

Turkmenistan: Low Per Capita Income Despite Gas Wealth

Author: IWPR

With incomes averaging around in 200 US dollars a month, Turkmenistan's people do not appear to benefiting from the country's natural gas wealth.

Public-sector wages, pensions and benefits were increased by ten per cent from January 1, bringing the minimum monthly wage to around 205 dollars, while pensions range between 50 and 180 dollars.

However, a survey of the domestic market shows that the wage increases have been matched by a spurt in inflation. Foodstuffs, for example, have gone up by an average of 15 per cent.

Poultry and other meat now costs between three and five dollars a kilogram, potatoes have tripled from one to three mantas, or from 30 to 90 cents, and a litre of milk now stands at about a dollar. Prices in the service sector have also gone up.

"If food prices continue going up, we will have to cut our spending even more," said Gurban, a father of three in Ashgabat. "We spend all our money on food, and we are on small salaries – my wife and I earn only 250 dollars jointly. In the course of a month, we buy one chicken and two kilos of meat, roughly, and we make that last for the whole month".

A private farmer in the central Ahal region worries about having to take out a loan every month to feed his family of seven.

"The money we get from selling our agricultural produce is catastrophically inadequate," he said. "And the prices at the market are very high. What can you buy on [an income of] 200 dollars?"

Other interviewees pointed out that people on low incomes are helped by the things the state provides for nothing or at heavily subsidised rates – free household gas, electricity, and water and an allowance of 120 litres of petrol a month.

"It's good that utilities are provided virtually free of charge in Turkmenistan. Otherwise, we'd have to cut down on food, even though we eat very modestly," said one elderly woman in Ashgabat, who said she lived with her sister and they spent their pensions totalling 200 dollars jointly on things like food and medicine.

Another pensioner in Mary in southeastern Turkmenistan said the authorities cared very little about the welfare of the population, and failed to use the country's gas revenues to increase spending on education, health and other benefits for the elderly and poor.

"People living in a gas-rich country should be wealthy, too," he said.

Annadurdy Khajiev, a Turkmen economist based in Bulgaria, estimates that according to the measures used by the World Health Organisation and the United Nations, a pensioner in Turkmenistan needs at least 150 dollars a month to buy food, more than most of them currently get.

“It’s very difficult to survive on current pensions and wages in Turkmenistan,” he said.

A former official with Turkmenistan’s state statistics committee said a more realistic assessment was that per capita income stood at around 50 dollars a month, and that although officials never made this figure public, they did use it when assessing the average basket of consumer goods.

(NBCA is an IWPR-funded project to create a multilingual news analysis and comment service for Central Asia, drawing on the expertise of a broad range of political observers across the region. The project ran from August 2006 to September 2007, covering all five regional states. With new funding, the service has resumed, covering Uzbekistan and Turkmenistan.)

Location: Turkmenistan

Focus: News Briefing Central Asia

Source URL: <https://iwpr.net/global-voices/turkmenistan-low-capita-income-despite-gas>