



Alternative  
Turkmenistan  
News

# Monitoring the Use of Forced Labor in Turkmenistan in 2014

Final Issue, February 2015



Alternative Turkmenistan News (ATN) is a civil media initiative developed in 2010 with the aim to bringing news from one of the most restricted countries in the world. All facts and photographs in this report were provided by people who were subjected to forced labor for the cotton harvest in different regions of Turkmenistan. Visit our website at [www.habartm.org](http://www.habartm.org) and stay up-to-date with the latest news from the country.

## Foreword

*The cotton harvest in Turkmenistan ended, twice according to the official declaration and the actual conclusion in the fields. The national production target of 1 million 50 thousand tons was reached on October 27, Independence Day of Turkmenistan. However, cotton farmers and other citizens mobilized for the cotton harvest continued picking the crop until December 15-20. Continued harvesting reflected the stress of the 2014 cotton season on the Turkmen citizens.*

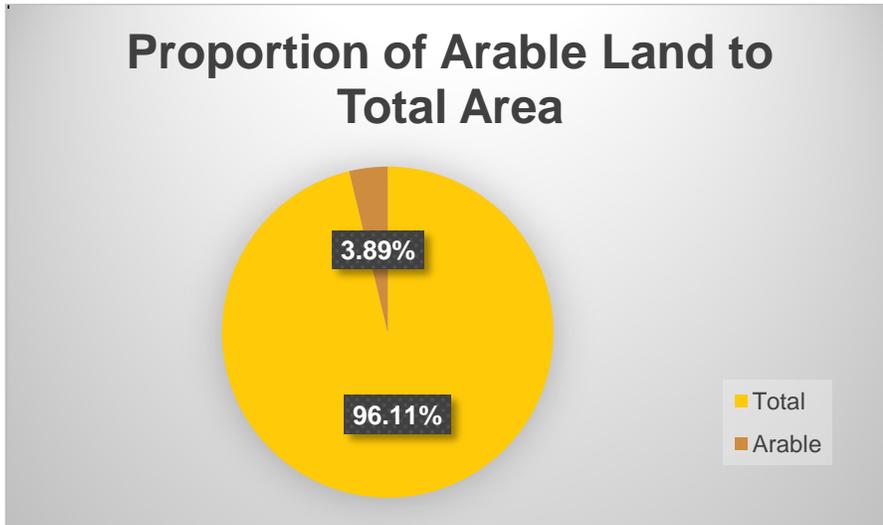
*Throughout the 2014 cotton harvest, President Berdymuhamedov repeatedly concerns about the slow pace and delays in the harvest schedule. He demanded the Deputy Prime Minister of Agriculture and mayors of regions and districts use all measures to fulfill the cotton plan. During meetings and videoconferences with the Cabinet of Ministers, the president threatened “serious sanctions” against those who did not complete their tasks on cotton. In turn, the heads of local administrations tightened the screws even harder, by ordering their subordinates to mobilize even more people to work in the cotton fields. As in previous years, farmers and civil servants bore the brunt of the pressure to meet the national cotton production plan. By forcing citizens to harvest cotton, Turkmen officials on various levels are violating the International Labor Organization’s **Convention №105** on the abolition of forced labor and **Convention №29** on forced and compulsory labor. Furthermore, with this practice the government of Turkmenistan is violating its own Labor code, **section 8** of which defines forced labor as «any labor one is forced to do against his will under the threat of some form of punishment, to which one did not agree to voluntarily».*

*Once again, the cotton harvest exposed serious problems in the agriculture sector of Turkmenistan, problems the central and local authorities prefer to conceal. Foremost among the serious concerns in the Turkmen cotton sector are: deception of farmers at all stages of cotton cultivation and its sale to the state, government-orchestrated forced labor of civil servants to harvest cotton, and the government’s monopolization of cotton sales and lack of transparency around allocation of the income. Authorities have indicated no intentions to reform the agriculture sector. Instead, the government of Turkmenistan once again used a forced labor system of cotton production in 2014, at tremendous cost to the country’s population.*

*In this issue of ATN’s series “Monitoring the Use of Forced Labor in Turkmenistan in 2014,” we present system of cotton production in Turkmenistan.*

# Turkmenistan: Quick facts

1. **Total area:** 488,100 km<sup>2</sup>, **total area of arable land:** 3.89%

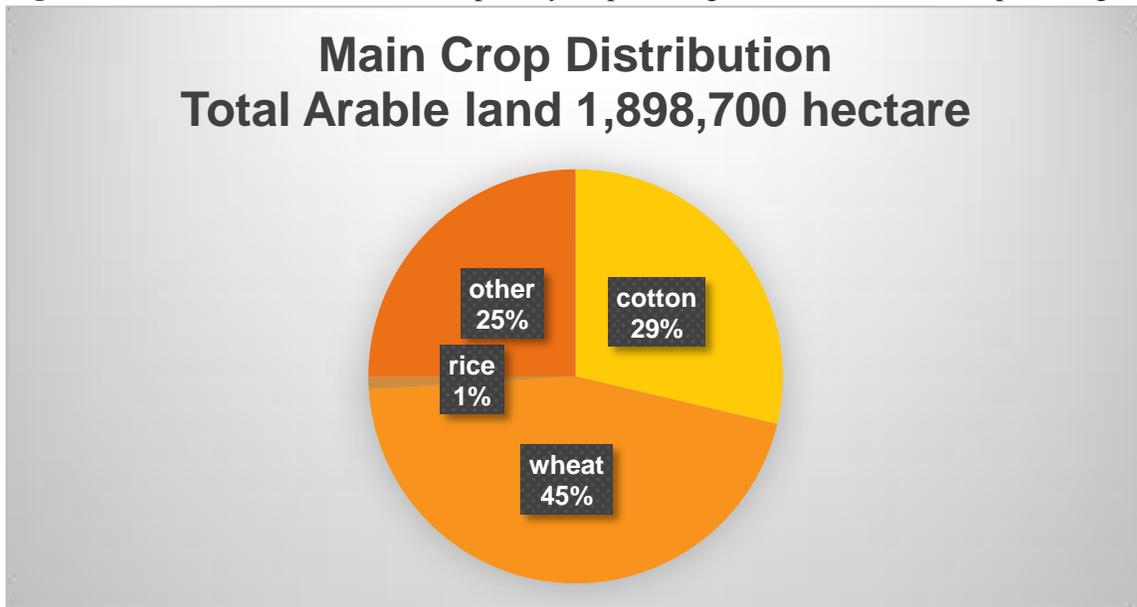


**Figure 1:** shows that only a small portion of Turkmenistan’s total area is actually arable

2. **Main crops compulsory for farmers:**

The total arable land makes up only 18,987km<sup>2</sup> (1,898,700 ha). There are three main crops that the farmers have to grow - cotton, wheat and rice. Cotton is grown in all regions of Turkmenistan, except Balkan and occupies 545.000 hectares (~1.347.000 acres). Wheat is grown in all five regions and makes up for 860.000 hectares (~2.125.000 acres). Finally, rice is grown only in two regions, in Dashoguz and Lebap and occupies 18.300 hectares (~45.220 acres).

**Figure 2:** shows the distribution of compulsory crops among the total arable land in percentage



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3. **Main cotton producers:** tenant farmer (or land lessees). They lease the land from farmer associations for 1-5 years depending on region and its population density. Since 2009, the quota is fixed at 2 tons of cotton per hectare.
4. **Average size of land per tenant farmer:** 2-3 hectares (4.9-7.4 acres); low: 1 hectare; high: 15 hectares.
5. **Sorts of cotton cultivated in Turkmenistan:** Upland (95%) and Pima (5%). Since 2007, the procurement prices are established at 1040 manats (\$365) per ton of upland cotton and 1500 manats (\$526) per ton of long lint cotton. Note that since January 2015 the rate of manat to dollar has dropped. Now 1040 manats equal to \$297 and 1500 manats equal to \$429.

# Land ownership

According to article 22 of the Land Code, all lands of Turkmenistan, except those provided for personal use to citizens, are state-owned. Therefore, the vast majority of cotton farmers do not own the land. They lease it from the state as tenant farmers.

In Turkmenistan, land lessees produce 95% of the planned volume of cotton on state-owned land. The remaining 5% of the cotton is grown on state-owned farms and private farms<sup>1</sup>. Former President Saparmurat Niyazov had a policy to transfer 3-5 hectares of land to private ownership without the possibility to sell it to third party. Only individual tenants who showed consistently high results in their agricultural production were eligible, and the total area of land transferred from 1995-2005 was 450-750 hectares, according to Turkmen media reports. After Niyazov's death in 2006, transfer of land to private ownership stopped. Today, fewer than 150 people in the country own land. According to media reports, in 2013 there were 265 thousand tenant cotton farmers<sup>2</sup>.

Local agricultural economists and farmers say the state land ownership demotivates proper land management by farmers. State land ownership together with widespread deception and fraud in payments to farmers (more about it will be described below) removes incentives for farmers to properly work the land and achieve high performance results.

Farmers report they are treated like temporary field workers, so they see no reason to invest more resources and labor than the minimum necessary to fulfill their orders. They point out that farmer associations can take away the land at any moment and give it to someone else. The government created the farmers associations in 1995 in a reform of the collective state farms of the Soviet Union, and the associations function as land managers on behalf of the government. The farmers associations may take land from a farmer for many reasons, including non-completion of the farmer's annual, state-assigned cotton quota, violation of agricultural norms, misuse of agricultural equipment, or a local chief's personal dislike of a specific tenant. Additionally, the head of a farmers association can take away someone's land because the land has an attractive location (e.g. close to water) or high fertility. With the risk of losing the land constantly in mind, the farmers do not tend to increase land fertility by providing extra care to crops, for example by applying manure. They prefer to improve their own home gardens rather than the cotton field, which they might lose anyhow.

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<sup>1</sup>To mark the success of certain farmers and motivate others to reach higher results, former President Niyazov would transfer 3-5 hectares of land to private ownership without the possibility to sell it to third party. Only individual tenants, who showed consistent high results in their performance during past years, were honored with such award. However, there are fewer than 150 people in the country who own land, and the total area of transferred land, according to Turkmen media reports in the years of 1995-2005, is about 450-750 hectares. After the death of Niyazov in 2006, transfer of land to private ownership has stopped.

<sup>2</sup>At the time of writing of this report, this figure could have been changed due to [2014 decision](#) to cease the practice of cotton cultivation in Balkan region (western Turkmenistan), and split the cotton plan, earlier produced in this part of the country, among other regions. Up to 2014 around 3 thousand hectares of land in this region was used to cultivate cotton.

## National laws on property and agriculture

The rights and responsibilities of landowners and farmers are stated in the Land Code<sup>3</sup> and several other laws, including the law on "Private farm"<sup>4</sup> and law on "Enterprises." However, private landowners same as land lessees have no freedom of and independence in choosing the crops to cultivate. Despite the land ownership papers allow private owners to grow anything they want on their land, the farmer association orders them to grow only cotton or wheat depending on the state plan for that region. If a farmer does not comply, he risks losing the land due to "irrational and inappropriate use," even if he has private ownership of the land.

The president announces the time to sow, harvest and other agricultural cycles. In 2014, President Berdymuhamedov ordered to start of the cotton harvest on August 20 in three regions of the country and on September 1 in the fourth cotton-growing region, Dashoguz (northern Turkmenistan). The president's decree also ordered simultaneous completion of harvesting by the end of October. Some heads of farmer associations, particularly in areas where cotton ripens as late as November, maneuver the statistics to manage the set timeframe. The typical approach is to establish an informal agreement with the local cotton processing plant, statistical office, and district mayor on "early" execution of the plan. As a result, it is common for a farmer association to report completion of its cotton quota by October 27, even though only 70% is truly harvested. Then the association will continue harvesting the remaining 30% in November and December but no longer include this cotton in the daily reports.

In the past few years, the government's daily cotton harvest reports do not appear in the local media. The reports were always issued during the Soviet period and until recently in independent Turkmenistan. Farmers say this may indicate unsuccessful results of the cotton harvest and, may be done to prevent comparison to previous harvests. They also note the absence of such daily reports in the media leaves room for making up figures.

Today the scale of fabricating figures has significantly decreased when compared to the years of president Niyazov, but no one would claim that faking numbers does not happen. If a tenant fails to fulfill his state-assigned cotton quota once, he is penalized. If he repeatedly fails to meet the quota, then the farmers' association takes the land away from him. The same applies to the fate of a head of farmer association: he can be forgiven or lightly penalized once or twice for failing to fulfill his cotton quota, but for repeated failure he is fired from his position. Heads of districts and regions are fired by presidential decree if their region fails to meet the cotton plan.

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<sup>3</sup>Turkmenistan Land Code. faolex.fao.org/docs/texts/tuk81992.doc

<sup>4</sup>Turkmenistan Law on Private Farm. Turkmenistan the Golden Age, 2014.  
<http://turkmenistan.gov.tm/?id=5330>

## Interview of a tenant farmer from Yoloten district of Mary region

From ATN's interviews with farmers about the cotton sector, the following is an account by a farmer from the Yoloten district of Mary Region:

### ***“Cultivating cotton is a hell of a job”***

*Every year local cotton processing plants in each region sign contracts with farmers. In March and beginning of April, fields are prepared for sowing. In mid-April, cotton planting begins.*

*When sprouts reach 10 cm in height, we start “singling” them, separating single plants. Due to a low germination rate, the cotton-sowing machine is adjusted to plant the seeds at intervals of 1-3 cm. Therefore, there could be up to 100 seeds that end up on one linear meter of seedbed, and all of those seeds could give sprouts. Singling the sprouts is hellish: one must crouch or crawl on the knees to pull out unnecessary sprouts with their roots, leaving 20-25 cm interval in between each plant.*

*While singling, we weed. The main work tool is a basic hoe or a sickle. For a seedbed of 330 meters, for example, I weed three times a season. Other farmers hire assistants and pay 2-3 manats per seedbed, depending on its length.*

### **COST OF VARIOUS SERVICES**

*The state-owned “Obahyzmat,” an association that operates a monopoly over mechanical agricultural services, owns all agricultural equipment. Even if a farmer uses his own tractor or rents machinery elsewhere, Obahyzmat still registers the work as its own and charges the farmer.*

*Mechanical services are costly. For tractor use, you pay 30 manats (\$10.5) per hectare. The most expensive service is pre-sowing preparation of soil. For that, you pay 100-120 manats (\$35-\$42) for a series of mechanical operations. In addition, there are about 4-5 processes to be performed each season. They include intercropping, hoeing, tilling, and fertilizing the root system. There are no farms on which all processes are done, but on paper all processes are recorded as completed, and, farmers are charged for all of them after the harvest, during payment period. Payments for all operations are recorded in a pay book. In addition to the official payments, you have to “tip” a tractor driver as a “thank you” for performing a proper job on your field.*

*Farmers must buy fertilizers only from “Turkmendokun” enterprise (“Turkmen fertilizers”), a government organization, which is a part of the State Corporation “Turkmenhimiya” (“Turkmen chemistry”). Cotton requires 1,200 kg of nitrogen, 500 kg of phosphate fertilizers or 1000 kg of urea per hectare. One ton of nitrogen costs 180 manats (\$63), and a ton of urea and phosphate fertilizers costs 200 manats (\$70). These fertilizers, however, are not always provided to farmers in the required amount. Yet the government charges tenants 50% of the cost of the full amount of allegedly supplied fertilizers. The fertilizers sold to farmers by Turkmendokun are often poor*

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*quality. Furthermore, the supplier also often cheats the farmers. For example, a representative of Turkmendokun will cut the fertilizer, sell a portion to private parties and sell the remaining portion mixed with sand or regular soil to us, the farmers. In the end, there is not much use of such fertilizers.*

### **«An undisguised robbery of farmers occurs at delivery of cotton to the state»**

*The state sets a national production plan of about 2,000 kg of cotton per hectare. The harvest is collected in three runs with an interval of 25-30 days. The very first handpicked cotton is considered the most valuable and of the utmost quality. The state pays the highest established cotton price for this first harvest. Most farmers try to pick the first cotton by themselves. Some of them, usually local authorities or state employees who rent the land hoping one day to own it, hire unemployed people or seek help from other civil servants that are sent to pick cotton every autumn. The cotton pickers receive 0,20 manat per 1 kg (7 U.S. cents). Sometimes farmers refuse to pay civil servants forcibly mobilized by the government from the cities. The farmers say they do not have money to pay, never asked for the help, or will pick the cotton themselves. In such cases, the forced laborers either work for free or go to other nearby fields.*

*Currently, we farmers deliver the harvested cotton to the processing plants ourselves on tractor carts. In fact, the contract states that transportation of cotton from fields to the point of delivery is the responsibility of the processing plant. But all the trouble to order transportation and wait until the plant comes to collect forces farmers to find their own way to transport the harvest. When it comes to final payment, this is not taken into consideration, and the cotton processing plant charges farmers for cotton transportation services.*

*However, that is a drop in the bucket compared to the robbery that takes place during delivery of cotton to the cotton processing plant. During delivery, the inspectors, staff of ginnery and government standards regulators, are the first to cheat the farmers. When determining the quality, moisture level, and purity of cotton, the inspectors subtract 24-28% from the total amount of cotton. In other words, for each ton of cotton the government automatically takes 240-280 kilograms from the farmer without paying for it. The inspectors also downgrade the cotton, taking high-grade cotton and paying the farmer a low-grade cotton price for it.*

*Then the weigh station fleeces the farmer. When the truck drives onto the scale with the farmer's cotton, the amount of cotton recorded is typically 80-150 kg less than the actual weight. Notably, the gin staff never under-records the amount delivered by the farmers whose relatives are prosecutors, security officers, or high-ranked government officials. For ordinary farmers, it is useless to argue, even though they all know their rights under the law, which stipulates that deduction of cotton weight due to moisture content and impurities should not exceed 2-5% of the total amount.*

*If you try to take your cotton to the gin to dry it, and thereby avoid claims of high moisture and impurity content, this too will not work. They will make you take your cotton back to the field, unload it on the ground and let it dry under the sun. Then you will have to arrange transportation, load raw cotton onto a truck and bring it back a few days later. Nobody wants to*

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*go through all this hassle and waste time. Therefore, the farmers succumb to the system, knowing it is rigged against them.*

*There are no private cotton ginneries in Turkmenistan. As of August 2014, the country had [36 state ginneries](#) and 159 receiving centers.*

*The staff of the ginneries and receiving stations has an interest in cheating the farmers. When they under-record the amount delivered by the farmer, they create excess raw-cotton, which they in turn sell to the farmers who fall short of their quota.*

*By under-recording the weight of every ton of cotton by 100-300 kilograms, the ginnery staff creates 100 tons or more of excess cotton per season. Then the ginnery staff sells the excess cotton to buyers –farmers who do not fulfill their quota or who want to make a profit by reselling the cotton to the state at a higher price.*

*For example, at the ginnery in Yoloten district of Mary region, one ton of cotton may be purchased for 600-700 manats (\$210-245). By buying cotton at the ginnery, a tenant will not only fulfill his plan but also earn a little more, because the state pays 1040 manats (\$365) per ton of cotton.*

*All selling and purchasing acts are registered on paper. Tenant pays cash to a weigh-point man and gets a receipt where it states that on a given date, a given farmer delivered 2,2 tons of cotton. Sometimes the ginnery staff sells more cotton than they have and have to avoid exposing their system. In such cases, so-called “arsonists” cause a small fire at the plant. The fire is then quickly extinguished by the plant’s fire brigade. The fire at the plant is officially registered, and while usually no more than 200 kg of cotton is burned in fire, the ginnery staff records a bigger loss, perhaps of 20 tons. Thus, this way the plant “creates” the already sold cotton. Most ginneries in the country use this trick.*

*Farmers are cheated everywhere, not only at the ginneries. In December, the state calculates the harvested cotton and pays the farmers for the cotton they delivered. In the final payment, the state deducts all of its expenses, including the seeds, fertilizers and chemicals, mechanical services, and the loan given to the farmer at the beginning of the year. In the calculation, state bookkeepers tend to “make errors” to their own benefit. For example, the contract provides that farmers must pay 7% of the revenue in taxes to the local government, but the state often charges the farmers more, up to 10%. Officials tell the farmers, “do not spoil relations with the head; after all, they also contributed to your success” or “you will not lose much because of this pitiful 2-3 percent.”*

*The state also deducts for road repairs, landscaping, the Water Ministry, the State Commercial Bank "Dayhanbank", and a variety of other purposes, including contributions to the Red Crescent Society, Water Rescue Society, or nature protection and subscriptions to newspapers and magazines. After all the deductions, out of 1040 manats (\$365), the state procurement price for a ton of raw cotton, farmers receive less than 55%. Farmers are happy if they end the year without a debt.*

**Figure 3:** Farmer's Income Statement illustrates the net return after reducing all the expenses

<b>Farmer's Income Statement</b>		
<b>Revenues:</b>		
Yield, ton/ha		1.8
Procurement price, USD/ton	\$	365.00
<b>Revenues:</b>	\$	657.00
<b>Expenses:</b>		
Mechanical services	\$	96.00 (50% state subsidy)
Irrigation	\$	12.00
Seeds	\$	34.00 (50% state subsidy)
Fertilizers	\$	124.00 (50% state subsidy)
Defoliation	\$	21.00
Plant protection (chemical, biological)	\$	42.00 (50% state subsidy)
Cotton transportation	\$	25.00
Overhead administration	\$	46.00
Social insurance	\$	37.00
Newspaper subscription	\$	7.00
Red Crescent Society Fund	\$	2.00
Water Rescue Society Fund	\$	2.00
Nature Protection Fund	\$	2.00
Tips to drivers and cotton quality laboratory	\$	20.00
Bank fees	\$	12.00
<b>Total expenses</b>	\$	482.00
<b>Expenses covered by state</b>	\$	148.00
<b>Farmer's expenses</b>	\$	334.00
<b>Net profit</b>	\$	323.00 or 49.2%

## The financial infrastructure of Turkmenistan's cotton sector

The government-owned State Commercial Bank “Dayhanbank” conducts all financial transactions in the cotton sector. The state owns the bank, and its chairman is appointed by the president. Annually this bank opens credit lines on behalf of the state-owned enterprise “Turkmenpagta” (“Turkmen cotton”), which controls the cotton sector.

In the beginning of the cotton season Dayhanbank provides a loan to each farmer to pay for seeds, fertilizers, ploughing, preparing of land for planting, and other costs. However, the farmer cannot obtain cash but has to make purchases with checks, drawing down on the loan held in his name at Dayhanbank. The farmers' associations take advantage of the farmers and under various excuses obtain and keep the farmers' checkbooks. With the checkbooks in the hands of the associations, the local authorities pay themselves for services that are never provided.

During the cotton harvest, Dayhanbank makes payments for cotton delivered daily. Final settlement of each farmer's account is done at the end of December and beginning of January.

Farmers and Dayhanbank staff say that daily payments for cotton delivered are made promptly. However, final settlements each year are not so transparent. The farmer associations and other authorities take advantage of the farmers and find ways to steal from them. For instance, local authorities of Mary, Dashoguz and Lebap regions typically keep all copies of the cotton procurement contract between the state and the farmer. The farmers in these regions are therefore in the dark, unaware of the provisions of the contract and unable to defend their rights in courts. Many farmers do not even know the procurement price for raw cotton, much less the array of deductions from their final payment. Therefore, even farmers with large yields, i.e. 2,000 kg or more per hectare, often end up indebted to the state.

By presidential decree<sup>5</sup>, farmers who exceed their assigned cotton quota are to be paid a [premium rate of 30%](#) above the state's established procurement price. The state also established the right of farmers to independently sell raw cotton, as well as lint cotton and other ginning products, on the national commodity exchange. Ordinary farmers, however, do not participate in the exchange, because they hardly have sufficient cotton, lack knowledge of how the commodity exchange works, and lack an independent trade union to represent their interests.

Notably, there is also a substantial difference between the official statements about cotton farmers' income and the reality. The farmer's overall income at the end of the year must be divided among all his family members, because all of them work from early spring until the end of the season. Official media and statistics attribute the income only to the farmer, because the land is registered under his name, and he signed the contract with the state. In official reports, it

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<sup>5</sup>Decree "On ensuring cultivation of high cotton yields in Turkmenistan, and economic stimulation of cotton producers" in force since January 20, 2012

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appears that Turkmen cotton farmers earn a substantial income, but in fact, their income is divided among 4-5 adults in the family, diminishing the individual earnings.

As of January 1, 2015 the national currency, the Turkmen manat, is devalued by 18.6 percent, which cheapens the farmers' labor even more. For example, if in 2014 a farmer received 1040 manats for a ton of cotton, which was equal to \$365; in 2015, the same amount in manats will be \$297. These procurement prices have not been increased since 2007.

## Accountability

The government-owned Turkmenpagta controls the cotton sector, including monopoly control of cotton purchasing from farmers and sales to domestic and foreign buyers. Turkmenpagta does not report to public the volumes of products received after processing raw materials or the sales of cotton fiber to domestic and foreign buyers. All revenue-related information is kept secret. The commodity exchange occasionally reports only sales of single lots of fiber, lint and other raw cotton products. However, it never releases concrete figures or total sales.

What could, for instance, be behind a figure of 103.4% published in the state media in 2014? The State Statistics Committee reported that this figure represented the result of the first half of the year compared with the similar period of the past year in terms of production, processing, export and revenue. Yet it provided no specifics. Therefore, neither the public nor the cotton farmers, who spend 8-9 months working in a cotton field, know how much cotton was sold and how much money was received by the state treasury.

Outside the government, no one knows the national cotton income or how it is allocated. For example, how much is invested back into the cotton industry? The people of Turkmenistan have grown accustomed to the secrecy.

As noted above, in February 2011 President Berdymuhamedov announced a new procedure for farmers to sell cotton that is in excess of their quota. In addition to the challenge for any ordinary farmer to make it through the system with excess cotton to sell, the new sales option was not communicated clearly to ordinary farmers. Furthermore, farmers have no way of knowing the real international market price, so they cannot even compare what the price they receive from the state to the price at which the state sells the cotton on international markets. As a farmer from Mary region observed, through such secrecy the government avoids demands to increase the purchase price and otherwise reform the system of payments in the cotton sector. If farmers had this information, they would be able to present a substantiated complaint. With no information, there is nothing to speak about and nothing to demand.

## Local production and export

During 23 years of independence, Turkmenistan's textile industry, previously represented by a limited number of companies, has undergone a radical transformation. Its expansion included new production factories and state-of-the-art technology. The textile industry is now the state's second source of income after oil and gas. It accounts for 7.2-9% of GDP. Based on public sources, \$1.3 billion were invested in the textile industry between 1992 and 2004. One third of this amount was foreign direct investment from companies based in Turkey, South Korea, Japan and some European countries. The investments supported an increase in domestic cotton processing, from 4% of cotton produced in 1990 to 38% in 2004.

After 2007, the textile industry continued expansion, and by the beginning of 2014, 70% of Turkmenistan's cotton fiber was processed domestically. The local media report that by 2016 the total amount of investments into textile industry will reach \$2 billion. As the share of raw cotton exports decreases, exports of textiles continue to increase.

In June 2014 Saparmurat Batyrov, the Minister of Textile Industry of Turkmenistan, reported to the Cabinet that in 2013 the cotton industry consisted of 74 companies, including 32 textile complexes with spinning, weaving and dyeing production; 17 sewing factories, 7 silk plants and 2 wool processing plants. Reported annual production capacity of these plants is: almost 200 thousand tons of yarn, 190 million square meters of cotton fabrics, 11 thousand tons of knitted fabrics, 8 thousand tons of terry fabrics and 80 million units of knitted and sewn garments. According to the national textile industry development program, each cotton-growing district will have a processing plant by 2020. The new plants will allow Turkmenistan to process up to 500 thousand tons of cotton fiber. By 2020, the state has set a goal of increasing yarn production by 350 thousand tons, cotton fabrics by 580 million square meters, and silk by 720 tons.

The largest textile factories in Turkmenistan are in Ashgabat, Gokdepe, Kipchak, Bakharly, Bayramali and Rukhabat (jeans production complex). The Ministry built several factories together with foreign partners, most of them during President Niyazov's era. Among such factories are "Turkmenbashy Textile Complex" built in February 2000 together with "Chalik Holding" (Turkey, 32% of share), and "Mitsubishi Corporation" (Japan), which granted a loan in the amount of \$142,8 million for 10 years. Yearly production volume of this complex today equals to \$76 million; 90% of which goes for export. Turkish businessmen have their shares in the authorized capital of "Turkmenbashy Jeans Complex" worth \$100 million. Annually this factory produces 13.4 thousand tons of yarn, 15.3 million linear meters of fabric, 3.5 million units of ready-made garments, and all of these goods are sold abroad.

According to the [factory's website](#), ready-made goods of "Turkmenbashy Jeans Complex" are exported to the United States, Spain, Turkey, Russia, Czech Republic, Slovakia, England, Hungary and Poland. Among the clients of the factory are the following brands: "Levi's," "Lee," "Wrangler," "Cherokee," "Foot Locker," "Nautica," "Wal-Mart," "Target," "VF Corporation," "Marc Ecko" (all from USA); "H&M," "Lindex," "GekåsUllared" (Sweden); "Tesco," "Debenhams" (Great Britain); "Celio," "La Redoute" (France); "Mango," "Bershka," "Lefties"

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(Spain); “C&A” (the Netherlands); “X-Side” (Poland); “LC Waikiki” (Turkey). “Levi’s” has recently officially presented its shop in Ashgabat’s new shopping mall “Berkarar.”

Turkmen textiles and apparel are mainly exported to the United States, Canada, Russia, Turkey, China, Germany, Italy and Great Britain. According to the Ministry of Textile Industry, [80% of ready-made apparel](#) manufactured by Turkmen factories is produced for world-famous brands like “Cosco,” “Miss Erika,” “Bonton,” “Ikea,” “Sears,” “Wal-Mart,” “Polo,” “JC Penny,” “Bershka,” “Nautica,” “Vespolino,” and the textile goods are in high demand by consumers in more than 70 countries.

Fiber exports from Turkmenistan have suffered from quality control issues. In pursuit of gross volumes, some ginneries deliberately degrade the quality of product. For example, at certain cotton plants of Turkmenistan,<sup>6</sup> officials use steam to press fiber into bales in order to add weight to each pressed bale. In many cases, they also stuff the bales with filler, such as cotton gin motes, down and cotton-wool.

Some foreign companies that were buying cotton fiber through the commodity exchange incurred serious losses due to low quality of the materials. Then the foreign companies began to equip their local representatives with portable devices to measure the quality of cotton fiber in bales by conducting spot checks. A local representative of a Swiss company in Dashoguz reported that after his company supplied him with equipment for such checks, the ginneries stopped practicing fraud, knowing that it would not work anymore. He said that the low-quality cotton fiber now ends up at domestic factories of Turkmenistan, which affects the quality of produced yarn, and thus the fabrics. There is no demand for such low quality textile products among the local population of Turkmenistan; therefore, it is all supplied to the Ministry of Defense, boarding schools, retirement and handicapped homes and other social institutions, or shipped as humanitarian aid to the neighboring countries.

While there is no information about exports of fiber and textiles in the Turkmen media, the president often blames the Ministry of the Textile Industry for not expanding the exporting opportunities. The Ministry, in turn, blames officials who put their own interests first. According to a source in the Ministry, bureaucracy and corruption plagues the trade of fiber and textiles.

“We constantly receive phone calls from abroad, foreign clients praise our goods, they want to buy things from us on a regular basis and in large quantities, but our Ministry is not allowed to develop business. The Cabinet must approve everything. Until the Cabinet gives its “go-ahead,” neither the Ministry nor the commodity exchange can lift a finger. And in the end, our management is to blame,” a Ministry of Textile Industry source said.

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<sup>6</sup> This practice is observed at the following plants: Kunyaurgench, Gubadag and Gorogly districts of Dashoguz region; Atamurat (formerly known as Kerki) city, Garashsyzyk, Khalach districts of Lebap region; Bayramali, Sakarchaga, Yolaten districts of Mary region; Bakharden and Kaakhka districts of Akhal region.

## Monitoring the Use of Forced Labor in Turkmenistan in 2014

The Textile Ministry representative added that exports of cotton and textiles offers the potential to bring a lot of income to the national budget, but the business and revenues are tightly controlled by people close to the President.

Even the President is not satisfied with the current situation in the textile industry, especially with regard to unrealized potential of ready-made textile exports. Over several years, the President repeatedly reprimanded Textile Minister Batyrov. However, neither the risk of being dismissed, nor the punishment of other officials improved the situation in the industry. As a result, Berdymuhamedov dismissed Batyrov<sup>7</sup> from his position on September 11, 2014. Among the complaints addressed to the former head of the ministry was his failure to expand textiles to foreign markets.

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<sup>7</sup> In 2012 Batyrov ran for president while being the head of Gokdepe cotton-spinning factory in Akhal region.

## Afterword

The 2013 “Monitoring of Forced Labor during Cotton Harvest Campaign” contained several recommendations to eradicate the practice of forced labor. However, the 2014 harvesting season has demonstrated that these recommendations and advice were not taken into consideration by the government of Turkmenistan. Moreover, the government failed to use economic or technical levers to increase profitability of cotton production and minimize the use of forced labor.

Meanwhile, the country has all opportunities to improve the situation in this regard. There is an Institute of Strategic Planning and Development within the Ministry of Economic Development, whose members could (and should!) study all aspects related to the involvement of citizens for cotton harvesting, including those who have little in common with agricultural production. They should also present an action plan for the coming years on reduction of manual labor use in agriculture.

The country has financial ability to purchase new equipment, while the existing two agricultural colleges have conditions to invite foreign lecturers, who could assist in the preparation of skilled professionals of machine-operated labor in the cotton industry: agronomists, engineers, managers, breeders and other specialists.

To make the life of civil servants and farmers easier, the Turkmen government needs to reform the industry’s structure and address the abuses presented in the report:

- eliminate forced labor of farmers and civil servants;
- reconsider the relationship between the state and the farmers, including the land ownership policy to enable farmers to function;
- eliminate the requirement to fulfill cotton quotas under menace of penalty;
- increase state procurement prices and draw them near market prices to alleviate rural poverty and provide market incentives to farmers;
- eliminate shakedowns at the gins;
- improve farmers’ access to information;
- allow farmers to organize and collectively bargain.

If these issues are not addressed, the current cumbersome, confusing and non-transparent system of land management, production and sale of cotton will continue to create conditions for fraud and will not encourage farmers for better results.