The Role of Energy Transit in Turkish Foreign Policy

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Abstract

Turkey is a natural energy bridge between the European energy market and the energy rich region of the Middle East, the Caucasus, Central Asia and Russia, and it fully intends to use this geo-strategic position to its advantage and become a major regional energy hub. This goal shapes its foreign policy making it more pragmatic and resulted in a regional opening as well. The changes in its foreign policy due to energy interests are apparent in the case of Turkish-Russian relations. This thesis seeks to explain the foreign policy of energy transit countries better by introducing energy considerations as an addition to existing explanations for foreign policy change. The argument presented is that recent Turkish-Russian rapprochement is partly the result of changed Turkish foreign policy posture due to energy transit considerations.
Acknowledgements

I would like to thank my family and friends for being patient and supportive during my studies, my wonderful friends here at CEU for all the intellectually stimulating and not so stimulating conversations and the company, and my supervisor, Professor Fumagalli, who was extremely helpful and understanding throughout the process of writing this piece of work.
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<th>Description</th>
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<tr>
<td>AKP</td>
<td>Adalet ve Kalkınma Partisi, Justice and Development Party</td>
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<tr>
<td>BTC</td>
<td>Baku-Tbilisi-Ceyhan</td>
</tr>
<tr>
<td>BTE</td>
<td>Baku-Tbilisi-Erzurum</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>OIC</td>
<td>Organisation of Islamic something</td>
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<td>TGI</td>
<td>Turkey-Greece-Italy</td>
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Introduction

Turkey is a natural energy bridge between energy rich regions and European countries which spend $320 billion per year for imported natural gas and oil. This provides Turkey it with an important geo-strategic advantage in world politics. The majority of the world’s proven oil and gas reserves 73 percent and 72 percent respectively is located in the regions surrounding Turkey, such as the Middle East, the Caspian Region and Russia.¹

The Turkish ambition to become a transit hub is evident in its attempts to oversupply its natural gas market, aspirations to take part in international pipeline project, and made obvious by comments and speeches made by officials.² To be an effective energy hub, Turkey still has a way to go in creating infrastructure, and it also needs to create cooperating relations with its neighbours. Russia in particular can have a huge impact on whether Turkish ambitions can be realised or not.

Russia possesses currently the greatest number of infrastructural connections, and is one of the most important players due to previous imperial ties.³ It has regained its dominant role in the newly independent states of its ‘near abroad’ and is the main rival to Turkish and American interests in the Caspian region. Russia is also an important partner to Turkey: more than 35 percent of Russian oil exports and substantial quantities of its petroleum products are transported via Turkey (the Black Sea Straits),⁴ while Turkey is heavily dependent on Russian gas.⁵ Russia is trying to diversify and seek alternative transport routes to transit Caspian gas and oil avoiding Turkey, while Turkey opposes any route that would increase traffic on the

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³ Eleni Fotiou, Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation, ICBSS Policy Briefs (International Centre for Black Sea Studies (ICBSS), Athens, Greece, 2009), 20.
⁴ Agata Loskot-Strachota, „Turkey - An Energy Transit Corridor to the EU?”, CES Studies (2005).
⁵ Ozturk, Yuksel, and Ozek, „A Bridge between East and West”, 4288.
already crowded Turkish Straits for environmental reasons. Recent developments make it seem like a strategic partnership is forming between Russia and Turkey in the region and the competition in the region over energy resources and transit routes between Turkey and Russia can turn into cooperation.⁶

Through this particular case the general understanding of the connections between energy transit and foreign policy can be better explained, addressing the gap in literature. My research seeks the answer to the question, whether energy transit has an influence on the state’s foreign policy, and if yes, how does it shape foreign policy posture. My findings suggest that because of the needed interstate cooperation for energy transit, the country interested in becoming an energy transit state becomes more cooperative, leading to a more pragmatic and open foreign policy posture.

I will shed light on the connection within the context of Turkish foreign policy, as it is already an energy transit state with ambitions of becoming a regional energy hub. Analysing the specific case study of Turkish-Russian relations, my findings indicate that energy considerations have an impact on Turkish foreign policy, and this is one of the motors of Turkish-Russian rapprochement. This special relationship is not a clean case to analyse in this respect, as Turkey is also highly dependent on Russian hydrocarbon imports, but the relations with Russia are so unique and have such a determining effect on Turkish energy strategy ambitions that it needs further analysis.

My methodology consists of qualitative and data analysis. The thesis uses a single case study method and process tracing. For qualitative data analysis I use data gained from Internet sources or academic sources. The single case study is justified by the unique circumstances, such as the overwhelming influence Russia bears over the region and more specifically over

⁶Ibid., 4290.
energy issues, such as infrastructural projects, as this influence can determine the fate of Turkish energy hub ambitions. In the case study of The Turkish-Russian relations I attempt to measure the strength and character of relations by the data on the number of official visits, number of agreements signed, bilateral energy trade and trade in general and spheres of cooperation.

My findings indicate that there is indeed a foreign policy shift in Turkey that is not fully accounted for by existing explanations: a change in the geographical scope of foreign policy, and a change in foreign policy posture to a more pragmatic stance. The case study shows an unprecedented rapprochement between Russia and Turkey parallel to this shift in Turkish foreign policy.

In my thesis, first I will present existing explanations for changes in foreign policy. In the second section, I will detail the perceived changes in Turkish foreign policy in the past couple of years and potential explanations based on the literature. In the third section I will explore Turkish energy policy and its potential implications on foreign policy. In the fourth section, I will present my case study, Turkish-Russian relations, and finally I close with conclusions.
Chapter 1: Energy Transit and Foreign Policy Change

This thesis links to three main debates in literature. The first is whether energy considerations, here more specifically energy transit have an impact on foreign policy, and if it does, what kind of impact does it have? The second debate concerns Turkish foreign policy; as I will present later, Turkish foreign policy has undergone radical changes since the Cold War era, and there is a more recent noticeable shift in the first decade of the 21st century. Different explanations exist to account for these shifts, as Chapter Two will present. The third debate is whether Turkey can realise its ambition of becoming an energy transit hub, and how much influence does Russia have on this. This thesis argues that energy transit and energy considerations more generally contribute to the existing understandings of foreign policy, in fact without this aspect we wouldn’t gain a full understanding of foreign policy shifts in transit countries. The transformation of Turkish foreign policy in the 2000s can also be traced back to these factors, and Turkish-Russian rapprochement can be more fully explained introducing this aspect.

1.1 Energy Transit in Literature

The role of energy transit states requires more attention, yet it has largely been neglected, leaving a number of issues under-explored. Such issue for example is the effect energy transit and trade have on the country’s foreign policy, whether it influences it in any way, and if it does, in what ways. What is the role business interest plays in this, especially the big energy companies taking part in the construction and maintenance of pipelines, how do they influence negotiations.
Transit countries tend to use the energy weapon in order to attain political and economic goals more often than suppliers or consumers; as the recent Ukrainian gas disputes show, disagreements along the value chain can also cause disruptions in the energy supply. In 2007 oil deliveries were halted to Poland and Germany due to Russia’s dispute with Belarus, a transit country. Similarly, gas transit was interrupted in the winter of 2006 and 2009 via Ukraine because of price disputes.

Turkish aspirations to become a major regional energy hub are well-known to everyone, as Turkish officials often advertise it and it is also published on the website of the Ministry of Energy and Natural Resources in Turkey’s Strategic Plan 2010-2014, and it is already playing a major role in the transit of oil and gas supplies from Russia, the Caspian region and the Middle East to Europe. ‘Energy is considered to be a prime agent in the generation of wealth and significant factor in economic development’. Turkey doesn’t simply wish to be a transit country for energy transport, but a hub, playing an active role in the distribution and sale of energy resources transiting via its territory.

Most of the literature on energy security focused on the supply side, and presented access to energy resources as a key foreign policy goal of nations and the object of high-stakes geopolitical competition. Security thinking seems to pervade energy transport as well, but

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13 Kiliç, „Turkey’s natural gas necessity, consumption and future perspectives”, 1928.
14 Agata Łoskot-Strachota, „Turkey - An Energy Transit Corridor to the EU?”, CES Studies (2005): 22.
there is little focus in the literature specifically on transit related considerations, while transit countries constitute a crucial part of the supply chain, as attempts at diversification on both the supplier and consumer side imply. The significance of these small or middle-sized countries can therefore grow exponentially in the foreign policy of the states they are involved in energy transfers with, creating spill-over effects to increase their bargaining power in other policy areas as well. Russian efforts and investments in new direct outlets and pipelines instead of expanding existing pipelines in the Baltics, Belarus and Ukraine show how important transit countries are in the supply chain.\textsuperscript{1718}

The transit country’s economic and strategic leverage is enhanced, receiving more attention from great powers; its political stability and economic health matter more once it is a crucial link in the energy export chain, and it can ask for economic and military assistance from a position of advantage.\textsuperscript{19} The status of energy transit country can create spill-over effects and exponentially bigger bargaining power in other policy areas too (e.g. the Turkish energy hub might mitigate scepticism of its EU accession, claims Hajizada.).\textsuperscript{20} The question of energy security is especially salient now in the EU, after the Ukraine-Russia gas disputes. The Caspian region would be Europe’s fourth artery of energy sources besides Russia, Norway

\begin{thebibliography}{9}
\bibitem{17} Ibid.
\bibitem{19} Ebel and Menon, „Introduction: Energy, Conflict, and Development in the Caspian Sea Region“, 10; Victor, Jaffe, and Hayes, *Natural Gas and Geopolitics*, 336.
\bibitem{20} Mukhtar Hajizada, „Complex regionalisation in the wider Black Sea area“, in *The Black Sea Region and EU Policy: The Challenge of Divergent Agendas* (Burlington: Ashgate, 2010).
\end{thebibliography}
and North Africa in gas.\textsuperscript{21} The European Commission also pays more attention to the issues of transit states now, proven by their official communication, such as the one ‘On the Development of Energy Policy for the Enlarged European Union communication.’\textsuperscript{22}

Based on the abovementioned literature, one of the main debates is whether energy transit has an impact on foreign policy, and most scholars seem to agree that energy issues have considerable effect on foreign policy, Shaffer outright says the two are interwoven.\textsuperscript{23} The question remains what kind of effect does energy have in foreign policy? Shaffer claims that the answer depends on pre-existing relations between the countries; where the energy infrastructure exists between countries that don’t enjoy good relations, it is a place for battlefield and a source of tension, while no successful cases have arisen to date where the construction of energy infrastructure would have led to an improvement in relations.\textsuperscript{24}

\textbf{1.2 Turkey and its Foreign Policy as a Rising Regional Power}

Turkey, the country that was once a distant outpost to NATO balancing between two superpowers is now becoming more and more important in the international sphere and is poised to play a leading role in the region from Eastern Europe to China,\textsuperscript{25} economic factors playing a big role in it.\textsuperscript{26} Turkey has been named as the regional stabilising actor within the unstable and insecure region that is expected to play an important role in regional and global

\begin{footnotesize}
\begin{itemize}
\item[\textsuperscript{21}] Raszewski, „The EU’s external policy of energy diversification in the wider Black (and Caspian) Sea region: Regional Security Complex or Security Community?”, 138.
\item[\textsuperscript{22}] Ibid., 144.
\item[\textsuperscript{24}] Shaffer, \textit{Energy Politics}, 4.
\item[\textsuperscript{25}] Mustafa Aydın, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century”, in \textit{Turkey’s foreign policy in the twenty-first century: a changing role in world politics}, szerk Tareq Y. Ismael and Mustafa Aydın (Burlington, VT: Ashgate, 2003), 4.
\item[\textsuperscript{26}] H. Sonmez Atesoglu, „National Power of Turkey and Other Powers in the Region”, \textit{European Security} 17, nr. 1 (March 2008): 33.
\end{itemize}
\end{footnotesize}
politics in the coming years. Two important developments determined its foreign policy up to this point: an internal military coup and the external end of Cold War and collapse of the international system.

Aydıň mentions four sets of factors that have the potential to affect Turkey’s foreign policy in the coming decades: the nature of the political regime in the country and external relations to it; the basic needs of Turkish economy and possible sudden alterations in its economic preferences; the current structure and alternative policies available in foreign policy decision-making system; and changes in regional and international structures. Among these the second set of factors about the economic needs concern this thesis.

Following the opening of the economy under the military regime, Turkey faced the need for foreign cooperation and the internationalisation of the economy led to increased vulnerability as the country arrived to a previously unknown concept, economy-politic or political economy. Turkey couldn’t conduct foreign policy with only the security dimension, because it was forced to follow global economic trends and contribute to domestic economic development with an active foreign policy. Thus, the parameters of foreign policy were expanded, diplomats and politicians became actively involved in promoting Turkey’s and its businessmen’s economic priorities. The switch to the new liberal economic system required huge amounts of net foreign currency inflows, heavy borrowing, attracting foreign capital to invest and increasing and diversifying Turkey’s export potentials – these all depend on the willingness of other countries to respond, and as a consequence Turkish foreign diplomacy had to be involved to maintain contact with involved governments and organisations. By the

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27 Aydıň, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century“, 4.
28 Ibid.
29 Turkey’s foreign policy in the twenty-first century: a changing role in world politics (Burlington, VT: Ashgate, 2003), xii.
30 Aydıň, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century“, 5.
1990s Turkish economy became part of global economics, and the foreign ministry was increasingly involved in obtaining foreign loans, opening up markets for Turkish goods, striking deals with foreign governments, and sometimes even private companies, in order to bring more investments in the country. ‘Thus, as the foreign policy of the country needed to be in tune with its economic programmes, economic necessities also became an important variable of Turkish foreign policy making.’, remarks Aydın. As the need for fresh markets grew, the political efforts followed in the Middle East and Eastern bloc. With the end of the Cold War new economic opportunities opened up for Turkey in the former soviet republics and Russia itself, with the Central Asian states already having cultural affinity towards Turkey, which became a factor for future economic attempts in the region.

Turkey is on its way to become a major energy transit hub as a result of fortunate geostrategic location and conscious positioning in pipeline construction negotiation, as well as international, mostly US and European, backing, but the infrastructure is still lacking. Hajizada claims that the Turkey-Greece Interconnector in operation since 2007 is a pivotal link between Caspian gas and European markets and potentially Central Asian supplies, and this serves to assist energy diversification strategies of the EU. So far this TGI is the only link between Europe and the Eastern neighbourhood, as Russian monopoly over transit from Central Asia is an obstacle to it. Azerbaijan wanted to sell gas to Southern Europe, the main problem of which was building connections between Turkey and Greece, historical opponents.

Adams notes that up to 2010-2015 the major gas market of the South Caspian will be Turkey with possible onward transit for the European Union, as the Turkish market is oversupplied

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31 Ibid., 12.
32 Ibid.
33 Hajizada, „Complex regionalisation in the wider Black Sea area”, 126.
34 Roberts, „Pipeline Politics”, 80.
for this coming decade.\textsuperscript{35} Russia has a huge influence over whether Turkish energy hub ambitions realise or not,\textsuperscript{36} since a complex interdependence exists in energy issues between the two countries. Increasing energy strategic importance might bring advantages, e.g. mitigate EU opposition against Turkish membership,\textsuperscript{37} but disadvantages as well, e.g. increased competition from other countries, particularly Russia, and an increased risk for terrorist attacks.\textsuperscript{38}

The specific debate on Turkey here would be whether Turkey can realise its ambitions to be an energy hub, and how much of a say Russia has in this. One of the first big projects in energy transit in Turkey was the Baku-Tbilisi-Ceyhan (BTC) oil pipeline starting from Azerbaijan through Georgia and ending in Turkish Ceyhan. The first contract for the construction of the pipeline was awarded in August 2002, with completion scheduled for early 2005.\textsuperscript{39} Roberts claims BP in Azerbaijan had important ramifications for pipeline diplomacy, leading in 1998-1999 to an agreement to construct a direct oil export pipeline from Baku to Ceyhan. In this pipeline Turkey played a triple role; not only was it the owner of Ceyhan, a major oil consumer on its own, but also had historic ties to the Caspian. Turkey aggressively supported the plan of the BTC-pipeline, also citing the environmentally dangerous overuse of the Turkish Straits as a reason.\textsuperscript{40} Russia initially was set against the idea of BTC on the basis that it would mean that non-Russian routes provide competition to Russian ones, and they would be increasingly on a commercial basis.\textsuperscript{41} The idea of the BTC pipeline gave high hopes to Turkey for economic and political advantages among environmental concerns for the

\textsuperscript{35} Adams, „Caspian energy development”, 101.
\textsuperscript{36} Adams, „Caspian energy development”; Bolukbasi, „Jockeying for Power in the Caspian Basin: Turkey versus Iran and Russia”.
\textsuperscript{37} Hajizada, „Complex regionalisation in the wider Black Sea area”; Raszewski, „The EU’s external policy of energy diversification in the wider Black (and Caspian) Sea region: Regional Security Complex or Security Community?”.
\textsuperscript{39} Roberts, „Pipeline Politics”, 77.
\textsuperscript{40} Ibid., 80.
\textsuperscript{41} Ibid., 88.
A parallel gas pipeline was also sanctioned along BTC; the Baku-Tbilisi-Erzurum (BTE) pipeline construction was due to start in 2004, giving a large impetus for Turkish transport hub dreams.

Another debate in the literature is on what causes the transformation in Turkish foreign policy. A body of literature cites ‘Europeanisation’, a second body of literature influenced by constructivism attributes the transformation to a reformulation of how the Turkish state defines its own identity internally and externally. A third body of literature analyses the importance of domestic factors, such as the rise of the AKP along with a new elite and political agenda, the influence of powerful individuals. Scholars also cite geopolitical factors resulting from institutional changes and the altered balance of power following the end of the Cold War as factors in foreign policy change. The fifth main body of literature relies on the concept of soft power after Joseph Nye’s book. The concept is widely used nowadays by politicians, media and academics referring to Turkish foreign policy, in contrast to previous references to Turkey being a ‘coercive regional power’ or a ‘post-Cold War warrior’. Some scholars add to these the impact of economic factors on foreign policy considerations.

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42 Bolukbasi, „Jockeying for Power in the Caspian Basin: Turkey versus Iran and Russia”, 222.
43 Ibid., 228.
46 Kiriçi, „The transformation of Turkish foreign policy”, 34–38.
47 Ibid.
The approaches are not mutually exclusive.\textsuperscript{50} In this thesis, I will list possible explanations for the shift happening in Turkish foreign policy, then as Kirişçi added trade and economic factors, I will add energy to the picture to achieve a more parsimonious picture. All these approaches capture one slice of reality, but they mostly avoid the economic and energy aspect.\textsuperscript{51}

\textsuperscript{50} Şaban Kardeş, „Turkey and the Iraqi Crisis: JDP Between Identity and Interest”, in The Emergence of a New Turkey: Democracy and the AK Parti, szerk Hakan Yavuz (Salt Lake City: The University of Utah Press, 2006); Aydo, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century”.

\textsuperscript{51} Kirişçi, „The transformation of Turkish foreign policy”, 38.
Chapter 2: Overview of Turkish Foreign Policy

Öniş and Yılmaz divide the post-Cold War period of Turkish foreign policy in three phases; the initial wave of foreign policy activism in the immediate post-Cold War context; a second wave of foreign policy activism during the Justice and Development Party (Adalet ve Kalkınma Partisi, the AKP) with a strong Europeanisation trend; and the more recent tension between Europeanisation and Euro-Asianism.\(^\text{52}\)

Turkey faced several challenges after the end of the Cold War; its internal political system and socio-economic dynamics were changing in parallel to the international system. During the Cold War it had followed a stable foreign policy route with well-delineated problems such as the issue of Cyprus and the Aegean, trusting its overall security on NATO. Drastic internal and external changes, the military coup in 1980 and the end of the Cold War necessitated a re-evaluation of foreign policy.\(^\text{53}\) Following the collapse of the Cold War system, Turkey’s priority was to adapt itself to the new power configuration. This adaptation process can be traced in several issue areas, such as the Cyprus issue or Turkish-EU relations, referring to the capacity to reorganise its foreign policy vis-à-vis each issue.\(^\text{54}\)

The second wave of activism can be traced back to the Helsinki decision on Turkey’s EU candidate status, and to reforms undertaken by the coalition government of 1999-2002.\(^\text{55}\) The Europeanisation process starting in the mid-1990s was pursued with a high degree of consistency and vigour especially from November 2002 until the opening of accession talks in October 2005. The effects of the process are apparent in three interrelated areas; economic

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\(^{52}\) Ziya Öniş and Şuhnaz Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, *Turkish Studies* 10, sz 1 (2009): 7.

\(^{53}\) Mustafa Aydı̈n, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century”, in *Turkey’s foreign policy in the twenty-first century: a changing role in world politics*, szerk Tareq Y. Ismail and Mustafa Aydı̈n (Burlington, VT: Ashgate, 2003), 4–5.

\(^{54}\) Gökhan Bacik, „Turkey and Pipeline Politics.”, *Turkish Studies* 7, sz 2 (Summer2006 2006): 293.

\(^{55}\) Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 8.
growth, major reforms in democratisation, and the conduct of foreign policy. The AKP foreign policy put greater emphasis on the use of soft power and developing friendly relations with all Turkey’s neighbours.\textsuperscript{56,57} The continuity elements of the AKP foreign policy are the foreign policy activism and a multilateral approach to policy-making under the AKP, but several elements of rupture could be noted, resulting in a shift ‘from a commitment of deep Europeanization to loose Europeanization along with a parallel shift to what may be classified as “soft Euro-Asianism”’, presenting the third phase of Turkish foreign policy.\textsuperscript{58} Scholars attempted to explain this shift as a response to structural changes in the international system, changes in domestic politics and power configuration, the Europeanisation process,\textsuperscript{59} but also economic factors,\textsuperscript{60} and seeing that energy is the basis of any modern economic activity, adding it to the analysis we will arrive at a more substantial understanding of Turkish foreign policy.

\textbf{2.1 Structural Aspects of Foreign Policy Formation}

Structural changes always had an influence on Turkish foreign policy. Following the relative stability of the Cold War the country faced an uncertain and vague international structure, forcing it to deviate from its tranquil foreign policy it adapted during it. The newly independent states in close proximity to Turkey offered the possibility of global cooperation, transcending the enmity of the Cold War. These newly independent states, however, increased the regional instability and potential for conflict as well. The collapse of the Soviet Union

\textsuperscript{56} Ibid., 8–9.
\textsuperscript{57} The willingness of the AKP government to resolve the Cyprus dispute under the Annan Plan, improving relations with Syria and Georgia are cases in point. See Öniş and Yılmaz (2009).
\textsuperscript{58} Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 8.
\textsuperscript{59} Ziya Öniş, „Multiple Faces of the ‘New’Turkish Foreign Policy: Underlying Dynamics and a Critique”, Insight \textit{Turkey} 13, sz 1 (2011): 20.
\textsuperscript{60} Kiriçi, „The transformation of Turkish foreign policy”.

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undermined the international alliances formed to counter Soviet expansionism, and many former Soviet regions that were previously marginally significant became critically important. Instead of the diminishing East-West division of the international system, new lines formed dividing North and South. In the forming new international system regional concerns started to play a more important role, and a struggle emerged among aspiring regional hegemons for supremacy of various sub-systems.

The dramatic changes from the end of the first decade of the 2000s in the broader global context had a critical influence over the perception of policy makers, states Öniş. The global economic and financial crisis of 2008-2009 was a ‘crisis of the center’, and posed a ‘major political economy challenge to the American or Western dominated globalisation’. The crisis also ‘accelerated the shift which had already started, namely a shift of the economic axis of the global system from the “west” to the “east” or from the “north” to the “south”’. The EU in particular seemed to have suffered a major blow, thus the West, especially the EU ‘turned out to be a less attractive destination in terms of its purely economic benefits whilst, the rising “East” or the “South” appeared to be increasingly more attractive in terms of future trade and investment links’. As the EU, Turkey’s leading trade and investment partner was experiencing difficulties, finding new markets became increasingly important for Turkey. Öniş asserts that Turkey’s new ‘regional initiatives especially towards the Middle East, North Africa and the post-Soviet region embodied a strong economic motive’.

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62 Aydo, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century“, 6.
63 Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy“, 11.
64 The crisis also had an impact on the global governance structure, broadening its basis. The G-20 increasingly replaced G-8 as the key organisational nexus, and Turkey thus became an active participant of it. See Öniş, “Multiple Faces of the ‘New’ Turkish Foreign Policy”, 12.
65 Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy“, 12.
2.2 Domestic Sources of Turkish Foreign Policy

The rise of the AKP ‘represents a struggle between the military and civilian bureaucratic elites – which have controlled the state and the economy since independence – and the new, largely provincial and pious middle class’.\(^{66}\) As this new bourgeoisie blossomed under the 1980s market reforms and built an export-driven industrial base accumulating wealth it began to ‘challenge the economic elites traditionally favoured by the state and its military backers’.\(^{67}\) This rising new middle class helped in the victory of AKP in 2002, a party that ‘challenged the ideological underpinnings of the Turkish state: secularism, nationalism, and centralization’.\(^{68}\) This meant a radical transformation in Turkey’s domestic politics that had an impact on its foreign policy as well.

The AKP, a moderate conservative party, was established in 2001, under the leadership of the former mayor of Istanbul, Recep Tayyip Erdoğan. The electoral basis of the party seem to be mixed with substantial support from the former voters of two centre-right parties, the Motherland Party (Anavatan Partisi, ANAP) and The True Path Party (Doğu Yol Partisi, DYP), those of the ultra-nationalist Nationalist Movement Party (Milliyetçi Hareket Partisi, MHP), and more than half of the former Islamist Virtue Party (Fazilet Partisi, FP) voters, with some leftist voters as well. Based on this, Özbudun concludes:

‘that the AKP appears to have successfully rebuilt the Özal ANAP coalition, bringing together former centre-right voters, moderate Islamists, moderate nationalist, and even a certain segment of the former centre-left. (...) Sociologically speaking, the AKP coalition is based on the support of much of the rural population, artisans and small traders in the cities, urban slum-dwellers, and the rapidly rising Islamist bourgeoisie’.\(^{69}\)

\(^{67}\) Ibid.
\(^{68}\) Ibid.
The AKP was also described as ‘the political representative of the new middle class’, comprising provincial artisans and traders, small and mid-range entrepreneurs, and young business executives and also received votes from a good portion of the working class. Özbudun asserts that ‘AKP represents the transformation of political Islam into a moderate conservative democratic party, reconciled to the secular principles of the constitution’. Since gaining office, the AKP managed to gradually squeeze the army out from power and reduce the political influence of the generals, pushing through legal changes that limit the power of the military over politics. Erdoğan involved civilians in the National Security Council that had long been dominated by the military. Abramowitz and Barkey claim that ‘[t]he days of military coups are likely over, partly because the country has become far more diverse and complex and power is now more diffuse, and partly because of these AKP-led reforms’.

Regarding the economy, the AKP claims to be committed to limit the state’s role in the economy to a merely regulatory and supervisory function, supporting privatisation and the encouraging foreign investment in Turkey. On foreign policy, the party stresses the ‘importance of Turkey’s ties with the United States, European countries and the European Union, NATO, and the Central Asian Turkic republics. They also attribute a special importance to ties with Islamic countries.

The AKP was very successful in achieving rapid economic growth since they gained power, and this resulted in vast political support for the party and eventually led to their re-election

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72 Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 2–3.
73 The military itself also contributed to its own undoing with their secret plots to destroy the AKP for example. See Abramowitz and Barkey (2009).
74 Özbudun, „From Political Islam to Conservative Democracy: The Case of the Justice and Development Party in Turkey”, 548.
for a second term in July 2007. The global economic crisis put a damper on growth, and Prime Minister Erdoğan was slow in stimulating the economy, but it seems that by now Turkey has survived the worse.75

The AKP government’s foreign policy activism is not a new phenomenon, and has already generated an expansive literature.76 This foreign policy activism is not an exclusive characteristic of AKP governments, as it started with Turgut Özal’s presidency in the early 1990s, followed by Foreign Minister Ismail Cem in 1999-2002 who also favoured a multi-dimensional, pro-active foreign policy, but with a firm Western axis.77 There are, however, differences, as for example many perceive the Western orientation is weakening.78

Turkish foreign policy took a pro-active turn under the second AKP term, in what Öniş and Yılmaz call the third phase of foreign policy.79 Under Ahmet Davutoğlu newly appointed Minister of Foreign Affairs, Turkey began to pursue a regional ‘soft power’ role.8081 Even before he came to the post, Davutoğlu had been promoting a forceful vision of Turkey’s role in the world as chief advisor to the Prime Minister, and a ‘zero problems with neighbours’ policy, attempting to settle long-standing differences through engagement with leaders and peoples of neighbouring states. ‘The aim is to turn Turkey from a “central,” or regional, power into a global one in the new international order’.82 Turkey’s priorities were also characterised as ‘maximum cooperation approach’, Davutoğlu’s ‘rhythmic diplomacy’ and ‘Strategic Depth’; all part of the transformation towards a more ‘independent and assertive’ foreign policy that is associated with Turkey’s rising self-confidence and the emphasis on its

75 Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 2.
76 Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy”, 2.
77 Ibid., 4.
78 Ibid., 2–3.
79 Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 7.
80 Fotiou, Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation, 3.
81 Mario Zucconi, „The Impact of the EU Connection on Turkey’s Domestic and Foreign Policy.”, Turkish Studies 10, sz 1 (2009): 31–35.
82 Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 4.
multidimensional and ‘multigeographical’ role. These are all signs of a forming regional strategy of Turkey.  

Based on Davutoğlu’s argument, Turkey has multiple regional identities necessitating to extend its influence to Europe, the Middle East, the Balkans, the Black Sea, the Caucasus, Central Asia, the Caspian and the Mediterranean simultaneously. Öniş and Yılmaz explain that:

‘[a]s such, it also needs to go beyond a parochial approach to national security and to become a security and stability provider for the neighbouring regions. Consequently, Turkey’s engagements from Central Asia to Africa, from the EU to the Organization of the Islamic Conference (OIC), as well as its bid for UN Security Council membership and its quest to become a key player in regional energy politics are all parts of this new foreign policy vision, which while somewhat maintaining Turkey’s traditional Western orientation has a strong Eurasian and Middle East component’.  

The AKP is also ‘attempting to exploit linkages between different dimensions of foreign policy. Turkey’s mediating role in various conflict situations is becoming increasingly important in enhancing its status as a pivotal regional power’. Cases in point are the Solana-Larjani meeting on Iranian nuclear issue taking place in Turkey, opening a functional channel of dialogue between Pakistan and Afghanistan, Israel and Palestine, Pakistan and Israel and Israel and Syria.  

Besides the obvious rupture signalling a potential move away from Turkey’s post-War Western orientation towards a more ‘eastern-oriented’ foreign policy pattern under the second

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83 Fotiou, Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation, 5–6; Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy”, 5.
84 Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 9.
85 Ibid., 18–19.
AKP government, Öniş notes elements of continuity that mustn’t be discounted; such continuity is for example the aspiration for EU membership.\(^{86}\)

Leadership and first image factors also influence foreign policy. Prime Minister Erdoğan, Minister of Foreign Affairs Davutoğlu and President Abdullah Gül and their perceptions about Turkey’s role in the world and the region heavily shape Turkish foreign policy.\(^{87}\) Aydın states that changes in the balance of power in the policy-making body can also influence foreign policy, as it was proven by the dominance of economically minded administrators led by then premier Özal with the ‘economy first’ principle in foreign relations, as throughout the 1980s various political and ideological differences were disregarded for the expected economic benefits.\(^{88}\)

The AKP’s foreign policy activism also proved to be a tool to maintain the party’s popularity in domestic politics, appealing to nationalistic sentiments and in line with the ‘changing mood of the public opinion’. ‘[F]oreign policy and domestic politics became heavily intertwined with foreign policy becoming a major instrument for gaining a competitive edge in domestic politics’.\(^{89,90}\) The democratisation of foreign policy under the AKP governments also presents an example of how ‘overall democratisation of domestic politics can contribute towards a softening of foreign policy’.\(^{91}\)

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\(^{86}\) Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy”, 2–3.

\(^{87}\) Abramowitz and Barkey, „Turkey’s Transformers- The AKP Sees Big”, 6; Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy”, 10.

\(^{88}\) Aydın, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century”, 16.

\(^{89}\) Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy”, 14.

\(^{90}\) The role of the opposition parties in influencing foreign policy is limited at the moment. The Republican People’s Party (CHP) and the Nationalist Movement Party (MHP) have limited and inward-oriented policy visions and they are ‘not in a position to contest the ambitious foreign policy agenda’. See Abramowitz and Barkey (2009).

\(^{91}\) Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 20.
Önis explains that key civil society actors emerged in the rising industrial centres due to capital accumulation as important players in Turkey’s foreign policy initiatives: ‘[f]oreign policy in Turkey is no longer in the monopoly of politicians and the diplomats’, he argues. ‘It was increasingly driven from below by key economic and civil society actors. In other words, economy and trade has turned out to be the practical hand of Turkish foreign policy’. Önis thus also treats economic motives as one of the aspects of foreign policy. As energy is an indispensible part of political economy, we can see how structural economic shifts drive Turkey for new markets and strengthened relations with Russia and the Middle East among others.

2.3 The Impact of the Europeanisation Process

Turkey’s European Union membership aspirations have a huge effect on its domestic policy and democratisation process that is widely mentioned as the process of Europeanization. The guiding principles of the AKP were published in their ‘Development and Democratization Programme’. It emphasises democracy, human rights and rule of law. As Önis and Yılmaz mention, the second phase of Turkish foreign policy was characterised by vigorous Europeanisation, lasting from the end of 2002 to the end of 2005. The AKP is incrementally working on democratising its system according to the Copenhagen criteria’, even passing a needed constitution to replace the one imposed by the military in 1982. The party’s performance seem to be by and large in harmony with its written commitments so

92 Önis, „Multiple Faces of the ‘New’ Turkish Foreign Policy”, 12–13.
94 Önis and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 13.
95 Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 1–2.
far, following moderate policies and establishing significant constitutional and legislative reforms to ‘raise democratic standards in Turkey to the level required by the Copenhagen criteria’. The AKP ‘accepted Turkey’s accession to the EU as one of its most important priorities, and prudently refrained from policies (...) that would have caused frictions with the secular state establishment’. In its first three years in power, the parliament adopted two constitutional amendments and six harmonization packages.

Despite the above-mentioned achievements, Turkey’s accession process to the EU has never been smooth sailing, and this has morphed into what Öniş and Yılmaz call the third phase of Turkish foreign policy, corresponding to a loss of enthusiasm and commitment on the side of the AKP to EU accession. The disappointments on the path towards EU membership played a decisive role in rethinking Turkish foreign policy orientation. The continuous debate on the European identity of Turkey, the blockage of key chapters in negotiations, the Cyprus issue, the negative signals from core EU members such as France and Germany all posed obstacles to Turkish membership and provoked a ‘serious nationalistic backlash in Turkey’. All this put a damper on enthusiasm for EU membership on the elite level and among the wide public. Öniş explains that in a way the changing foreign policy orientation is

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96 Özbudun, „From Political Islam to Conservative Democracy: The Case of the Justice and Development Party in Turkey”.
97 Ibid., 549.
98 Saribay in Özbudun, „From Political Islam to Conservative Democracy: The Case of the Justice and Development Party in Turkey”.
99 The Europeanisation process, however, might run into hurdles according to Abramowitz and Barkey as Turkey has a different concept of liberal democracy than the EU. ‘Both the government and the opposition have failed to educate themselves or the public about the rule of law’. See Abramowitz and Barkey, “Turkey’s Transformers – The AKP Sees Big”, 7.
100 Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 13.
101 Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy”, 10–11.
102 Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 5.
a reaction to the changing nature of public opinion; ‘[i]f the EU membership was not on the
cards, then Turkey would need to search for serious geo-political alternatives’.\textsuperscript{103}

During the second AKP government a clear tendency seemed to show itself of Turkey making
independent foreign policy decisions regarding major regional and international conflicts,
presenting a decided rupture can be noted and a ‘pronounced weakening of commitment to
EU membership’ and an ‘increasingly assertive and confident foreign policy as a de facto
independent regional power’.\textsuperscript{104,105} However, even though the accession talks are at a
stalemate, Turkey is already deeply integrated into the European Union economically,
politically and culturally, so a termination or reversal of the integration process has not even
arisen. The Europeanization process is still ongoing, meaning the continuation of domestic
reforms and democratisation process, as the constitutional referendum of September 2010
testifies. Following the low point and the issues of American activities in the Iraq War in
March 2003, relations with the United States also are steadily improving,\textsuperscript{106} although there are
some serious differences on controversial issues such as Iran’s nuclear programme and the
resolution of the Israeli-Palestinian conflict.\textsuperscript{107} Based on this, the Western orientation and
Atlanticist element of Turkish foreign policy continues, although in a looser and more flexible
form.\textsuperscript{108}

\textsuperscript{103} Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy“, 10–11; Özbudun, „From Political Islam to
\textsuperscript{104} Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy“, 5.
\textsuperscript{105} For cases in point (Davos episode, Iranian nuclear programme) see Öniş (2011).
\textsuperscript{106} There are still serious differences between Turkey and the US on issues such as the nuclear programme of
\textsuperscript{107} Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy“, 2–3.
\textsuperscript{108} Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the
AKP Era.“, 13.
2.4 Regional Opening in Turkish Foreign Policy

Turkey had traditionally avoided regional politics and conflicts, however, international developments and the evolution of domestic policies compel it to get more involved. It became clear that a transitional arrangement based on Islam or political pan-Turkism will not materialise in the foreseeable future, although a sphere of influence might emerge. Initially, the higher regional profile led to a rivalry over influence with Iran and Russia. Despite the problems, the opening towards the region still offered advantages to Turkey, providing it with the potential to fulfil its economic and political expectations.\footnote{Aydn, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century“.}

Turkey is undoubtedly important to the region from a geostrategic and economic perspective.\footnote{Fotiou, Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation, 19.} New geopolitical visions have arisen after the end of the Cold War, the end of ideological differences opening up ways for the rise of geopolitics. There were several debates on the possibilities this opens for Turkey in its foreign policy orientation. However, its drive to establish links with the newly independent Central Asian states lacks a certain historical and geographical continuity.\footnote{Turkey only has a short border connection with Azerbaijan.} \footnote{Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood“, 110–111.}

The regional opening was adopted under Turgut Özal’s presidency (1989-1993) and lasted throughout the 1990s, however, mostly on the discourse level due to regional conflicts such as Nagorno-Karabakh or systemic factors such as the rivalry between the United States and the Soviet Union, and after Özal’s that strategic thinking about the Caucasus mostly ceased.\footnote{F. Hill, O. Taspinar, and Institut français des relations internationales, Russia and Turkey in the Caucasus: Moving Together to Preserve the Status Quo? (Institut Francais des Relations Internationales, Research Programme Russia/CIS, 2006).}

The big debates of the 1990s included the issue whether Turkey can be a role model for nation and state building for the newly independent Turkic states,\footnote{Zucconi, „The Impact of the EU Connection on Turkey’s Domestic and Foreign Policy.“, 31–32.} but by the beginning of the
2000s it became clear that the Russian partnership weighs more in Turkish foreign policy priorities.\textsuperscript{115}

Relations with the Middle East has already started to improve from the end of 1990s, while important initiatives to link Russia and the post-Soviet world with Turkey economically and diplomatically started in the early 1990s.\textsuperscript{116} The Middle East and the Arab world slowly became ‘the focal point of Turkish foreign policy efforts (involving both formal initiatives as well as the informal activities of the NGOs) which is quite extra-ordinary by the standards of previous Turkish governments.’\textsuperscript{117} Identity elements also played a role in this opening. The AKP is ‘naturally receptive to developing strong cultural, diplomatic and economic links’ in the region, and likewise, these countries are ‘more receptive to developing closer relations with Turkey under an AKP government with its brand of conservative modernization’.\textsuperscript{118}

The AKP government under its ‘zero problems with neighbours’ foreign policy goal attempted to develop friendly relations with all neighbours of Turkey. This is a deviation of the so-called classical fixed position of Turkish foreign policy.\textsuperscript{119} Davutoğlu commented on these developments, trying to assuage the fears of weakening Western orientation of Turkish foreign policy, relating the main elements of Turkish foreign policy for the most part of the first decade of the 2000s as ‘integrity, comprehensiveness and the understanding of not seeing anything as alternative to something else’.\textsuperscript{120} Finally, he summarised Turkey’s stance and stressed its bridging role among regions: ‘Yes, we have EU orientation. No one can have doubts over our NATO membership, but this geography necessitates running policies that

\begin{itemize}
\item \textsuperscript{115} Aybak, “Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood”, 111.
\item \textsuperscript{116} Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy“, 4–5.
\item \textsuperscript{117} Ibid., 5.
\item \textsuperscript{118} Ibid., 13–14.
\item \textsuperscript{119} Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.“, 9.
\end{itemize}
integrate all global and neighbourhood actors’. What becomes obvious from this is that traditional partners of Turkey, such as the United States and the EU are now only one pillar in Turkey’s new multi-dimensional foreign policy.

Friendly and cooperative relations with the energy rich neighbours and states along potential transit routes are particularly important if Turkey is to realise its energy hub ambitions. It seemed to achieve substantial results thanks to its new pragmatic foreign policy style and regional opening. Önis and Yilmaz argue that Turkey has acted within the framework of what Davutoğlu named “rhythmic diplomacy”, ‘pushing for a sustained pro-activism in the field of diplomacy, trying to achieve a more active role in international organizations, and opening up to new areas where Turkish contacts have been limited in the past’.

The AKP government showed considerable willingness to resolve the Cyprus dispute under the Annan Plan, there has been a striking improvement in both political and economic relations with Syria, with which even a free trade agreement was signed. Turkey and Georgia also experiences a substantial increase in economic interdependence.

This new alignment, with Turkey taking on the role of a benign regional power is based on the use of ‘soft power’ resources, the improving relations with Syria are good examples of this. In the case of Iraq, it took the leadership in the ‘neighbouring countries’ initiative, in order to increase the constructive involvement of regional countries for stabilising the state.

A major breakthrough has been breaking Turkey’s political isolation of Iraqi Kurdistan which is also a positive development in terms of the energy aspect. It would prefer for Iraq to remain whole after American troops leave the country, but even if it breaks apart, Turkey would be

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121 Ibid.  
122 Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 5–6.  
123 Önis, „Multiple Faces of the ‘New’ Turkish Foreign Policy”.  
124 Önis and Yilmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 12.  
125 Ibid., 9.  
126 Ibid., 17–18.
better off with a friendly partner in the energy-rich Northern part of Iraq, claim Abramowitz and Barkey.\textsuperscript{127}

Turkey imports 13 percent of its gas from Azerbaijan.\textsuperscript{128} There have been significant efforts to control the exploitation and transport of Azerbaijan’s energy resources by regional actors such as Russia, Iran and Turkey.\textsuperscript{129} Through the Baku-Tbilisi-Ceyhan crude oil pipeline and the Baku-Tbilisi-Erzurum natural gas pipeline, Azerbaijan, Georgia and Turkey constitute major elements of the East-West Energy Corridor, providing an alternative energy transport route to Russia and Iran.\textsuperscript{130} Good relations among these countries are indispensible for effective energy cooperation.

The animosity between Azerbaijan and Armenia due to the Nagorno-Karabakh conflict posed obstacles to cooperation in the region, and constantly threatens regional stability. Until this conflict is solved, Georgia plays a key role in energy transit, as the most convenient potential transit route is impossible to utilise.\textsuperscript{131} The Georgian War of 2008 further complicated matters. Turkey attempted to restore the relations with Georgia through the initiative of the Caucasus Stability and Cooperation Platform,\textsuperscript{132} and to reverse its isolation policy towards Armenia, although to appease its own nationalists and Azerbaijan, it promised that the borders will not open until Armenia relinquishes control over Nagorno-Karabakh.\textsuperscript{133} Fotiou claims that low politics, such as energy and economic cooperation could facilitate communication between Armenia and Turkey.\textsuperscript{134} Turkish-Armenian rapprochement is conditional on

\begin{thebibliography}{99}
\bibitem{127} Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 4.
\bibitem{128} Murat Ozturk, Yunus Emre Yuksel, and Nuri Ozek, „A Bridge between East and West: Turkey’s natural gas policy”, \textit{Renewable and Sustainable Energy Reviews} (2011): 4288.
\bibitem{129} Eldar Ismailov and Vladimer Papava, „A new concept for the Caucasus”, \textit{Southeast European and Black Sea Studies} 8, sz 3 (szeptember 2008): 283–298.
\bibitem{130} Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 10.
\bibitem{131} Ismailov and Papava, „A new concept for the Caucasus”.
\bibitem{132} Fotiou, \textit{Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation}, 8.
\bibitem{133} Abramowitz and Barkey, „Turkey’s Transformers-The AKP Sees Big”, 4.
\bibitem{134} Fotiou, \textit{Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation}, 11.
\end{thebibliography}
Azerbaijan-Turkish relations. Azerbaijan is concerned that the Turkish-Armenian rapprochement could lead to side-stepping the Nagorno-Karabakh conflict, and threatened to cut the gas flow to Turkey if it cuts a deal with Armenia before the conflict is resolved.\(^{135}\) The most significant achievement of this diplomacy was the cautious rapprochement with Armenia, utilising ‘football diplomacy’.\(^{136}\) Based on these activities, Önis and Yılmaz claim that Turkey will continue to play an important regional role, and its actions are critical in the peace and stability in the region as a pivotal power with substantial influence and capabilities. They also acknowledge the success of Turkish foreign policy shift towards soft power.\(^{137}\)

Zarakol notes that ‘Turkey’s ability to successfully pursue regional influence is contingent upon two factors: continuation of economic stability and growth and the AKP’s ability to deliver on its promise of democracy.’\(^ {138}\) Neither is assured, the economy might overheat, and even though Erdoğan likes to talk about a more pluralistic and democratic Turkey, gradually adopting reforms, in recent years the AKP has been acting increasingly like a status quo party uninterested in reforms that do not favour its own base.\(^{139\,140}\)

### 2.5 Economic Factors

Kirişçi thus claims that analysing economic factors helps to understand Turkish foreign policy regarding its immediate neighbours and countries further away better. The interrelated nature of these factors influencing foreign policy becomes evident when he mentions the EU’s role


\(^{136}\) Önis and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.“, 18.

\(^{137}\) Ibid., 22.

\(^{138}\) Ayse Zarakol, Turkish Foreign Policy in the AKP’s Third Term, PONARS Eurasia Policy Memo, szeptember 2011, 3.

\(^{139}\) The AKP didn’t change the national 10 percent threshold a party has to reach to get seats in the parliament, forcing the Kurdish Peace and Democracy Party members to run as independent.

\(^{140}\) Zarakol, Turkish Foreign Policy in the AKP’s Third Term, 3.
in assisting the transformation of countries into trading states.\textsuperscript{141} The literature including economic factors influencing Turkish foreign policy emphasise the changes the opening and liberalisation of Turkish economy made in the early 1980s, and its contribution to the growth of a new business elite and Turkey’s trade relations with the external world. Some also focus on the harmonisation of Turkish economy with the EU and how well it adjusts to globalisation and international economic competition.\textsuperscript{142} Hale analysing expanding commercial and trade relations of Turkey in the 1980s and 1990s raises the issue of whether ‘trade follows the flag’ or the other way around, and claims that during the Cold War politics determined trade, but this is changing fast.\textsuperscript{143}

Turkey’s current multi-dimensional foreign policy has several motors. After the end of the Cold War Turkey began to re-discover its neighbours and tried to ‘capitalise on its geo-political position in three distinct, yet interlocking regions’.\textsuperscript{144} Aydın also stresses how the Turkish Ministry of Foreign Affairs started to pay attention to political economy considerations and initiated an active promotion of the interests of the Turkish economy. He predicts that economic factors may still be expected to influence foreign policy, even if loosely.\textsuperscript{145} Under the AKP government this re-discovery took an increasingly faster pace, driven among other reasons by solid economic factors. By the end of 2007 overall external trade reached $277.3 billion, reaching 42 percent of GDP compared to 23 percent in 1995 (see Table 1).\textsuperscript{146} Öniş and Yılmaz argue that:

‘the significant trade and investment linkages, which characterize Turkey’s foreign economic relations with all neighbouring countries including northern Iraq, in a high

\textsuperscript{141} Kiriçi, „The transformation of Turkish foreign policy”, 54.
\textsuperscript{142} Ibid., 38.
\textsuperscript{143} William Hale, „Economic Issues in Turkish Foreign Policy”, in Turkey’s New World: Changing Dynamics in Turkish Foreign Policy, szerk Alan Makovsky and Sabri Sayari (Washington Institute for Near East Policy, 2000), 28.
\textsuperscript{144} Öniş, „Multiple Faces of the ‘New’Turkish Foreign Policy”, 19.
\textsuperscript{145} Aydın, „Twenty Years Before, Twenty Years After: Turkish Foreign Policy at the Threshold of the 21st Century”.
\textsuperscript{146} Kiriçi, „The transformation of Turkish foreign policy”, 48.
growth context enable Turkey to deploy its “soft power” resources much more effectively. The importance of these growing economic relations and trade-investment linkages are particularly striking in Turkey’s recent relations with Greece, Iraq and Syria.\textsuperscript{147}

They go even further and declare that the ‘strength of the Turkish economy will be crucial for its ability to play a benign regional role based on “soft power”’.\textsuperscript{148} The strength of the economy, however, is crucially dependent on stable energy supplies, and at the moment that means Russia.

Table 1.

| Foreign trade and the Turkish economy between 1975 and 2007 (in USD billion) |
|-------------------------------|--------|--------|--------|--------|--------|
| GDP                           | 64.5   | 67.5   | 244.9  | 484    | 657.1  |
| Total export                  | 1.4    | 7.9    | 21.6   | 73.5   | 107.3  |
| Total import                  | 4.7    | 11.3   | 35.7   | 116.3  | 170.1  |
| Overall trade                 | 6.1    | 19.3   | 57.3   | 190.2  | 277.3  |
| Overall trade as percentage   | 9%     | 29%    | 33%    | 39%    | 42%    |

Source: Kirişçi (2009)

Bacik claims that the rise of mutual dependence through several pipeline projects has given way to a kind of paradigmatic shift in Turkish foreign policy,\textsuperscript{149} again emphasising the way

\textsuperscript{147} Öniş and Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, 19.

\textsuperscript{148} Ibid.

\textsuperscript{149} Bacik, „Turkey and Pipeline Politics.”, 293.
how energy imperatives can influence foreign policy. As a result of increasing Turkish power and favourable external factors, Turkey successfully realised certain pipeline projects, as well as integrated with different economies and markets through energy politics. Kirişci claims that during Turkey's rising as a trading state, foreign policy-makers themselves underwent a transformation, realising that Turkey's national interest 'cannot be solely determined in terms of a narrowly defined national security, and that economic considerations such as the need to trade, expand export markets, and attract and export foreign direct investment are just as important'.

Nowadays the ministry is much more involved in promoting Turkish economic interests, proven by the several meetings they organise between representatives of business life and diplomats, e.g. the Ambassadors' Conference in July 2008 where economic considerations were at the top of the agenda. The possibility for business people to influence foreign policy is also open because of their frequent participation in state visits.

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150 Kirişci, „The transformation of Turkish foreign policy”, 33–34.
151 Ibid., 49–50.
Chapter 3: Turkish Energy Prospects and their Impact on Foreign Policy

The oil crisis and the following deteriorating economic situation in the 1970s created new objectives for states that depended on energy imports. Ozturk et al. make the situation clear: ‘Turkey’s economy requires growing new raw materials, however; limited domestic natural resources oblige her to meet its demand by buying from external resources. Therefore, Turkish energy policy has direct links with her foreign policy’. As 74 percent of the total primary energy consumption needs to be met by import from surrounding regions and countries,\textsuperscript{152} meaning that Turkey’s relations with energy exporter countries are critical in terms of its foreign policy. Turkey is also in an excellent geographical location as a crossing state for the countries with energy resources to export, and enjoys an increasing significance as an energy transit country adding to the strength of energy policy considerations in foreign policy.

According to some estimations, by 2020 Turkey will be processing the surplus of the approximately 120 bcm of gas that will arrive there, making Turkey the third largest gas supplier of Europe after Russia and Algeria, even though it is not a producer country. A great proportion of oil from the former Soviet territories, between 2,000,000 and 2,600,000 br/day already transits to Europe via the Turkish Straits.\textsuperscript{153}

Bacik summarises Turkish energy politics as follows.\textsuperscript{154} Turkey tried to increase its share in international projects and its role in international energy routes. The main goal of energy politics was of integrating the Turkish system into neighbouring energy systems, such as the European energy regime. Bacik claims energy issues played a formative part in this pragmatic

\begin{footnotesize}
\begin{enumerate}
\item Murat Ozturk, Yunus Emre Yuksel, and Nuri Ozek, „A Bridge between East and West: Turkey’s natural gas policy”, Renewable and Sustainable Energy Reviews (2011): 4288.
\item Aurèlia Mañé-Estrada, „European energy security: Towards the creation of the geo-energy space”, Energy Policy 34, sz 18 (december 2006): 3783.
\item Gökhan Bacik, „Turkey and Pipeline Politics.”, Turkish Studies 7, sz 2 (Summer2006 2006): 298–299.
\end{enumerate}
\end{footnotesize}
shift in foreign policy attitude, as new opportunities opened in the energy sphere among others that

‘brought about a need for a new foreign policy perception. In fact, the nature of energy politics requires a different framework, as it is a highly market-oriented issue. Thus, economic concerns dominate political concerns. Energy politics is a rational process, because objective facts such as market figures dominate the process; therefore, incalculable facts such as morality and identity are expected to be limited. Furthermore, since a variety of actors and causes are at work, states are in a complex bargaining process. As a result, there has been an increased mutual interdependence among different actors.’ 155

States are forced to cooperate with each other, as diversification of resources is the main goal of actors. As part of this trend, Turkey has carried out reforms to harmonise itself with the political, technical and legal conditions of the energy market, and these activities developed a new pragmatic attitude of foreign policy. 156

Following Bacik, ‘[e]nergy politics refers to a very complex web of domestic and international aspects. Relevant states thus operate in this intricate political setting’. According to him, the main developments around the pipeline issue that affect Turkey’s foreign policy are Turkey’s energy demand, the European energy market and competition over energy resources, 157 and this chapter follows this outline aiming to introduce connections between energy policy and foreign policy, as well as the political realities Turkish energy policy is surrounded by in terms of its own energy strategy and demand, Europeanisation of its energy legislation, and the hard competition it finds itself in the region for energy resources and transit routes. In this external situation Turkey needs to find allies to cooperate with in major energy projects, as well as needing to carefully balance between such great powers like Russia and the United States. This imperative for cooperation resulted in a two-fold paradigm shift in

155 Ibid.
156 Ibid., 299.
157 Ibid., 293–299.
Turkish foreign policy, leading it to open towards regional partners and to become more pragmatic.\footnote{Ibid., 293.}

### 3.1 Turkey’s Energy Demand

Turkey’s increasing energy demand is a major issue; it has risen fast due to social and economic development, and total primary energy production meets only 27 percent of the total primary energy demand.\footnote{Mustafa Balat, „Energy consumption and economic growth in Turkey during the past two decades”, *Energy Policy* 36, sz 1 (január 2008): 125.} Currently Turkey is the 17\textsuperscript{th} largest economy in the world in terms of economy, and its energy needs are increasing rapidly, growing by 8 percent annually. Its natural gas consumption has been growing since the 1980s. The estimated needs for natural gas will reach 53.6 bcm in 2015 and 62.5 bcm in 2020, while oil imports will reach 29.5 and 38.7 Mt respectively.\footnote{Ozturk, Yuksel, and Ozek, „A Bridge between East and West”, 4287.} While Turkey is encircled by energy rich neighbours in the Middle East, North Africa, the Caspian Basin and the Russian Federation, containing 73 percent of the world’s proven crude oil reserves and 72 percent of the world’s proven natural gas reserves,\footnote{Ibid., 4289–4290.} Turkey itself is what we can call energy poor, importing approximately 95 percent of its oil and 97 percent of its gas (See Table 2).\footnote{Agata Łoskot-Strachota, „Turkey - An Energy Transit Corridor to the EU?”, *CES Studies* (2005): 21.} ‘As a net importer, and itself a major market for producers Turkey’s importance lies in its ability and willingness to develop a major transit system for gas as well as oil, enabling hydrocarbon resources to access European markets by pipeline routes from such diverse regions around Turkey, such as the Middle East, the Caspian Region and Central Asia’.\footnote{Ozturk, Yuksel, and Ozek, „A Bridge between East and West”, 4287.} Turkey’s main oil suppliers are Saudi Arabia, Iran, Iraq, Syria and Russia, and the share of Caspian oil is rising thanks to

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\footnote{Ibid., 293.}
constructed and projected oil pipelines, and the share of producers is more balanced than in the case of natural gas (See Table 3).\textsuperscript{164}

Table 2.

| Table 3. Turkey's productive, consumption and import of oil and gas |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Oil production, million tons | 2.5                | 2.0                | 2.5                | 2.4                | 2.5                | 1.5                | 0.7                |
| Oil consumption, million tons | 23.0               | 23.2               | 23.4               | 20.3               | 29.9               | 26.6               | 49.9               |
| Oil imports, million tons | 24.4               | 28.9               | 24.4               | 28.2               | 28.5               | 36.5               | 50.5               |
| Gas production, billion cubic metres | 0.2               | 0.6                | 0.3                | 0.4                | 0.6                | 0.3                | 0.3                |
| Gas consumption, billion cubic metres | 7.6               | 14.9               | 14.0               | 17.6               | 21.2               | 40.7               | 43.3               |
| Gas imports, billion cubic metres | 6.9               | 14.4               | 15.3               | 17.1               | 20.7               | 52.0               | 41.1               |

Source: IEA, Oil Information 2004, Natural Gas Information 2004, news agencies and proprietary calculations
* forecast

Source: Ozturk et al. (2011)

Table 3

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<th>The distribution of Turkey's natural gas exports (bcm).</th>
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Source: Ozturk et al. (2011)

Based on Turkish foreign policy activity promoting the country as an energy hub and the country’s Strategic Plan 2010-2014,\textsuperscript{165} the willingness Ozturk et al. mention is not lacking on the Turkish side. The ability, however, also depends on external circumstances and its success

\textsuperscript{164} Ibid.; Loskot-Strachota, „Turkey - An Energy Transit Corridor to the EU?”, 21.

in cooperating with other states to build infrastructure among other things. The most influential state among those Turkey needs to cooperate with to realise its ambition is Russia.

Natural gas has become more and more important since the 1980s, due mostly to the construction of a pipeline carrying Soviet gas to Ankara, then later to other cities. By 2010 over 31 percent of Turkish gas imports came from Russia via the Black Sea, more than 27 percent also from Russia via Bulgaria, about 19 percent from Iran, 13 percent from Azerbaijan, and the remainder from Algeria and Nigeria. As these numbers show, the bulk of Turkish natural gas demand is met by imports, and more than half of it is from Russia. These take-or-pay agreements are held by BOTAŞ Petroleum Pipeline Corporation, Turkey’s state-owned crude oil and natural gas pipelines and trading company.166

Ozturk et al. describe the components of Turkey’s national energy policy as follows: 1) energy diversity, meaning the diversification of energy sources and exporter countries so that Turkey is not dependent on just one country’s reserves; 2) to ensure a sustainable, high quality and cheap energy supply; 3) to function as a bridge of energy by maintaining the country’s geopolitical opportunities. All three of these aspects have implications on foreign policy. Ozturk et al. claim that the efforts Turkey made to have pipelines crossing its territory such as the Baku-Tbilisi-Ceyhan (BTC) pipeline, or East-West, North-South projects, are the result of this policy.167

As we can deduce from Table 3, Turkey attempts to diversify resources and lessen Russian proportion in its import. The acute need for energy necessitates certain patterns in foreign policy, like pragmatism, flexibility and overcoming normative concerns.168

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166 Ozturk, Yuksel, and Ozek, „A Bridge between East and West“, 4288.
167 Ibid., 4289.
168 Bacik, „Turkey and Pipeline Politics.„, 294.
Turkey is located between these reserves and the growing European market. Several states expressed interest in transporting through Turkey. Iran is mostly interested in the European market and Turkey is the easiest way both geographically and regarding infrastructure availability. When Iraq becomes stable and returns to full production, it will become an oil supplier of Europe through the currently idle Kerkuk-Ceyhan oil pipeline. Concerning Russia, more than 35 percent of its hydrocarbons already passes through Turkey and the Turkish Straits. As Turkey eventually wants the oil transport via the Turkish Straits downsized for environmental reasons, the Middle East gas transit from Iran and Egypt and oil transit from Iraq will grow in importance and take place via Turkish territory.

Transit and sale of energy resources is expected to become a source of revenue for the state, and a leverage in the region and towards the EU, as well as ensuring energy security for Turkey. Loskot supports this by claiming that Ankara was already able to use its increased strategic position in bargaining with Moscow on the Blue Stream contract.

In the Caspian Region three countries can potentially become exporters on the European market, Kazakhstan, Turkmenistan and Azerbaijan. Azerbaijan’s energy resources would reach the European market the earliest, as two pipelines have been implemented with this objective in mind, the Baku-Tbilisi-Ceyhan and the Baku-Tbilisi-Erzurum pipelines. They are especially important for Turkey as they are the materialisation of the Turkish transit corridor idea. The Turkey-Greece interconnector pipeline is also built with this idea in mind.

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169 Ozturk, Yuksel, and Ozek, „A Bridge between East and West“, 4290.
170 Ibid.
171 Loskot-Strachota, „Turkey - An Energy Transit Corridor to the EU?“, 22.
172 Ibid.
173 Ibid., 23.
However, to transport the energy resources of the Caspian states, a Trans-Caspian Pipeline would be needed, the construction of which is problematic.\textsuperscript{174}

### 3.2 The European energy market

The European Union is currently changing into a massive energy regime, and as Turkey aspires to be a member of the EU, it needs to comply with its regulations. Being strongly connected and integrated into the EU energy grid and transport routes could be turned into a huge leverage in the accession talks. Ozturk et al. conclude that for Turkey to realise its aim of becoming the East-West energy bridge, it should have an energy policy compatible with that of the EU. They also assert that ‘Turkey’s plans to be the Energy Corridor fit well with the geopolitical structure of Eurasia region. Security considerations make Turkey an ideal place for natural gas pipelines’.\textsuperscript{175}

The European energy system depends on three important principles: security of supply, competitiveness of the energy industry, and protection of the environment. It is clear that to achieve this, many legal and technical reforms are needed. The energy dependence of the EU is expected to increase steadily from 2010 to 2020. The EU has defined four political targets connected to the issue: managing demand, diversifying European sources, a streamlined internal energy market, and controlling external supply.\textsuperscript{176} The rise of energy consumption in European countries requires new routes, and several attempts have been made to develop energy-based cooperation. The EU has tried to create an international regime on energy by promoting East-West cooperation through legal frameworks in areas such as investment,

\textsuperscript{175} Bacik, „Turkey and Pipeline Politics.“, 294–297; Ozturk, Yuksel, and Ozek, „A Bridge between East and West“, 4294.
transit and trade.\footnote{177} In this international regime there would be certain norms and principles, and it would establish a legal framework. The EU thus prefers a regime-based solution, attempting to impose a functional energy regime based on certain principles in order to guarantee safe and stable energy transactions. Turkey stands as an alternative, defined by priority axes as defined in the TEN-E Guidelines: ‘The EU will need to be connected to the Turkish network by 2010 to receive gas from the Caspian Sea region and/or the Middle East. As the Turkish corridor is expected to become a major transit route in the following decade, the possible construction of two Balkan routes, to Austria via Southeast Europe, and the pipeline connection from Turkey to Greece and Italy are foreseen.’\footnote{178}

The issue of connecting the European and Turkish energy systems is critical in order for the EU to connect to the Caspian Sea region and Middle Eastern resources. Another important EU programme for Turkey is the Interstate Oil and Gas Transport to Europe (INO Gate), which is an international cooperation programme aimed at promoting the regional integration of the pipeline systems and facilitating the transport of oil and gas both within the greater New Independent States region and towards the export markets of Europe. Turkey officially joined the programme on March 30, 2000.\footnote{179}

The European energy market thus has its specific requirements, not only focusing on bilateral economic relations, but also on a complex systemic structure based on norms, principles and regulations. As Turkey is an aspiring EU member, it has to comply and harmonise its national system according to the European regime, and Turkey seemed to be working to this end. ‘Another prerequisite is the construction of a pipeline system, another essential step which could assist Turkey’s integration into the European energy system. The construction of

\footnote{179} Bacik, „Turkey and Pipeline Politics.”, 294–297.
various international pipelines necessitates a new legal framework in which there would be fewer legal, economic, and political restrictions.\textsuperscript{180}

The liberalisation of energy markets in line with EU requirements is dominant on Turkey’s agenda; in 2001 two laws were enacted to end the state’s monopolies in power and natural gas. A series of other laws followed, such as the ones on electricity market licences (2002), oil market (2003) and renewable energy (2005, 2007 and 2010). This massive legal and institutional restructuring encourages new and competitive investments. Ozturk et al. note that the energy sector generates significant investment opportunities due to three factors: the country’s growing energy demand; its role as a transit country; and market liberalisation. ‘Despite having more than one aspect, present and prospective pipeline infrastructure is the main component of (...) Turkey’s energy policy to determine [the] country’s economic and international political status.’\textsuperscript{181} Turkey is trying to be an important link between demand and supply; it is planning new gas supply routes, increasing cooperation with neighbouring countries and continuing the integration of Turkish and European natural gas markets.\textsuperscript{182} However, as Ozturk et al. state, ‘Turkey’s domestic energy production, distribution and energy transit infrastructure are still predominantly in the hands of state-owned companies,’\textsuperscript{183} so there is much to do still in terms of implementation of already existing legislation.

Turkey’s role is thus becoming more and more important to European energy security as the EU is dealing with the ‘interrelated problems of ensuring energy security and the provisions of energy supplies from multiple sources at competitive prices’.\textsuperscript{184} Turkish participation in the Nabucco project could contribute to the EU energy security goals. Nabucco is a natural gas pipeline project designed to ship Caspian and Middle Eastern gas to EU via Turkey, serving

\begin{itemize}
\item \textsuperscript{180} Ibid., 297.
\item \textsuperscript{181} Ozturk, Yuksel, and Ozek, “A Bridge between East and West”, 4289.
\item \textsuperscript{182} Ibid., 4290.
\item \textsuperscript{183} Ibid., 4290.
\item \textsuperscript{184} Ibid., 4290.
\end{itemize}
as the fourth artery bringing gas into the European Union, reducing its dependence on Russian
gas, while also allowing Europe to diversify its transport routes and minimise transit-country
risk such as it experienced with Ukraine. 2,000 km of the 3,300 km long pipeline will run on
Turkish Territory. According to one estimate, 64 percent of the transport capacity would be

However, the EU would assign only a limited role for Turkey in the project, and Turkey is not
satisfied with the passive transit role. Even though it would raise the country’s strategic
importance as an energy corridor, Turkey’s ability to control the flow of gas through its
territory, to secure its gas supply, and engage in gas trade would be curtailed by the project.
‘Economically, gas trade is generally far more profitable than engaging in gas transport. It
also gives greater leverage to the host country to deliver gas at competitive prices to its
consumers.’\footnote{Ibid.}

Demirmen claims that since Turkey had better alternatives considering its geographic location
than to support such an unsatisfactory deal, the AKP government only agreed to it to endear
itself with the EU and advance its political agenda.\footnote{Ibid.} It seems to be working, as Abramowitz
and Barkey note that Turkey’s importance increased in the EU related to energy issues.\footnote{Morton Abramowitz and Henri J. Barkey, „Turkey’s Transformers-The AKP Sees Big”, Foreign Affairs 88 (2009): 5.}

The dissatisfaction with the EU on the Nabucco issue might have contributed to Turkey
signing up for the South Stream pipeline project supported by Russia only a couple of weeks
after agreeing to participating in Nabucco. Davutoğlu, Foreign Minister of Turkey commented
the events as Turkey having shown the world that it is the most significant crossroads in the global flow of energy.\footnote{Davutoğlu: Turkey a crossroads of global energy transportation", Sunday’s Zaman, 2009, http://www.sundayszaman.com/sunday/newsDetail_getNewsByld.action;jsessionid=B6C39004881EB3CAD5A7D36CFF23C0?newsId=183531&utm_source=SRCC+Loyal+Contacts&utm_campaign=129878e4e8-News_Roundup&utm_medium=email&ct=t(Syrian_Revolution_News_Round_upB_30_2011).}

\section*{3.3 Competition over energy resources}

Hard competition is going on for the region’s energy resources with many alternatives for energy projects that quickly turned into competition of states’ projects. The key players are the United States, the EU, Russia and middle regional powers such as Iran and Turkey. Bacik claims that energy cannot be isolated from politics, as ‘political concerns have always been of importance when building new pipelines and establishing trade relations. In 1995 Turkish President Suleyman Demirel stated that Turkey is not after economic benefits with its pipeline projects, but it was interested in lessening the economic and political dependence of Caspian states on Russia,\footnote{Suha Bolukbasi, „The Controversy over the Caspian Sea Mineral Resources: Conflicting Perceptions, Clashing Interests”, Europe-Asia Studies 50, sz 3 (1, 1998): 397.} displaying a completely different energy policy justification than nowadays. Russia continues to play a significant role in the energy market, and from the very beginning it was against the involvement of external actors such as the US, and has opposed several of the pipeline projects. As there is no single energy regime in the region ‘each state perceives energy cooperation from its national perspective’,\footnote{Bacik, „Turkey and Pipeline Politics.”, 297.} and it seems that due to the hard competition and lack of cooperation major interstate energy projects would be hard to realise.

Interstate rivalry and competition over resources and energy routes became especially evident over the negotiations regarding the Baku-Tbilisi-Ceyhan crude oil pipeline, which to a large
extent represented a power struggle between Russia and the US.\textsuperscript{192,193} The idea of the East-West Energy Corridor is heavily supported by Turkey, Azerbaijan, Georgia and the United States. The corridor’s goal is to transport Caucasian and Central Asian crude oil and natural gas to international markets via alternative routes to Russia and Iran. The main components of this corridor are the BTC and BTE pipelines, the TGI Interconnector project, railroads and complementary infrastructure. The completion of the BTC is particularly significant; it was completed in 2006, and opened a new East-West energy corridor, providing an alternative route to Russia and Iran for crude oil. It also enhanced Turkey’s role substantially, making into a critical energy corridor.\textsuperscript{194}

Turkey is an active participant to these struggles over energy resources, so the abovementioned issues are all relevant for Turkey’s stance in energy politics. As Bacik notes, they have ‘forced Turkey to create a functional and complex energy system in order to realize what is needed so as to maximize its national interest’.\textsuperscript{195} This required a structural change in Turkish foreign policy. Bacik claims that the ‘nature of energy politics has played a major role in the adoption of a pragmatist and functionalist standpoint’, as Turkey quickly adapted to political realities.\textsuperscript{196} It would seem that Turkey recognised the political reality of the region and Russia’s overbearing influence and adopted a foreign policy strategy that proved to be more easily palatable for it.

3.4 Main points

The growing Turkish economy requires raw materials, limited domestic resources, however, oblige Turkey to meet its demand by buying from external sources; therefore, as Ozturk

\begin{itemize}
\item \textsuperscript{193} For more on US interests in the energy politics of the region, see Lubin (2000).
\item \textsuperscript{194} Ziya Öniş and Şuhnaz Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, \textit{Turkish Studies} 10, sz 1 (2009): 11.
\item \textsuperscript{195} Bacik, „Turkey and Pipeline Politics.”, 298.
\item \textsuperscript{196} Ibid.
\end{itemize}
claims, the energy policy of Turkey has direct links with her foreign policy.\textsuperscript{197} Turkey is committed to several pipeline projects, such as South Stream, Nabucco, planning a Samsun-Ceyhan domestic oil pipeline to avoid the Turkish Straits. The Turkish Foreign Minister claimed that the projects are complementary for Turkey’s role as regional energy hub.\textsuperscript{198}

As this chapter presents, energy considerations affect Turkish foreign policy in three main areas: Turkish energy demand, the requirements of the European energy market and the regional competition over energy resources. The shifts in foreign policy, namely the regional opening and the pragmatic turn, that existing explanations such as structural aspects, domestic developments, Europeanisation process couldn’t fully account for make sense in the context of the political realities of energy imperatives.

\textsuperscript{197} Ozturk, Yuksel, and Ozek, “A Bridge between East and West”, 4288.
\textsuperscript{198}
Chapter 4: Turkish-Russian Relations – Case Study

During the Cold War, relations between Turkey and Russia were mostly determined by structural factors. Turkey was firmly in the Western alliance symbolised by its NATO membership, but kept functional relations with the Soviet Union.\textsuperscript{199} As the historical background section will present, the relationship started to change after the end of the Cold War. There are two more or less distinct postures Turkey displays in Turkish-Russian relations. In the first phase Turkey attempts to assume a regional leadership role and a competitive stance towards Russia, while in the second phase Turkey is still active in the region and continues to be on friendly relations with states in the region, but a more pragmatic foreign policy stance emerges that encourages cooperation with Russia.\textsuperscript{200}

Turkish attempts to build relations with the newly independent states in Central Asia and the Caucasus were a big source of animosity between it and Russia. During the early 1990s, Turkey assumed the leadership/big brother role towards these new states, and this irked Russia. With the shift of Turkish foreign policy, ‘the relationship with these countries continues to be friendly, yet it is grounded on more pragmatic mutual economic interests. Hence, a possible confrontation with Russia through an over-activist approach towards the rest of the post-Soviet space is effectively avoided.’\textsuperscript{201} A strong but pragmatic drive to develop diplomatic and economic relations with Russia and the rest of the former Soviet Union emerged. Relations, especially under Putin’s premiership are continuously improving.\textsuperscript{202}


\textsuperscript{200} Ziya Önis and Şuhnaz Yılmaz, „Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”, \textit{Turkish Studies} 10, sz 1 (2009): 18.

\textsuperscript{201} Ibid.

\textsuperscript{202} Ibid., 10.
Some scholars explain this Turkish foreign policy shift by largely the factors presented in the second chapter on Turkish foreign policy. The argument here, however, is that in order to gain a more complete picture and explain both shifts in Turkish foreign policy, the regional opening and the pragmatic manner, the energy aspect needs to be introduced in the analysis of Turkish-Russian relations. Structural changes could to some extent be responsible for the regional opening aspect in Turkish foreign policy, seeing how the current crisis of the centre caused a shift of the ‘economic axis of the global system from the “west” to the “east” or from the “north” to the “south”’. However, attempts have already happened on the Turkish side to open towards the region in the 1990s, but without the pragmatic stance it caused a competition over regional dominance with Russia. Domestic factors also don’t explain the rapprochement fully, as for example the disagreement over the BTC pipeline happened already under the AKP government, the same government in power currently. An attractive explanation is to trace the warming relations with Russia and the region to Turkish disappointments with the EU, and this can be the case to some extent, but this only explains the opening towards the region, not the pragmatic shift. Turkish disappointment with American invasion of Iraq and the problematic accession talks with the EU also encouraged a rapprochement between Russia and Turkey, as opinion polls demonstrate the popularity of the EU below that of the Russian Federation. More and more Russia was seen by the Turkish public as a Eurasian partner they can do business with. This chapter will first detail the historical background of relations between the two states, followed by evidence of the recent

203 Ziya Öniş, „Multiple Faces of the ‘New’ Turkish Foreign Policy: Underlying Dynamics and a Critique”, Insight Turkey 13, sz 1 (2011): 11.
204 Önis and Yılmaz, “Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era.”
205 Eleni Fotiou, Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation, ICBSS Policy Briefs (International Centre for Black Sea Studies (ICBSS), Athens, Greece, 2009).
206 Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood”, 107.
207 Tunç Aybak, „The Rise of Eurasianism”, in Writing Turkey: Explorations in Turkish History, Politics, and Cultural Identity, szerk Gerald MacLean (Middlesex University Press, 2006).
rapprochement, then moving on to the energy dimension of relations and ending with a summary of the main points raised.

4.1 Historical Background

Following the World War I relations between the countries were cordial, the Soviet Union being the first state to recognize Turkey’s independence. In 1925 they signed the Treaty of Friendship and Neutrality agreeing to abstain from aggression. Turkey openly sided with Britain and France in 1936, also because of increasing Soviet demands on the Turkish Straits and some territories in the East, compelling Turkey to seek alliance with the West. Even though Turkey opted not to take sides in the World War II, as a grand strategy of Westernisation it still had close ties to the West. In 1945 the Soviet Union abrogated the Treaty of Friendship and Neutrality, and the relationship turned strained during the Cold War, that was finalised by Turkey’s 1952 NATO membership.209

After Stalin’s death, the relationship improved somewhat, while Turkey’s relations with the West cooled over the Cyprus issue. In the 1960s Khrushchev started giving economic assistance to Turkey, also investing in the metal industries and oil refineries of the state. Between 1965 and 1979 Turkey and Russia exchanged high level diplomatic visits and signed cooperation agreements. After Turkish occupation of Northern Cyprus, the United States imposed an arms embargo on Turkey. The 1980s were spent with Turkey balancing between its commitments to NATO and friendly relations with the Soviet Union while internally fighting against communism.210

In 1978 Prime Minister Ecevit went to Moscow, and signed three agreements with the Soviet Union. In 1979 economic relations peaked, when the parties signed an agreement that

209 Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood“, 108.
provided Turkey with financial credit to build a thermal power plant and improve some oil refineries. The Soviet invasion of Afghanistan 1979 again provoked a cooling of relations. Under Özal’s premiership Turkey and the Soviet Union again signed a number of agreements, including one for a pipeline plan to carry natural gas from the Soviet Union to Turkey. When the Soviet Union disintegrated, economic and diplomatic ties were still being developed.211

4.2 Evidence of Changes in Turkey-Russia Relations

After the end of Cold War, a new chapter opened in bilateral relations between Russia and Turkey. For both states it was a decade of adjustment to the new international and regional circumstances, searching for new identities and new projections in the Eurasian space. ‘While Russia had to come to terms with its new nation state status, for Turkey a new avenue into Eurasia and the rest of the Turkic world was opened up in its foreign policy options for the first time.’212

The signs of a deepening of relations can be seen from the Eurasia Action Plan of 2001, that included cooperation in the field of culture, trade and tourism and regular political consultations of Russia and Turkey. Kiniklioglu quotes a senior diplomat saying that relations with Russia are more substantial and regular than those with any other country.213 In 2004 Putin visited Turkey, the first visit from a Russian head of state in thirty two years. Later, Turkish President Necdet Sezer reciprocated the visit, and promises were made on the further deepening of relations in economic, cultural and political fields.214

The intensity of the relations is mirrored by the high-level diplomatic visits; Putin and Erdoğan met at least ten times between 2004 and 2009, and there have been at least 20 other

211 Erel in Ibid., 109.
212 Ibid., 110.
214 Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood“, 112.
high level meetings between the governments, including a visit of Turkish Ministers of Foreign Affairs and Energy in July 2009. Aybak states that ‘[t]he regularity of these high level meetings and significant agreements in energy, trade and other social and cultural areas go well beyond a simple diplomatic bilateral relationship and reflect the nature of the deepening multidimensional strategic engagement between Turkey and Russia.’

He claims that ‘[t]he rise of Russian-Turkish partnership is the outcome of the convergence of long term strategic, economic and social interests between Russia and Turkey. These common concerns and interests are worth mentioning if one is to understand the nature of the relationship and the level of interdependence between both countries.’

Common interests of Russia and Turkey in the region can be traced back to two major aspects; they prefer to keep external actors and influence out of the region, and they prefer regional stability. Both Turkey and Russia are suspicious about Western motivations in the Middle East.

Even though Russia and Turkey emphasised several times the importance of regional cooperation in order to confront competitive challenges of globalisation, were both founding members of the BSEC, in practice not much progress has been made on this front, a case in point would be exactly the Black Sea region. It was a historical hotspot between the Russian and Ottoman Empire, however it was also an active zone of exchange between populations, commercial interactions and large migrations linking them.

The idea of a Black Sea regional economic strategy came from the Turkish sides and adopted by President Öal in 1990. A regional economic cooperation seemed to be unlikely after the dissolution of the Soviet Union, but a series of study meetings took place nevertheless. Finally, the charter

215 Ibid., 113.
216 Ibid.
217 Aybak, „The Rise of Eurasianism”.
218 Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood”, 115.
219 Ibid., 107.
of the Organization of the Black Sea Economic Cooperation (BSEC) was signed in June 1992. However, Russia started to perceive the Cooperation as Turkey’s lever for regional hegemony, and they were also concerned that NATO could be extended to the region and that would endanger Russian interests. Russia was also concerned that the US sponsored pipeline and energy project initiatives that would bypass Russia would undermine Russian economic interests. These perceptions lasted until the 1990s. Even though they competed against each other for influence over the Black Sea, it was clear that they didn’t appreciate other actors getting involved.

Military cooperation between Russia and Turkey seem to be improving. They are already cooperating under the framework of BLACKSEAFOR established in the early 2000s. Their common interests regarding the Black Sea region is maintaining the status quo. They commonly perceive the 1936 Montreux Convention as the safeguard against the militarisation and destabilisation of the Black Sea, and their common interest is to safeguard this Convention.

Russia’s priority regarding the common neighbourhood with Turkey seems to be to limit its conflict potential and increase stability. Even though Russia doesn’t appreciate encroachments into its spheres of influence, it still recognised the common interests with Turkey and accepted Turkish political dynamism in the Caucasus eventually. Russia and Turkey have an extensive partnership including the spheres of energy, trade, tourism, but also military and

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221 Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood”, 109–110.
223 In 1994 Turkey introduced new regulation on the use of the Turkish Straits, making it more expensive. Moscow challenged it on the basis of the Montreux Convention, but was in a weak position as it didn’t have an interest in risking the collapse of the Convention keeping the Black Sea under the influence of the littoral states. See more in Güçlü (2000).
224 Yücel Güçlü, „The Legal Regulation of Passage through the Turkish Straits”, Mediterranean Quarterly 11, sz 3 (2000): 87–99.
defence industry, and by now Turkey is regarded by Russians as a potential ally to decrease American influence in the Caucasus and the Black Sea; this has especially been the case since Turkey demonstrated independent foreign policy actions during the American operations in Iraq and the Georgian-Russian war.\textsuperscript{225}

Fotiou claims that the warming relations with Russia were promoted both by the security establishment and the economic elite.\textsuperscript{226} Ever since the 1990s the level of foreign trade between the two countries has increased steadily, and finally reached 20.7 billion dollars in 2006, and 38 billion dollars in 2008. Turkey is the seventh biggest trade partner of Russia, while Russia is Turkey’s main trade partner.\textsuperscript{227} Abramowitz and Barkey also see Turkish-Russian rapprochement as being driven by a vast expansion in bilateral trade.\textsuperscript{228}

4.3 The Energy Dimension of Russian-Turkish Relations

According to Aybak both Turkey and Russia has now departed from cautious realism and are operating within the framework of increasing regional complex interdependence with new issues, ranging from energy imperatives and trade relations to mutual societal and cultural issues informing their new agenda. Turkey doesn’t treat this emerging partnership as an alternative to its European orientation, as emphasised by key policy makers repeatedly, but the strategic partnership is as crucial as its relations with the EU in their foreign policy calculations and future strategies. Energy is a key area of cooperation among other historical, economic and political issues.\textsuperscript{229} Although they have common interests in the region, on some of the issues Russia and Turkey contradict each other. One of these issues is Europe’s energy

\textsuperscript{225} Fotiou, \textit{Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation}, 14.
\textsuperscript{226} Ibid., 8.
\textsuperscript{227} Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood”, 113.
\textsuperscript{228} Morton Abramowitz and Henri J. Barkey, „Turkey’s Transformers-The AKP Sees Big”, \textit{Foreign Affairs} 88 (2009): 5.
\textsuperscript{229} Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood”, 116.
supply.\textsuperscript{230} It is a controversial piece of the mosaic in their regional interests, as initially Russia was against alternative energy transit routes via Turkey.

In the energy field Russia is Turkey’s largest partner. The Blue Stream pipeline alone carries 62 percent of Turkey’s natural gas imports, on top of the 32 percent of oil imports from Russia. After Germany, Turkey is the second largest gas importer of Russia, so it is an interdependent relationship. During Putin’s visit in August 2009 among other agreements they signed protocols concerning gas and oil as well. The gas protocol extended Turkey’s three gas contracts, while Russia gained approval from Turkey to perform feasibility studies for the routing of the South Stream Pipeline via the Turkish exclusive economic zone. The states also declared their readiness to potentially cooperate on the Blue Stream II gas pipeline that is to supply 16 bcm/y of Russian gas to the Middle East. Russia also agreed to consider the possibility of the Samsun-Ceyhan pipeline bypassing the crowded Turkish Straits, sponsored by Turkey\textsuperscript{231} Russia previously opposed.

In the beginning of August 2009 thus the deal was signed by Turkish Prime Minister Recep Tayyip Erdoğan and Russian Prime Minister Vladimir Putin for the construction of part of the South Stream pipeline through Turkish waters of the Black Sea, only weeks after Turkey signed a preliminary deal with European Union Member States in July to launch the construction of Nabucco.\textsuperscript{232}

Questions were raised about Turkey’s Western commitment, and whether it was favouring Russia and its South Stream project now. The Turkish Foreign Minister and other high-level diplomats stressed that they don’t consider the Russian project an alternative to Nabucco, but

\textsuperscript{230} Fotiou, \textit{Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation}, 7.
the two pipelines are complementary to Turkey’s potential role as a regional energy hub.\textsuperscript{233} Davutoğlu, Minister of Foreign Affairs when asked about the two projects, said: ‘As we stressed several times before, we do not see such strategic projects as rivalling each other but instead as complementary to one another. We look at all developments in the fields of energy, transportation, economy and trade with different perspectives. (...) Signing the deal with Russia was “rational behaviour” for Turkey and not “ideological behaviour”’.\textsuperscript{234}

Moscow’s most important wish with Putin’s August 2009 visit was gain Turkey’s approval for its South Stream project, while Turkey’s objective was to ‘use the rapprochement with Russia to promote the concept of Turkey as an energy hub, to strengthen Ankara’s position in the region and to gain a better bargaining position in the relations with the European Union’, assert Kaczmarski and Konończuk.\textsuperscript{235} Turkey is using its support to South Stream to gain a better foreign policy position against the EU.

Potential Russian participation in the Samsun-Ceyhan oil pipeline project has arisen at this meeting as well, but it is not clear yet whether they really have intentions to do so, as this would mean the abandonment of the Burgas-Alexandroupolis project the shares of which are mostly in Russian hands. The construction of both pipelines is not economically justifiable. It is possible that the signature of the Samsun-Ceyhan protocol was only a gesture towards Turkey,\textsuperscript{236} but these gestures are also new in the relationship, and therefore significant.

Davutoğlu stressed that Turkey will serve as a secure energy route, strengthening both regional economic integration and global economic structure. ‘Any cooperation with the European Union and the Nabucco project, which connects the European Union and Turkey, is a strategic priority for Turkey. It should be assessed as a whole. The Nabucco project that we

\textsuperscript{233} Aybak, „Russia and Turkey: An Ascendant Strategic Partnership in the Black Sea Neighbourhood”, 114.
\textsuperscript{234} „Davutoğlu: Turkey a crossroads of global energy transportation“.
\textsuperscript{235} Kaczmarski and Konończuk, „Russian-Turkish energy games | Centre for Eastern Studies”.
\textsuperscript{236} Ibid.
signed in July demonstrated Turkey’s central importance for energy suppliers and energy consumers between the East and West’. He emphasises that the South Stream and Samsun-Ceyhan energy routes illustrate Turkey’s integral role, connecting the East and the West; ‘[b]eing the intersection of the East-West and North-South energy corridor is a natural result of Turkey’s geography’. He also sees a continuation of these policies: ‘Turkey will enhance its increasing role in world economic politics, participating in both transportation and trade in the East-West and North-South energy routes for years’. 237

Turkish agreement to participate in both the EU-supported Nabucco pipeline project and the Russian South Stream is also often explained by its disappointment with the EU and the future Turkish role in Nabucco. Turkey indeed angled for a greater role than the simple carrier one assigned to it in the Nabucco plans. Turkish negotiators argued for a more active role as a ‘key driver in the purchase, resale and transport of gas’. A major section, around 60 percent of the pipeline will be located on Turkish territory, so as Aybak argues, the disappointment is somewhat understandable. 238 There is also the issue of the gas supply of Nabucco.239 This problematic preparation might explain why Turkey was inclined to do business with Russia and sign up for the South Stream project. As Aybak states, ‘[i]t seems that Russia remains and will remain Turkey’s major strategic partner in energy cooperation’. 240

‘The visit of PM Putin to Turkey and the concessions made by the Russian side (including the preliminary consent to the construction of the Samsun-Ceyhan oil pipeline) indicate that Russia needs Turkey to implement its energy policy in Southern Europe and the Black Sea region, i.e. mainly to compete against the Nabucco gas pipeline project planned by the European Union member states. Moscow’s attempt to bypass Turkey has failed - one of the

237 "Davutoğlu: Turkey a crossroads of global energy transportation".
reasons why Russia initiated the South Stream gas pipeline project in 2007 was the absence of an agreement with Turkey concerning the Blue Stream II project and Moscow's dissatisfaction with Ankara's policy to diversify the sources of energy.  

For Turkey, co-operation with Russia is a convenient tool to pressure the Western states and Azerbaijan (in the negotiations concerning additional gas supplies), as well as an element in the implementation of Ankara's energy hub concept, i.e. the idea to establish Turkey as the key transit country for the transport of energy resources to Europe.

Russia as the main source of natural gas imports in Turkey and the greatest competitor for energy resources and routes in the region can prove to limit the advantages that can be gained from energy transit for Turkey. Russia is Turkey’s largest energy partner, a crucial link between them being the Blue Stream. Turkey is the largest gas importer of Russia after Germany. Russia’s strong energy relationship with Turkey posed a serious dilemma for Turkey’s bargaining power over the Nabucco project. Turkey tried to make its participation in the Southern Energy Corridor conditional on EU accession talks and started to actively seek opportunities to beacon its foreign policy objective by exerting leverage over the project, obstructing the process. Raszewski claims that the AK party’s vision is a strategic partnership with Russia, aspiring to be more than transit country, but an energy hub; this brings new alternatives to the table as well, such as the idea of White Stream. Russia remains Turkey’s major partner in energy cooperation, notes Aybak. This can cause problems for Turkey that is traditionally Western oriented, wanting to join the EU for example. Aybak claims that the increasingly problematic accession talks with the EU cause a warming relations with Russia.

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241 Kaczmarski and Konończuk, „Russian-Turkish energy games | Centre for Eastern Studies”.
242 Ibid.
243 Raszewski, „The EU’s external policy of energy diversification in the wider Black (and Caspian) Sea region: Regional Security Complex or Security Community?”, 145.
They are developing their own strategic partnership in their own neighbourhood. Aybak notes that Turkey is increasingly following its own agenda, departing from a cautious realism to operate under a framework of increasing regional complex interdependence with new issues, like energy imperatives.245

4.4 Main points

We see a definite rapprochement between Turkey and Russia based on the high number of official meetings, agreements signed, the broad scope of cooperation areas and booming bilateral trade, among them energy trade and transit. This rapprochement is not explained fully without adding the changed foreign policy posture of Turkey due to energy transit interests.

245 Ibid., 116.
Conclusion

Turkey is surrounded by energy rich neighbours, located between them and the EU energy market and is actively moving towards becoming an energy hub. This thesis sought to answer the question whether energy transit has an impact on foreign policy, and if it does, how does it influence it. Analysing the case of a potential future transit hub, Turkey, we see a two-fold foreign policy shift in under the second AKP government: a broadened geographical scope characterised as regional opening towards the Middle East, the Caucasus and Central Asia, and a more pragmatic foreign policy posture. Both changes contribute to the goal of becoming an energy hub. These changes cannot be fully accounted for based on explanations of structural conditions, domestic developments, disappointments with the EU accession process, but by introducing energy considerations we can explain both. Since energy transit requires massive interstate cooperation, it makes sense for the state to aim for good neighbourly relations and interest-based pragmatic cooperation. Turkey’s case seems to fit into these assumptions. The argument of this thesis is therefore that energy transit does shape foreign policy choices and posture, as alternative explanations couldn’t fully account for the foreign policy shifts of Turkey.

For Turkey to realise its ambition to become an energy hub it has to continue its delicate balancing act in such a volatile region. The single most important relationship of Turkey that has an impact on this goal is with Russia, as it currently possesses the greatest number of infrastructural connections, and is one of the most important players due to previous imperial ties.\textsuperscript{246} They are also already in an interdependent energy relationship: more than 35 percent of Russian oil exports and substantial quantities of its petroleum products are transported via Turkey (the Black Sea Straits),\textsuperscript{247} Turkey is heavily dependent on Russian gas,\textsuperscript{248} and is the

\textsuperscript{246} Eleni Fotiou, \textit{Caucasus Stability and Cooperation Platform - What is at Stake for Regional Cooperation}, ICBSS Policy Briefs (International Centre for Black Sea Studies (ICBSS), Athens, Greece, 2009), 20.

\textsuperscript{247} Agata Łoskot-Strachota, „Turkey - An Energy Transit Corridor to the EU?“, \textit{CES Studies} (2005).
second biggest market for Russian natural gas exports after Germany.\textsuperscript{249} After years of competition for resources and attempts of diversification of transit routes on the Russian side, attempts on diversification of resources on the Turkish, the mentioned cooperation and agreements on energy projects, such as the South Stream, the Samsun-Ceyhan pipeline, a potential Blue Stream II all point in the direction of the success of this changed Turkish foreign policy.

Recent developments make it seem like a strategic partnership is forming between Russia and Turkey in the region and the competition in the region over energy resources and transit routes between Turkey and Russia can turn into cooperation.\textsuperscript{250} We see a definite rapprochement between Turkey and Russia based on the high number of official meetings, agreements signed, the broad scope of cooperation areas and booming bilateral trade, among them energy trade and transit. The case study on Turkish-Russian relations indicates that the changed foreign policy stance had a significant role in this closer relationship, as it is not explained fully without adding the changed foreign policy posture of Turkey due to energy transit interests.

The findings have broader implications than just this case study. The shifts of Turkish foreign policy also manifest themselves with regards to other countries and regions, even as problematic ones as Iraqi Kurdistan, towards which Turkey also seemed to opening diplomatic relations that also have energy imperatives in the background.\textsuperscript{251} Other potential consequences include that the successful development of an energy hub might mitigate EU scepticism towards Turkish membership, or contribute to regional stability.

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