

**THE ECONOMY IN TURKMENISTAN UNDER NEOLIBERALISM DURING
GURBANGULY BERDIMUHAMEDOV'S REGIME IN 2007-2013**

Submitted as a part fulfillment of the requirement for the attainment of the degree of Sarjana Ilmu Politik (S.IP) or Bachelor of Political Science in International Program of International Relations (IPIREL) Department, Faculty of Social and Political Sciences, University of Muhammadiyah Yogyakarta.

UNDERGRADUATE THESIS



Written by:

Riski Yudhaningrum
20090510066

Advisor: Drs. Bambang Sunaryono, M.Si.

**INTERNATIONAL PROGRAM OF
INTERNATIONAL RELATIONS DEPARTMENT
FACULTY OF SOCIAL AND POLITICAL SCIENCES**

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2013

ENDORSMENT PAGE
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This undergraduate thesis has been examined and endorsed by the Board of Examiners from International Program of International Relations (IPIREL) Department, Faculty of Social and Political Sciences, University of Muhammadiyah Yogyakarta

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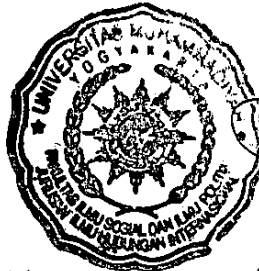
In Faculty of Social and Political Sciences, University of Muhammadiyah Yogyakarta

Acknowledged by,
Chief of Examiner/Advisor

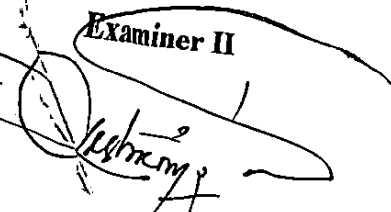

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Examiner II


(Grace Lesya W., S.IP., M.Si.)

STATEMENT OF ORIGINALITY

This is to certify that to the best of my knowledge, the content of this thesis is my own work.

This thesis has not been submitted for any degree or other purposes.

I certify that the intellectual content of this thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

Yogyakarta, August 31th, 2013



Riski Yudhaningrum

I dedicate this undergraduate thesis to

Mom and Dad

my beloved sister and my cutie brother

"And say: My Lord increase me in knowledge."

Q.S. Ta-Ha: 114

"don't judge a cake by its decoration."

Kim Ryeo Wook

"Not an end, but an and"

Park Jung Soo

"Life is like riding a bicycle. To keep your balance, you must keep moving."

Albert Einstein

***"When it hurts to look back, and you're scared to look ahead, you can look beside you
and your best friend will be there."***

Anonymous

- ♥ Thank to Allah SWT who always hear my stories and answering my prayers. Also thanks to Muhammad SAW who had given good examples for his followers.
- ♥ Mom and Dad, sometimes I become a rebellious and disobedient child, I'm sorry. You are not tiring to paying attention to me and always give wise words and encouragement, thank you.
- ♥ Mba Tika, my sister, thank you for being my annoying sister^^v
- ♥ Athar!!! My cutie brother!! Be a good, brainy, and handsome boy, okay?:)
- ♥ Mas Wisnu, thank you, sometimes you help me to finish this undergraduate thesis.
- ♥ My advisor, Pak Bambang, you are like my second father and thank you for gave me a lot of advices to finish my undergraduate thesis.
- ♥ My examiners, Pak Winner and Bu Grace, thank you.
- ♥ My favourite lecturers, Pak Endro, Pak Ali, Pak Takdir, and Bu Ratih, i will miss you...
- ♥ Icha!! Our FFC President! We fought together to accomplish our undergraduate thesis, *hwaiting* 'till the end!!! Jiejie, i miss when we being a *micheo yeoja*, talking about everything, doing this and that aimlessly kkk. Umi, let's eat something in Parsley Cuisine!!! Eonni, when will our dreams become true?? Let's make it happen!! Nova, my old friend, how long we've been friend? We fight almost everything together, we're encouraging each other. lu, we always talking 'bout girls stuff hihi. Rere, how are you? LOL. My B brothers, Alfon and Bian, hey upin ipin! My B sisters, Masyitoh, Ney and Nike, always proud to be a B line hahaha... btw Ney, i think you already had a plastic surgery, didn't you? My girls, Irani, Naffy, Henana, Ella, Yodana, I can't forget you all. Abi, my annoying friend hihi^^v Ferdi, sometimes you gave me informations about UMY haha, thanks bro! Apris!! Thank you, you know what i mean, right? Kk. Mira, Yaya, Nelly, and Tiqa, you guys are my good friends and always been and it can't change with anything ☺
- ♥ To all my classmates, *Saranghae*<3<3<3
- ♥ To my special friend
- ♥ My seniors and juniors, do you guys really know me? Hehehe^^v
- ♥ Sujul!!! Your songs always accompany me to go everywhere, to do everything. Our lovely members; rabbit, *mochi*, the killer smile, *abang*, fishy, monkey, racoon, angel without wings, heenim, zhoumi, *dong guridong*, hangeng, evil, the art voice, and ryeowook, *gamsahamnida oppa*, *xie xie gege*. Pchyl!!! A singer from Thailand, i love his voice<3 Colin Morgan and Bradley James, hope you guys can be a good friend forever!

ABSTRACT

This research is about the economic development in Turkmenistan. The government changed the economic system from socialist system to liberalist system to make the economy more better. The economy in Turkmenistan during Saparmurat Niyazov's regime was characterised by state control of investment, public ownership of industrial assets. In Gurbanguly Berdimuhamedov's regime, the government trying to change their system economy to liberalist. But Turkmenistan did not understand yet about liberalism, so they had many lacks to change their system because they have been with Soviet Union for almost 69 years. Turkmenistan have oil and gas resources, but they lack of technology to proceed their huge natural resources. The methods of writing is deductive method. The Government has passed new laws and legal reforms on foreign investments, accounting, financial reporting, new foreign exchange regulations and tax regulations; also abolished import duties on some foodstuffs; and lowered import duties on some other products. To make Turkmenistan's market wider, the government makes a good relations with other countries, so they can exporting their goods to other country. The people in Turkmenistan needs skills, so the government support technical training to supporting high tech foreign investment projects.

Keywords: Turkmenistan, liberalism, economy, economic development

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LIST OF ABBREVIATION

ADB	: Asian Development Bank
CA	: Central Asian
CIS	: Commonwealth Independent States
COMEX	: Commercial Exchange
CNPC	: China National Petroleum Corporation
EBRD	: European Bank for Reconstruction and Development
FEA	: Foreign Economic Activity
FER	: Foreign Economic Relations
GDP	: Gross Domestic Products
IFRS	: International Financial Reporting Standards
IMF	: International Monetary Fund
JVs	: Joint Ventures
MOEF	: Ministry of Economy and Finance
NGO	: Non-Governmental Organization
OGJ	: Oil and Gas Journal
OSCE	: Organization for Security and Cooperation in Europe
PRP	: Petroleum Refining Plant
PSAs	: Production Sharing Agreements
PST	: Post-Socialist Transition
TAPI	: Turkmenistan, Azerbaijan, Pakistan, India Natural Gas Pipeline

TRAO : Turkmen RosGaz

USSR : Union of Soviet Socialist Republics

VAT : Value Added Tax

WTO : World Trade Organization