground. It has been argued that such provisions could potentially help render the local workforce more competent and encourage the growth of a middle-class which would push for broader social developments.⁵¹

The EU could also promote a value-driven agenda in Turkmenistan through more targeted capacity building projects in the country. The Union could be particularly helpful in providing assistance to the Turkmen government in the following areas: 1) energy policy, laws and regulations, 2) infrastructure development policy and regulations, 3) environmental policy, laws, regulations and norms, 4) investment laws for foreign enterprises, 5) resource management, 6) urban development and 7) education and health. This approach would thus focus on long-term sustainable change rather than the immediate demands inherent in a conditionality-laden human rights based approach.

Environment protection is another area where EU expertise could be appealing for the Turkmen government. There is great concern that developments in the hydrocarbon sector are severely damaging the environmental balance in the Caspian. The EU could work together with the Turkmen side so that concrete steps are taken to safeguard biodiversity, protected areas and local communities linked to the gas sector. Fighting for the rights of environmental activists and NGOs to work in this field is essential for this goal to be achieved. Increased EU presence in the country once the deal has been finalized would allow the Union to step up and render more effective its political dialogue with the administration. This is because the costs of disrupting relations would be higher for the leadership in a context of greater interdependence. Hence, compromise is more likely to be sought in areas which Ashgabat knows the EU attaches importance to.

There are thus numerous domains in which the EU can positively impact on developments in Turkmenistan once it has increased its presence there. However, unconditional engagement is necessary in order to gain access to Turkmenistan in the first place. As Turkmenistan is likely to increase the EU's energy security through the Trans-Caspian pipeline and Brussels can insert its normative commitments into its commercial relations with the country, the interest vs. values dilemma should not stand in the way of the endeavour. This is especially the case insofar as the proposed energy deal does not present a trade-off between interests and values provided a low-key normative approach is fused with investments in the Turkmen hydrocarbon sector. While this strategy may be less direct than one based on human rights based conditionality, it is more likely to maximize the benefits relative to the costs for both the European and the Turkmen sides.

Conclusion

The EU faces a number of challenges in its relations with Central Asia which are largely linked to the authoritarian nature of the regimes, their coveted energy resources and the presence of competing powers. This presents a dilemma for Brussels as it

⁵¹ Michael Denison, "The EU and Central Asia: Commercialising the Energy Relationship", cit., p. 10.

simultaneously aims to promote democracy in the region and pursue its energy interests. Given that both Russia and China have no normative aspirations and place no conditions on their investments, the EU struggles to sell itself as an attractive partner when it negotiates with a conditionality-laden agenda. However, attempts to turn a blind eye to local authoritarian tendencies in order to win favour with dictators and thus ensure lucrative energy deals has earned the EU scathing criticism for trading its values for its interests.

This dilemma has equally underpinned EU-Turkmen relations and has contributed to the lack of progress made in the country as no strategy has consistently been pursued over time. Indeed, the recent debate on the building of the Trans-Caspian pipeline has raised concerns that European energy security would be achieved at the expense of the wellbeing of the Turkmen people. However, closer analysis reveals the distinction between the promotion of EU interests and values is not as stark as initially portrayed by some NGOs.

This paper has argued against using human rights based conditionally in energy relations with Turkmenistan because of the unfeasibility of this strategy. This is because the costs associated with such conditions are too high for the current leadership to bear and thus would result neither in the materialization of the gas deal nor in an improvement in Turkmenistan's domestic situation.

Interest-driven engagement instead could simultaneously foster increased EU energy security and permit an upgrade in the EU's normative agenda in Turkmenistan. On the normative front, the EU could make a difference in a number of areas on the ground (welfare provisions, capacity building and environmental protection) by embedding such initiatives into the implementation of EU-Turkmen gas deals. Moreover, a greater EU presence in Turkmenistan and an increased interdependence between the two would raise EU leverage in Turkmenistan and thus the chances that EU concerns would be taken seriously.

Accepting that Ashgabat is a difficult partner to work with and lowering expectations at home of what can be realistically achieved is key to assuaging critiques of the proposed energy deal. At the same time, the merits of energy relations as a means of liberalizing Turkmen society and increasing interaction with the rest of the world should not be downplayed. After all, prior to any noticeable transformation in Turkmenistan, national consciousness has to be awakened in a manner conducive to making democratic governance preferable to the status quo.

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