

Raport OSW / CES Report

Jerzy Rohoziński, Wojciech Konończuk,

Wojciech Tworkowski, Rafał Sadowski, Marek Menkiszak,

Marcin Andrzej Piotrowski

Content verification: Adam Balcer

RAPORT OSW
C E S R E P O R T

**Turcja after the start of negotiations
with the European Union –
foreign relations and the domestic situation**

Part II

Warsaw July 2008

© Copyright by Centre for Eastern Studies

Content verification

Adam Balcer

Editor

Katarzyna Kazimierska

Cooperation

Anna Łabuszewska

Graphic design

Dorota Nowacka

Maps

Wojciech Mańkowski

Translation

Ilona Duchnowicz (chapter 1, 5, 6)

Anna Kucińska (chapter 2, 3, 4, 7)

Cooperation

Jim Todd

Publisher

**Ośrodek Studiów Wschodnich im. Marka Karpia /
Centre for Eastern Studies**

ul. Koszykowa 6a, Warsaw, Poland

tel. / phone +48 /22/ 525 80 00

fax + 48 /22/ 525 80 40

The Centre's analytical materials can be found
on the Internet at www.osw.waw.pl

More information about the Centre for Eastern
Studies is available at the same web address

Contents

TURKEY AFTER THE START OF NEGOTIATIONS WITH THE EUROPEAN UNION – FOREIGN RELATIONS AND THE DOMESTIC SITUATION. PART II

Introduction / 5

Theses / 6

CHAPTER I

**Azerbaijan and Turkey: the light and shade
of ‘Turkish’ brotherhood / 8**

Jerzy Rohoziński

CHAPTER II

Historical baggage – relations between Turkey and Armenia / 19

Wojciech Konończuk

CHAPTER III

A Caucasian ally? Turkish-Georgian relations / 31

Wojciech Konończuk

CHAPTER IV

**Realism mixed with romanticism: Turkey’s relations
with the states of Central Asia / 41**

Wojciech Tworowski

CHAPTER V

**Advocate for the *status quo*? Turkish policy towards
the Black Sea region – its form and background / 54**

Rafał Sadowski

CHAPTER VI

**Towards a strategic partnership? Turkish-Russian relations
at the turn of the twenty-first century / 70**

Marek Menkiszak

CHAPTER VII

Turkey as the energy bridge between the East and the West / 90

Marcin Andrzej Piotrowski

Maps / 110

Turkey after the start of negotiations with the European Union – foreign relations and the domestic situation.

Part II

Introduction

The Centre for Eastern Studies has decided to embark on the project entitled ‘Turkey after the start of negotiations with the European Union – foreign relations and the domestic situation’ for two major reasons: the start of the accession negotiations between Ankara and the European Union in October 2005, and the significant part which Turkey plays in western Eurasia (the Caucasus, the countries in the basins of the Black and Caspian Seas, the Middle East and the Balkans) which we wish to present to our readers. Our second report discusses Turkey’s relations with Central Asia, the Caucasus and Russia, the aspect of Turkish foreign policy regarding the Black Sea, and the role of Turkey as a transit country for oil and gas from the Middle East and the Caspian regions. The evaluation of Turkey’s standpoint and potential regarding the aforementioned issues is especially important, considering the tensions existing in Turkey’s relations with the EU and the USA, as well as the West’s increasing engagement in the Caucasus, Central Asia and Black Sea regions. In this process, Ankara may play the role of a significant ally for the West. However, it may just as readily play the role of its rival, who could co-operate with other countries and may seriously frustrate the implementation of the EU and US’ goals. The Report was developed between autumn 2006 and autumn 2007, over which time the project participants searched for publicly available documents in Poland, Turkey, EU countries and the USA, and went on five research trips to Central Asia, Russia, Turkey and Caucasus, where they met local analysts, officials and researchers.

The authors of this Report would like to express their gratitude to everyone who has shared their opinions with them, and to the Polish diplomatic service, particularly to Minister Andrzej Ananicz, for their expert support and assistance in the authors’ work on the Report.

This Report does not present the official stance of the Polish government on the issues discussed therein; instead it reflects the personal views of its authors, who have made their best efforts to ensure that their work is reliable.

Adam Balcer

Theses

1. Turkey's location has strategic geopolitical importance because it borders regions which have become increasingly significant in terms of security, economy and politics (the Black Sea region, the Caucasus, Russia and Central Asia). Although Turkey does not have its own oil and gas fields, it may still become a key transit country as it borders major exporters of those raw materials. Turkey's demographic, economic and military potential makes the country one of the most significant actors in the region, especially in the Black Sea basin and in the Caucasus, and to a lesser extent in Central Asia. Evaluation of Turkey's potential in this part of the world is an especially vital issue in the context of existing tensions in Ankara's relations with the EU and the USA, and of the growing Western engagement in those regions. Turkey may play the role of a significant ally for the West. However, it may just as readily play the role of its rival, who could co-operate with other countries and may seriously frustrate the implementation of the EU and US' goals.

2. In spite of existing tensions, relations with the EU and the USA, and Middle Eastern issues (Iraq) are still the top priorities of Turkish foreign policy. Turkey's approach to the Caucasus, Central Asia, Russia and the Black Sea area depends on the character of Ankara's relations with the West. Turkey wants to enhance its engagement in the Caucasus, Central Asia and the Black Sea areas, hoping to thus strengthen its position in contacts with the West, or to guarantee a reliable alternative to the Euro-Atlantic line of development, in case of a serious crisis in relations with the USA and the EU.

3. Turkey and Azerbaijan have very close relations for cultural and economic reasons. The only thing that could worsen Turkish-Azerbaijani relations in the future is an improvement in relations between Turkey and Armenia, which is very unlikely.

4. Armenia is Turkey's only neighbour of which it has not established diplomatic relations with and whose border is closed. The causes of this *status quo* originate from the 1990s and such

events as the Armenian-Azerbaijani conflict over Nagorno-Karabakh, Turkish allegations that Armenia has made territorial claims, and Turkey's refusal to recognise the deportations and massacres of Armenians during World War I as a genocide.

5. Georgia is an important country for Turkey, mainly because the route for transport of oil and gas from the Caspian Sea area runs through Georgian territory. Since the implementation of strategically important transport & communications projects, which are partly located in Georgia, was initiated, ensuring stability there has become one of the top priority goals in Turkish policy towards that country. A potential military conflict in Abkhazia or South Ossetia could destabilise the entire region and thus endanger Turkish economic interests in the Southern Caucasus.

6. Turkish policy towards Central Asian countries in the early 1990s was accompanied by tremendous enthusiasm and hope for creating a commonwealth of Turkic states. However, that enthusiasm did not translate into the development of any coherent strategy for developing contacts and influence in that area, due to which Turkey's engagement in the region broke down as early as the mid-1990s. Currently, Turkey's engagement can be mainly noted in the economic field (especially in the sector of small- and medium-sized enterprises, as well as in the areas of education and security). Turkish engagement has some chance of revival in the context of co-operation in the energy industry and transport infrastructures.

7. The shape of Ankara's policy towards the Black Sea region is strongly dependent on its relations with Washington and Brussels. The worsening of Turkey's relations with the EU and the USA has caused a revision of Turkish policy towards the Black Sea region. The attempts by the external actors, the United States and the European Union, to increase their presence in the region have brought Turkey closer to Russia, which is equally unwilling to see their role grow. In its policy towards the Black Sea region, Turkey wants to maintain the *status quo* and is uninterested in any major geopolitical changes in the region.

8. Turkish-Russian relations have significantly improved since the beginning of this century. The two countries, which have often been strategic rivals, are now partners engaged in intensive political dialogue, rapidly developing trade & energy co-operation, and deepening co-operation in the areas of defence and security. However, there are significant barriers preventing the establishment of a fully-fledged Turkish-Russian alliance. Relations between Turkey and Russia are still characterised by mutual distrust and numerous conflicts of interests. In effect, Turkish-Russian relations slightly cooled between 2006 and 2007. The situation may still change. In particular, Turkey and Russia could come closer together as a consequence of any of the following potentialities: Turkish military intervention in southern Iraq regardless of EU and US protests; the disintegration of Iraq and the emergence of an independent Kurdistan; a US attack on Iran; a suspension of negotiations on Turkey's accession to the EU and a loss of perspective for accession in the foreseeable future; and the EU's failure to establish a common energy policy and the consequent possible diversification of energy supplies (especially natural gas) to EU member states.

9. Although Turkey does not have oil or gas fields of its own, its geographical situation is very favourable because the country borders on important major exporters of those raw materials. In effect, Turkey has become an object of significant interest for Russia, the EU and the USA. The Turkish ruling class sees its country as a natural bridge connecting Europe with the Middle East, the Caucasus and Central Asia. As a consequence of this concept, energy policy has been adopted to make sure that Turkey plays the role of a transit state for both exporters and importers of hydrocarbons. One goal of Turkish policy is to use the proximity of the oil and gas fields to diversify its own imports. However, Ankara's ambitions have been curbed by the economic, technological and political barriers existing among the exporters of oil and gas in the Caspian and Black Sea regions and in the Middle East.

*Adam Balcer, Jerzy Rohoziński,
Wojciech Konończuk, Wojciech Tworkowski,
Rafał Sadowski, Marek Menkiszak,
Marcin Andrzej Piotrowski*

CHAPTER I

Azerbaijan and Turkey: the light and shade of 'Turkish' brotherhood

Jerzy Rohoziński

Theses

1. Turkey and Azerbaijan have very close relations for cultural and economic reasons. The only thing that could worsen Turkish-Azerbaijani relations in the future is an improvement of relations between Turkey and Armenia, which is very unlikely.

2. Turkish-Azerbaijani relations have become increasingly pragmatic since the Baku–Tbilisi–Ceyhan pipeline was built. Turkey's energy security and its position as a transit country depend on Azerbaijan's stability. From Ankara's point of view, internal stability is more important than any process of democratisation in Azerbaijan.

3. Turkey is playing a major part in modernising the Azerbaijani army to meet NATO standards. However, its role in bringing the country closer to the European Union's structures is very small.

1. The general background of relations between Turkey and Azerbaijan

1.1. The historical heritage

Azerbaijan's border with Turkey is as short as 9 km. This is not the border of Azerbaijan proper but of its exclave, the Nakhchivan Autonomous Republic, which is isolated from the rest of the country. Nevertheless, their common culture brings the two states extremely close to one another. Turkish and Azeri are the closest languages in the Turkic language family. Dialects of Turkish in eastern Anatolia merge smoothly develop into Azeri dialects. Residents of the lands which are located in contemporary Azerbaijan used to call themselves Turks until 1937; it was Joseph Stalin who renamed them as Azerbaijanis. Between the tenth and eleventh centuries, the lands of Anatolia and Azerbaijan were conquered and inhabited by Oghuz Turks, the founders of the Ottoman Empire, from which modern Turkey eventually developed¹. However, Asia Minor and Azerbaijan were parts of the same state for just a few deca-

des over this nearly millennium-long period. Nevertheless, there were numerous common cultural elements, especially among residents of eastern Anatolia and Azerbaijan, such as their nomadic lifestyle and the presence of Shia religious movements. Differences between Anatolian Turks and Azerbaijanis deepened as a majority of the latter gradually accepted Shia Islam as their religion, while most Ottoman Turks were Sunni Muslims². As a result, Shia Azerbaijanis in many Ottoman-Persian wars (from the early sixteenth to the early nineteenth centuries) usually fought alongside Persians against the Sunni Ottoman Empire. The religious factor became less important in the second half of the nineteenth century, when the idea of a secular, Pan-Turkic identity emerged. Ali bey Huseynzade and Ahmet Agaoglu, who were Azerbaijanis, greatly contributed to the development of the idea of pan-Turkism in the Ottoman Empire. Attempts to Ottomanise the Azeri language were signs of openness to the Ottoman Empire in Azerbaijan³. These mutual inspirations would later be reflected in adopting the same reform, one with far-reaching consequences: Soviet Azerbaijan switched to the Latin script in 1924, and Kemalist Turkey did the same in 1928⁴. The introduction of the Cyrillic script later on in the former area loosened the language bond between the two countries, although it was tightened again when the Latin alphabet was reintroduced in independent Azerbaijan.

In 1918, the Ottoman Empire was the first country to recognise the independence of Azerbaijan. Ottoman troops had fought alongside Azerbaijanis against Armenian armed forces. Baku even considered the possibility of establishing an Ottoman-Azerbaijani federation at the time. However, the Turks were not interested and occupied Azerbaijan for several months. When the Ottoman Empire capitulated in October 1918, some of the Turkish officers joined the Army of Azerbaijan, which was being created then. However, Turkish-Azerbaijani relations did not improve. The new government in Turkey, which was headed by Mustafa Kemal Pasha, sought Bolshevik military support during the intervention of the Entente, and in effect accepted their occupation of Azerbaijan in 1920.

1.2. Mutual perceptions

According to a survey conducted in 2003 under the supervision of Arif Yunusov, 64% of respondents in Azerbaijan declared a positive attitude towards Turkey, which appeared to be most popular among residents of Baku and western Azerbaijan. The Absheron Peninsula, which is inhabited predominantly by Shia Muslims, was also more pro-Turkish than pro-Iranian⁵. Turkish mass culture (TV and music) is very popular in Azerbaijan; however, Azerbaijani opinion-formers seem to be increasingly disappointed with Turkey⁶. Positive sentiments towards Azerbaijan have been invariably strong in Turkey. In a survey conducted in 2004 by the Pollmark research centre, more than two-thirds of respondents stated they had a 'positive perception' of the Turkic peoples. Christians, Jews and Arabs got much worse results; most Turks shared a negative image of those groups. In a survey carried out in the same year by Pollmark, more than 20% of Turks were of the opinion that their country should establish closer relations with Turkic countries above all⁷. The result of a poll carried out in autumn 2006 by ANAR was very similar. In 2006, 71% of respondents in a survey conducted by A&G believed that the country was their 'friend'. This was the best result from among nine countries, and only in the case of Azerbaijan did more than half of the respondents choose the same answer⁸.

2. The evolution of political contacts

2.1. Great expectations and the triumph of pragmatism

Turkey was the first country to recognise independent Azerbaijan, on 9 December 1991. After the eruption of the Azerbaijani-Armenian conflict⁹, Turkey offered aid to Azerbaijani refugees and condemned the Armenian aggression. Turkish businessmen were the first foreign investors in Azerbaijan. Turkish retired military officers became engaged in training the Azerbaijani army. Moreover, Turkey supplied military equipment to Azerbaijan, albeit to a limited extent. In 1993, Turkey closed its border with Armenia, although it did not impose a total transport blockade, allow-

ing humanitarian aid to enter. No other country has offered so much support to Azerbaijan as Turkey has.

Abulfaz Elchibey, a politician with clearly pro-Turkish views, came to power in Azerbaijan in June 1992¹⁰. President Elchibey was sure that the 'Turkish model', i.e. a secular republican democracy, nationalism and occidentalisation, was the right solution for Azerbaijan as well. Elchibey also believed that Azerbaijanis were Turks. He even wanted to replace Azerbaijani with Turkish as the official language of Azerbaijan, which met with strong public protests. Numerous agreements with Turkey were signed during his presidency. At that time, the theses of 'two states, one nation' appeared in both Turkish and Azerbaijani official discourse¹¹. Regardless of President Elchibey's efforts, Turkey did not agree to military participation in Azerbaijan's fight for Nagorno-Karabakh, aware of the danger of going to war against Russia, which supported Armenia. There was a strong difference of opinions on policy towards Armenia inside Turkish political elites, between the moderate Prime Minister Suleyman Demirel and the 'hawkish' President Turgut Ozal¹². The Demirel government's policy towards Armenia was sharply criticised by both the Turkish opposition and the Azerbaijani government for being too conciliatory. When Turkey and Armenia signed agreements on the sale of electric energy in 1992, the Azerbaijani foreign minister said this was a stab in Azerbaijan's back. However, the agreement did not come into effect due to pressure exerted by the Turkish opposition¹³.

When Geidar Aliev became president of Azerbaijan in June 1993, some politicians in Turkey saw this as a victory for Russia, although Aliev had maintained active contacts with Turkey as the leader of Nakhchivan before 1993. He chose pragmatism, trying to keep a balance between Russia, Turkey, the USA and Iran. During his rule, Azerbaijan rejoined the CIS, although at the same time it was participating in NATO's Partnership for Peace project.

At the beginning, Aliev treated Turkey with some reserve, seeing the country as Elchibey's ally. In September 1993, he withheld the implementation of the agreements which his predecessor had signed with Turkey, and removed 1,600 Turkish officers who had been training the Azerbaijani army. He even introduced entry visas for Turkish

citizens. Some political circles and opposition parties in Turkey still put their hopes in the Popular Front of Azerbaijan, the party of ex-President Elchibey, who had been overthrown; a former ambassador of Turkey in Baku took part in an unsuccessful coup against President Aliev in 1995. All this had worsened mutual relations, which however were improved by Aliev in 1996, when the Baku-Tbilisi-Ceyhan pipeline became a matter of priority for both countries. Since that time, Turkish-Azerbaijani relations have become pragmatic and are very active. Hundreds of visits have been paid by Turkish prime ministers, presidents, ministers and MPs in Azerbaijan, as well as by their Azerbaijani counterparts to Turkey, and numerous declarations and agreements have been signed since 1995.

2.2. The issue of opening the Turkish-Armenian border

The issue of the possible opening of the Turkish-Armenian border, which Turkey closed during the Azerbaijani-Armenian war, plays a very important part in Turkish-Azerbaijani relations. Ankara closed the border because, it saw Armenia was an aggressor occupying Azerbaijan's territory. Currently, the EU and the USA are pressing Ankara to reopen the border, which Azerbaijan strongly opposes. According to a report by the US Department of State, the then Secretary of State Colin Powell, during his visit to Ankara in April 2003, pressed Prime Minister Recep Erdogan to open the border with Armenia without any preconditions. This demand was reiterated by President George Bush, Vice-President Dick Cheney, Secretary of Defence Donald Rumsfeld and Secretary of State Condoleezza Rice to the Turkish Foreign Minister Abdullah Gül during his visit in the USA in July 2003. The European Union has also made regular appeals to Turkey to open the Armenian border, which invariably inflames public opinion in Azerbaijan¹⁴. Inside Turkey, similar appeals have been made by business and analytical circles¹⁵ and by the local government of Kars, a town located near the Armenian border.

Since the situation in Iraq has worsened, the Americans have stopped putting pressure on Turkey to open the Armenian border because they needed Turkish logistical support in their military operations in the Middle East. During his visit to

Azerbaijan in June 2005, Prime Minister Erdogan stated that normalisation of relations with Armenia would be possible on condition that the country withdrew its forces from all the Azerbaijani territories it occupies.

2.3. Relations between Azerbaijan and the Turkish Republic of Northern Cyprus

Azerbaijan has been trying to cement good relations with Turkey by maintaining active, albeit unofficial, contacts with the Turkish Republic of Northern Cyprus (KKTC), which is unrecognised by the wider international community. When Improtex Travel, a private Azerbaijani airline, signed an agreement on establishing a regular air route between Baku and Nicosia (Lefkosa), a group of Azerbaijani MPs came to Nicosia in July 2005 to take part in the official celebration of a Day of Peace and Freedom. Soon afterwards, a group of sixty Azerbaijani businessmen came to explore the possibilities of developing business activity in the Turkish part of the island. Prime Minister Erdogan saw such contacts as a 'de facto recognition' of the republic¹⁶. In August 2005, a delegation from Northern Cyprus arrived by the first regular flight from Lefkosa to Baku. The delegation was headed by former president Rauf Denktaş and his son Sardar Denktaş, the deputy prime minister and foreign minister of the republic. The two sides signed a declaration that "neither Turkey nor Azerbaijan will leave the people of Northern Cyprus alone with their problems"¹⁷. However, official recognition of the KKTC by Azerbaijan seems impossible, because this would seriously undermine Baku's international position¹⁸.

2.4. Kurds in Azerbaijan

Currently, one of the few political issues which may negatively affect (albeit to a limited extent) relations between Turkey and Azerbaijan is the issue of the Azerbaijani Kurds, who constitute 0.2% of the country's population, according to the recent census¹⁹. A report by the International Crisis Group published in May 2004 mentioned Kurdish organised crime and its monopoly of illegal trade with Georgia and Turkey. The leader of the Kurdish crime syndicate, Beylar Eyubov,

was allegedly the informal 'ruler' of the Azerbaijani city of Ganja²⁰. It is rumoured in opposition circles that Kurds allegedly play an important role in Azerbaijan's security services. The opposition accuses Geidar Aliev of 'co-founding' the Kurdish PKK party when he was in the Soviet KGB and using its support thereafter²¹. In May 2006, the opposition newspaper *Realny Azerbaijan* also wrote about the shady business of Abdulbari Gozal, a Baku mob boss, who was born in Maku (Iranian Azerbaijan); he had allegedly collaborated with the PKK and had been wanted by Turkish counter-intelligence in Soviet times, when he was allegedly closely linked to Geidar Aliev²². Obviously, such theses are difficult to verify, and could be an attempt to depict President Aliev as being an unreliable partner for Turkey²³.

2.5. Turkey and the opposition in Azerbaijan

Internal stability in Azerbaijan is a priority in Turkey's policy towards this country. For this reason, Ankara does not offer active support to the Azerbaijani opposition because the issue of democratisation plays a minor role in Turkey's foreign policy and because Azerbaijan is very important for Turkish energy policy (see further in the text). However, in the opinion of political analyst Bayram Balci, if Prime Minister Erdogan's visit to Azerbaijan in late June 2005 was intended to 'bring Ilham Aliev a message from the USA that the upcoming election must be fair'²⁴, he did so rather half-heartedly. Erdogan and Gül appealed to the Azerbaijani government to make sure that the election was 'transparent'. However, it seemed that the message was in fact addressed to the European Union and not to Baku. Some Azerbaijani opposition activists have expressed their dissatisfaction with Turkey's recognition of the results of the recent elections²⁵.

Some opposition members in Azerbaijan have contacts with Turkish politicians, although rarely with those of the highest rank. When Ali Kerimli, the head of the Azerbaijan Popular Front Party, visited Turkey in June 2006, he talked to Mehmet Dülger, chairman of the Foreign Affairs Committee in the Turkish parliament, and to Haluk Ipek from the Justice and Development Party (AKP), the chairman of the Turkey-Azerbaijan inter-parliamentary group²⁶. At that time,

Kerimli said the visit had been a tremendous success and emphasised that the Turkish ruling class was 'critical of the present government of Azerbaijan'. However, such words seemed to have more in common with propaganda and self-promotion than the real status of the visit. Prime Minister Erdogan went on an official visit to Azerbaijan in the same month.

3. Economy

3.1. The energy sector and Azerbaijani investments in Turkey

The energy sector is an area where bonds between Azerbaijan and Turkey are especially strong. The Baku–Tbilisi–Ceyhan (BTC) pipeline and the Baku–Tbilisi–Erzurum (BTE) gas pipeline are the key enterprises in this field. The idea of building oil and gas pipelines connecting Azerbaijan and Turkey arose in the early 1990s, after the collapse of the USSR. The strongest bargaining chip which Turkey used to discredit any alternatives to the BTC pipeline (such as the northern route to Novorossiysk) was the argument that it was necessary to reduce both the workload in sea transport and the traffic of tankers going through the Black Sea straits. At first, Azerbaijan wanted the pipeline to go through Iran, which the USA opposed. The deadlock in the negotiations was broken in 1999, when a pipeline was built between Baku and the Georgian port of Supsa, so the option to lay a pipeline through Georgia appeared, and was finally chosen. Nevertheless, the OSCE and President Clinton's administration still insisted on the idea of a 'friendship pipeline' because they wanted Turkey to combine the implementation of the project with mediation activities to settle the Nagorno-Karabakh conflict. The Turkish diplomatic service was very active in 1999 (visits to Armenia, Azerbaijan and Russia), although this did not result in a political agreement between Baku and Yerevan²⁷.

The construction of the BTC pipeline commenced in September 2002. The pipeline opening ceremony took place in Turkey on 25 May 2005; the presidents of Turkey, Georgia, Azerbaijan and Kazakhstan, and the president of BP were present. Additionally, the construction of the Baku–Tbilisi–Erzurum gas pipeline, which will be used to transport

natural gas from Azerbaijan, Kazakhstan and Turkmenistan, was officially completed in 2007²⁸. The oil industry is one of the few economic sectors in which Azerbaijan has invested in Turkey. GNKAR, the State Oil Company of the Republic of Azerbaijan, as the key investor, signed an agreement in late 2006 with the Turkish firm Turcas, which provides for building a petrochemical complex in Ceyhan, among other projects²⁹.

3.2. Trade exchange and investments

Between 1993 and 2001, Turkey was the third largest investor in Azerbaijan, preceded by the USA and the United Kingdom. The total value of its investments was US\$3.8 billion, which was equivalent to 12.6 percent of all FDI³⁰. Western investments in Azerbaijan's energy sector have clearly increased in recent years. This trend has caused a significant reduction of Turkey's share in foreign direct investments. Nevertheless, Turkey is still one of the major investors in the country. Moreover, Azerbaijan is also increasingly interested in investing in the Turkish energy sector. 1,267 Turkish firms were registered in Azerbaijan in 2006; however fewer than half of them operated in reality. The most important Turkish companies operating in Azerbaijan include the Turkish National Petroleum Company, Turkcell (a cell phone operator), Azersun (light industry and other branches), Anadolu Holding (food production), Koc Holding (car manufacture, banking services and retail trade), Teletas (telecommunication), a group of Attila Dogan's firms (including oil industry, a joint venture with the Azerbaijani firm of Anshad Petrol), Borova (building), Ekpar (leather, construction and investments in other countries, including Turkmenistan), Enka (construction), the Tekfen group (trade, services, light industry and investments in other countries including Uzbekistan), Tepe (construction), Yücelen (tourism, construction and medical services) and Zafer (construction). Turkish investors put a lot of money into bars and restaurants, and have also opened a chain of Ramstore supermarkets. The Azerbaijan International Society of Turkish Industrialists & Businessmen (TUSIAB) is the most important organisation representing Turkish capital in Azerbaijan.

In 2006, Turkey was the third largest trade partner for Azerbaijan, in terms of both exports and imports. Turkey's share in total trade turnover in Azerbaijan reached nearly 7 percent³¹. In 2007, Turkey became the first trade partner for Azerbaijan (turnover 14.3%, export 17.3 %, import 10.9%) Turkey has been trying to help Azerbaijan by offering loans to the country. In 1992, Türk Eximbank granted it one loan of US\$250 million. Some problems arose during the launch of the loan procedure, such as delays in preparing projects and sending the approved projects to Turkey, which the Azerbaijani government was responsible for. Turkey agreed to defer the repayment of the credit instalments. Since 1992 Azerbaijan, along with Turkey, has been a founding member of the Black Sea Economic Co-operation (BSEC) project. It is also a member of the Turkish International Co-operation & Development Agency (TIKA), and is active in the forum of Friendship, Brotherhood and Co-operation Congress of the Turkic States and Communities (TUDEV).

3.3. Trade between Turkey and the Autonomous Republic of Nakhchivan

Nakhchivan, which is blockaded by Armenia on the northern and eastern sides, is dependent on trade with Turkey, and sometimes even on Turkish aid (as is the case with electric power supplies, 40% of which come from Turkey, and the remainder from Iran). After the bankruptcy of wine farming in Nakhchivan (it was impossible to export wine to Iran for ideological reasons, or to Turkey due to the state monopoly on alcoholic products), Turkey supported the development of the confectionery industry in the exclave. In 2004, the volume of mutual trade exchange reached US\$34 million, including US\$4 million in exports from Nakhchivan to Turkey³².

Frontier trading between Nakhchivan and the Turkish town of Iğdir played an exceptional role between 1992 and 2002 in mutual trade exchange. This Turkish town, located close to the border, was enjoying a real economic boom thanks to the trade in cheap fuel from Nakhchivan. A few business fortunes were built in Nakhchivan as well. Fuel trading was very profitable because until recently the price of petrol in Turkey was nearly six times higher than in Azerbaijan. However, in 2002, Turkey imposed high taxes on fuel traders

in Iğdir as well as charges for border crossing. This aroused dissatisfaction and suspicion on both sides of the border. It was speculated that the decision was a result of the privatisation of Petrol Ofisi company, which had been bought by the influential capital group of Attila Dogan. Nevertheless, illegal trade in fuel, albeit on a smaller scale, is still flourishing.

3.4. Barriers to Turkish investments in Azerbaijan: corruption

The very high level of corruption is a serious problem for Turkish investors in Azerbaijan. It accompanies almost all major investments³³. Turkish authorities' abilities to support their businessmen are limited, as was demonstrated in the case of the Barmek company. Barmek was going to start electric energy distribution in Azerbaijan pursuant to an agreement signed in 2001. However, the company's management were accused and blackmailed by Azerbaijani senior state officials; in the early spring of 2006, the managers were even jailed. Turkish Prime Minister Erdogan pleaded the company's cause, which did not help; in the end, the firm had to withdraw from Azerbaijan. It cannot be ruled out that in this case the Azerbaijani government's desire to monopolise the energy market was not the only reason for this turn of events; Russia might also have wanted to enhance its influence on the Azerbaijani market (President Putin visited Azerbaijan in February 2006). The Azerbaijani government reacted to the Turkish businessmen's complaints by establishing a special commission to combat corruption. However, the position of the commission's chairman was filled by Ramiz Mekhtiev, the head of the presidential administration, who is believed to be one of the most corrupt people in the country³⁴. Moreover, in 2006 the Azerbaijani media wrote that the government was planning changes in the structure of the country's largest cellular telephone network Azercell, which is partly owned by Turkcell. The changes were intended to affect the Turkish stakeholders adversely. However, it seems that Turkish businessmen have not been discouraged by such problems; they accept corruption as a part of the 'local rules of the game' and do not intend to 'civilise' Azerbaijan. This can be demonstrated by the fact that the numbers of Turkish investments in Azerbaijan and

businessmen visiting the country have not decreased (for more detailed data see the section Tourism below). It is believed in Azerbaijan that some Turkish companies do not comply with ethical standards.

3.5. Transport

Another big investment in the Southern Caucasus with Turkish shares is the construction of the 258-kilometre-long Kars–Akhalkalaki–Tbilisi–Baku railroad, which will connect Turkey with Georgia and Azerbaijan. Turkey suggested building the railway connection as early as 1993, when it closed its border with Armenia. However, it had to wait until 7 February 2007, when Prime Minister Erdogan and Presidents Mikheil Saakashvili and Ilham Aliev signed a framework agreement in Tbilisi confirming the participation of Turkey, Georgia and Azerbaijan in the project. The construction work is planned to be completed by the end of 2008. The three countries intend to incur the costs of the investment, the total estimated value of which is US\$600 million, by themselves. Turkey will give US\$200 million in credit to Georgia for building 29 kilometres of a new railroad as well as to modernise old railways on Georgian territory. The USA and the EU will support the project on condition that Armenia joins it. In turn, Yerevan has made its participation dependent on a re-opening of the Turkish-Armenian border, which is opposed by Azerbaijan and Turkey³⁵.

3.6. Tourism

According to information from the Azerbaijani Ministry of Culture and Tourism, between 2001 and 2005, the number of Turkish citizens visiting Azerbaijan increased steadily until 2004 (52,156 in 2001; 53,975 in 2002; 69,100 in 2003; 71,609 in 2004 and 70,755 in 2005). However, in the opinion of Elchin Gafarli, head of the international tourism department in the ministry, most of them are businessmen, because 'Azerbaijan is not an attractive country for Turkish tourists'. Nevertheless, co-operation in the field of tourism between the two countries has been developing quite rapidly (especially Turkish investments in hotel business). According to estimates from the Turkish Ministry of Culture and Tourism, Turkey is visited annually by nearly 400,000 citizens of

Azerbaijan³⁶, most of whom probably go there to earn money.

4. Security

4.1. Military and technical co-operation

Turkey has accepted the role of Baku's 'teacher' to help it accelerate the reforms recommended by the North-Atlantic Alliance. Azerbaijani officers graduate from military academies in Turkey, and Azerbaijani soldiers have taken part in peacekeeping missions in Kosovo (since 1999) and Afghanistan (since 2001) under Turkish command. Under an agreement which was signed in June 2005, Turkey offered US\$2.1 million in financial aid for the modernisation of Azerbaijan's army to comply with NATO standards, and is planning further aid³⁷. Since the BTC pipeline started operating, Azerbaijan's military security has become especially important for Turkey. When in summer 2001 an Iranian patrol ships fired on an Azerbaijani ship which was exploring the seabed in the southern part of the Caspian Sea, Ankara immediately sent its F-16 fighter aircraft to a military parade in Baku³⁸.

5. Cultural & educational co-operation and NGO activity³⁹

5.1. Religious co-operation and Turkey's missionary activity in Azerbaijan

Since the early 1990s, Sunni Turkey has been competing with Shia Iran for influence on religious life in Azerbaijan. The Turkish Clerical Department built the so-called Shehid Mosque in Baku in honour of those killed in the war against Armenia. One secondary school and eight mosques (three in Baku, and one each in Gusar, Agdas, Nakhchivan, Yevlakh and Mekhtiabad) are operating in Azerbaijan under the auspices of state religious institutions from Turkey.

The religious influence of Turkey is more intensive at the non-governmental level. Turkish religious movements are treated with suspicion by the secular establishment in Turkey, while in Azerbaijan they can find a safe harbour. The commu-

nity of Osman Nuri Topbas, whose teachings refer to the Sufi ideology of the Naqshbandiyya brotherhood, runs a Koranic and a vocational school in Sheki, and a madrasa in Agdas. The Suleymanci movement, which had been initiated by Suleyman Tunahan (who died in 1959), started missionary activity in Azerbaijan in the early 1990s. However, it totally withdrew from official activity (it was refused registration) and started clandestine operations⁴⁰. The Sufi Naqshbandiyya brotherhood and the Association of Muslim Students in Azerbaijan faced similar problems there. In 1995, the Turkish diplomat Farman Darimoglu, who was a member of the brotherhood, was accused of participation in an attempted coup and deported, and the brotherhood was banned. Its members found shelter in the north-western part of the country and in the Nakhchivan exclave. In the latter region they are actively engaged in underground missionary activity, and the leader of the *tariqa*, Sheikh Mekhman Zakhid Gotkun, occasionally comes to visit it from Turkey. In turn, the association, which officially disbanded in 1997, is involved in missionary activity at the Haji Sultan Ali Mosque in Baku, as well as in Lenkoran and Veravul⁴¹.

The Nurcular movement, which is associated with the Turkish religious scholar Fethullah Gülen, has the strongest influence in Azerbaijan. The movement started penetrating Azerbaijan at the end of 1991, when Gülen's envoy, Mehmed Ali Sangul, went to carry out reconnaissance there. Gülen himself came a year later and met President Elchibey. The president allowed him to launch the Saman Yolu television station, publish the *Zaman* newspaper and register many companies and foundations. Gülen's movement further strengthened its position in Azerbaijan during the presidency of Geidar Aliev, although the local press expressed anxiety about the organisation's actions in 2001 and 2002. Currently, the activity of Gülen's followers in Azerbaijan is financially supported by such Turkish companies as Istigbal (furniture sales), Romanson (watch sales) and Ulkar (the confectionery trade).

Gülen's movement is strongly tied to the ruling Turkish Justice and Development Party (AKP), which has Islamic roots. The visit by Prime Minister Erdogan to Baku in January 2003 was organised by a businessman linked to Nurcular⁴². Schools, which avoid open proselytism and try

to attract young people by the high quality of their education instead, play a special part in Gülen's movement⁴³. The schools provide accommodation in dormitories and organise summer camps for their students. Their graduates often receive job offers from Turkish firms⁴⁴.

5.2. Non-governmental organisations and foundations

The Azerbaijani Atatürk Foundation (*Azərbaycanda Atatürk Mərkəzi*), which propagates official co-operation between Turkey and Azerbaijan, operates in Baku. The Türksöy organisation engages in cultural and educational activity promoting the unity of the Turkic-speaking world, and offers courses in religion, the English, Arabic and Turkish languages and computer usage. In turn, the organisation named Kamer Özel Talebe Yurdu, which receives financial backing from the building company Kamer Ltd., is linked to the Suleymanci movement, and offers accommodation for poor children and young people.

5.3. Education

Turkey has actively supported the development of education in Azerbaijan by promoting institutional associations and reforms based on the Turkish system. On 29 February 1992, the Azerbaijani government and a Turkish delegation signed an agreement on Turkey's support for the reintroduction of the Latin script, launching school education reform, establishing Turkish language schools, supplying textbooks and teaching aids to schools and training courses for Azerbaijani students in Turkey. On 3 May 1992, an agreement on co-operation in teaching, expert services, technology and scientific research was signed in Baku. Universities in Azerbaijan accept the results of entrance examinations taken at Turkish universities, thanks to which Turkish students may study in Azerbaijan without any problems. The Caucasus University (*Qafqaz Universiteti*) was established in 1993 in Khirdalan near Baku using money donated by Turkish businessmen linked to the Nurcular movement. A Department of Religion (*İlahiyat Fakültesi*) was opened at the Baku State University, and a secondary school associated to the faculty was established on the initiative of the Turkish Ministry of Religion. The Turkish

World Management Faculty, financed by the Turkish World Foundation (*Türk Dnyasi Vakfi*), is operating at the Economic University in Baku. The non-governmental organisation Cag Oyretim, which is linked to the Nurcular movement, manages a network of secondary schools, which are located in Baku, Sheki, Zakatale and Lenkoran, among other places. Baku has two secular secondary schools, Anadolu Lisesi and Atatürk Lisesi, which are financed by the Turkish government. According to the Turkish Education Minister Husain Chelik, who visited Baku in early November 2006, nearly four thousand Turkish students were studying at the time in Azerbaijan, and nearly 1500 Azerbaijani students were studying in Turkey⁴⁵. Tens of thousands of Azerbaijani and Turkish students have been on student exchange since 1992, when the agreement was signed.

To sum up, Turkey – along with Iran – is the most actively engaged country in the social, educational and religious areas in Azerbaijan. From the perspective of the secular Azerbaijani government, the Turkish presence in the country's social life is much more welcome than the engagement of the Islamic Republic of Iran. Azerbaijani experts on religion believe that relations with Turkey have become more attractive for conservative and religious circles in their country since 2002, when the AKP, a party with Islamic roots, formed the government in Ankara.

6. Conclusions and forecasts

The 'honeymoon' phase in Turkish-Azerbaijani relations is certainly over. Azerbaijan no longer perceives Turkey as its 'elder brother', and Turkey itself has given up its ambitious plans from the early 1990s to 'civilise' its post-Soviet kinsfolk. The Baku–Tbilisi–Ceyhan and Baku–Tbilisi–Erzurum pipelines have established strong bonds between the two countries for many years. Turkey's energy security and its role as a transit country will be increasingly dependent on the stability of the situation in Azerbaijan, which subsequent Turkish governments will have to keep in mind. As a result, Turkey will not offer any major support to the Azerbaijani opposition. The real addressees of Ankara's appeals for 'democratisation' or 'transparency' in political life

in Azerbaijan will be the EU or the USA rather than Azerbaijani authorities.

However, mutual relations will not be free from friction. Turkey will feel a growing internal and external pressure to normalise relations and open borders with its Armenia, which is becoming increasingly isolated. This will cause anxiety in Azerbaijan. However, the effectiveness of such pressure on Turkey will depend on how realistic the prospect for its EU membership is at any given moment.

Turkey, which is in a sense a diplomatic 'hostage' to the conflict over Nagorno-Karabakh, would like it to be resolved. However, its settlement is very unlikely in the immediate future because the government of Azerbaijan is in turn 'hostage' to its public opinion (which is one of the few cases when they care about it).

In the field of the economy, Turkish businessmen will not fight against the omnipresent corruption in Azerbaijan; instead, they will become increasingly better 'adapted' to the local conditions. Corruption will not discourage Turkish capital from investing in Azerbaijan.

In the immediate future, Ankara will help to reform the Azerbaijani army to meet NATO standards. In the long term, Turkey's progress on its way to EU membership could strongly encourage Azerbaijan to become seriously interested in European integration. On the other hand, if Turkey focuses on integration with the EU, it may neglect its eastern policy. In turn, if the EU blocks the process of integration with Turkey, which is now quite likely, this could cause Ankara to increase its activity in the East, including in the Caucasus.

Jerzy Rohoziński

¹ Azerbaijani historiography strongly emphasize legacy of ancient Christian Caucasian Albania to reduce role of Armenians in the history of the region.

² Nearly 15% of residents of Turkey are Alevi, members of an Islamic movement which is theologically close to Shiism. Nearly a million Shia Muslims live in eastern Turkey, and almost 35% of residents of Azerbaijan are Sunni Muslims. Their number has been growing as a consequence of work by missionaries from Turkey.

³ T. Świętochowski, *Azerbejdżan i Rosja. Kolonializm, islam i narodowość w podzielonym kraju*, Warsaw 1998, pp. 37–48.

⁴ *Ibid.*, pp. 134–137, cf. Ali Faik Emir, *Türk Dis Politikasi Perspektifinden Güney Kafkasya*, Istanbul (2003).

⁵ The survey results were presented during the academic and practical conference entitled 'Islam in post-Soviet Azerbaijan; issues regarding freedom of conscience and religious security', (11 July 2003) Baku.

⁶ In the opinion of the political analyst Leyla Alieva, who is linked to the opposition, Turkey – especially when governed by political parties with Islamic roots – long ago stopped playing the role of a 'window to the West' and a mediator in the process of European integration. According to Jamil Hasanli, a historian from the Azadlig opposition bloc, Azerbaijan's relations with Turkey are now just a 'component of relations with the West'. While some time ago 'Turkey used to have stronger influence, other Western countries are now more active than Turkey'. Nevertheless, in his opinion, Azerbaijan is still a strategic partner for Turkey because there are two blocs in the region: USA–Turkey–Azerbaijan and Iran–Armenia–Russia. Interviews conducted by Jerzy Rohoziński in May 2006 and Mateusz Laszczkowski in August 2005.

⁷ Pollmark, <http://www.pollmark.com.tr/>

⁸ Halk Ab'ye guvenmiyor, *Milliyet*, 24 October 2006, <http://www.milliyet.com/2006/10/24/siyaset/asiy.html>

⁹ The Azerbaijani-Armenian conflict broke out in 1988, when Nagorno-Karabakh, the autonomous region in Azerbaijan 75% of whose population are Armenians, declared unification with Armenia. At first, it was limited to local persecutions and ethnic cleansings in Azerbaijan and Armenia. In late 1991, when both Azerbaijan and Armenia had declared independence, it turned into a full-scale war. The fighting lasted until May 1994. One of the consequences of the conflict was the emergence of the separatist Nagorno-Karabakh Republic, which is strongly linked to Armenia. The Armenian forces occupied 14% of Azerbaijan's territory.

¹⁰ Assim Mollazade, deputy president of Elchibey's party, the Popular Front of Azerbaijan, said then, 'This proximity cannot be explained by national affinity (in the nationalist meaning) alone because our relations with other 'Turkic' countries, such as Turkmenistan or Uzbekistan, are worse (...) We have chosen Turkey because (...) it has become for us (...) a springboard to the West and membership of NATO. Quotation from D. Helly, *Le paysage politique du nouvel Azerbaïdjan independant, Cahiers d'Etudes sur la Mediterranee Orientale et le Monde Turco-Iranien*, N 26, <http://cemoti.revues.org/document305.html>

¹¹ Istanbul Metropolitan Municipality Official Website, Two States, One Nation became historical in Istanbul, <http://www.ibb.gov.tr/en-US/Haberler/HaberDetay.html?HaberId=978>

www.ibb.gov.tr/en-US/Haberler/HaberDetay.html?HaberId=978

¹² For more information on this subject, see the chapter by Wojciech Konończuk discussing Turkish-Armenian relations.

¹³ Nazim Cafersoy, *Elcibey donemi Azerbaycan Dis Politikasi*, Ankara 2001, p. 129.

¹⁴ 'Echo': Official Baku doesn't believe that Ankara will open Frontiers with Armenia, 8 September 2006, <http://www.demaz.org/>; Zardusht Alizade, an activist of the Helsinki Committee, stated that in Azerbaijan both the government and the opposition are critical of any prospect of normalising Turkish-Armenian relations 'not because they do not understand the advantages of the process but because this would be very disadvantageous to the selfish interests of the political elites'. The interview was conducted in May 2006.

¹⁵ B. Gultekin, *Prospects for Regional Cooperation on NATO's South Eastern Border. Developing a Turkish-Russian Cooperation in the Southern Caucasus*, 'Final Report – Manfred Wörner Fellowship 2004/2005', 30 June 2005, pp. 54–68 and 134–143. The report, which was published on NATO's official website, provoked a very indignant comment in the opposition newspaper *Ayna-Zerkalo*. The irritation was sparked by the fact that the work did not contain a single chapter on Azerbaijan (it had chapters devoted to Georgia and Armenia), and only one sub-chapter mentioning the frontier trade with the Nakhchivan exclave. M. Jafarli, *Turetsky uchony Burju Gultekin napisal knigu, otrazhayuschuyu interesy Armenii*, *Zerkalo*, 20 June 2006.

¹⁶ Azerbaijani Delegation Visits Turkish Cyprus, *Zaman*, 18 July 2005.

¹⁷ V Baku pribyla delegatsiya rukovodstva TRSK, *Zerkalo*, 30 August 2005.

¹⁸ In the opinion of Leyla Alieva, Azerbaijan will never officially recognise the KKTC because firstly, this would do it much harm in the international arena, especially in contacts with the EU, and secondly, this would set a dangerous precedent in the context of Nagorno-Karabakh. The interview was conducted in May 2006. The publicist Fariz Ismailzade believes that the Turkish side has nevertheless been disappointed by the lack of a more defined stance by Baku towards Northern Cyprus. He also recalled that in May 2004, when Azerbaijan's delegates were absent from the voting at the Council of Europe on the opening of an official diplomatic agency of the KKTC (a resolution which was not passed), the Turkish delegation accused them of betrayal. F. Ismailzade, *Turkey-Azerbaijan: the Honeymoon is over*, *East West Studies*, 3 March 2006, http://www.eastweststudies.org/makale_detail.php?tur=223&makale=203.

¹⁹ According to Institut Kurde de Paris, Kurds constitute nearly 1.8% of Azerbaijan's population. Institut Kurde de Paris, *The Kurdish diaspora*, <http://www.institutkurde.org/en/kurdorama/>.

²⁰ Azerbaijan: Turning over a New Leaf, International Crisis Group. Europe Report, No. 156, Baku–Brussels, 13 May 2004, pp. 9–13 and 20–22.

²¹ The interview with Leyla Alieva was conducted in May 2006.

²² Stroibarony, *Realny Azerbaijan*, 19 May 2006.

²³ Such allegations were made by the opposition newspaper *Yeni Musavat* in 2002. Another opposition newspaper, *Ayna-Zerkalo*, in turn reported the detention of 33 PKK fighters in Azerbaijan's territory. Azerbaijani Defence Minister Mamed Aliev stated that the allegations were groundless. Prime Minister Erdogan hypothesised in 2005 that PKK units could be operating under the guise of Kurdish cultural centres in Azerbaijan. F. Ismailzade, *The Age of Pragmatism, Eurasia Insight*, 23 February 2003, http://www.eurasianet.org/departments/insight/articles/pp022303_pr.shtml

²⁴ The interview was conducted by Mateusz Laszczkowski in July 2005.

²⁵ Zardusht Alizade said in an interview in 2006, 'Turkish observers and delegates have always recognised our totally fixed elections as complying with European standards'.

²⁶ Vizit Ali Kerimli v Turtsiyu prodolzhayetsa, *Zerkalo*, 30 June 2005.

²⁷ B. Gultekin, Prospects for Regional Cooperation on NATO's South Eastern Border. Developing a Turkish-Russian Cooperation in South Caucasus, Final Report – Manfred Wörner Fellowship 2004/2005, 30 June 2005, pp. 57–61.

²⁸ Turkey finishes laying Baku–Tbilisi–Erzurum pipeline, *Today.Az*, 6 March 2007, <http://www.today.az/news/business/37479.html>

²⁹ IA Regnum, 6 December 2006.

³⁰ Data: UNCTAD, IMF, Ministry of Economic Development of Azerbaijan. UN-ESCAP, Foreign direct investment in Central Asia and Caucasian economies: policies and issues, 'Studies in Trade and Investment' No. 50 (ESCAP, Bangkok), p. 70n.

³¹ National Bank of Azerbaijan, http://www.nba.az/download/melumatlar/tediyye_balansi/en_ted_balansi_sentyabr.pdf

³² B. Gultekin, Prospects for Regional Cooperation on NATO's South Eastern Border. Developing a Turkish-Russian Cooperation in South Caucasus, Final Report – Manfred Wörner Fellowship 2004/2005, 30 June 2005, pp. 134–143.

³³ R. Musabekov, Korruptsiya v Azerbajiane, *Centralnaya Aziya i Kavkaz* 7/2000, http://www.ca-c.org/journal/cac07_2000/12.musabekov.shtml. Western oil corporations have also played their part in corrupting Azerbaijani politicians. Cf. D. Heradstveit, Local Elites Meet Foreign Corporation. The Examples of Iran and Azerbaijan, NUPI Working Papers No. 617, June 2001.

³⁴ Interview with political analyst Arif Yunusov in May 2006; statement by Barmek company: http://www.barmek.az/index.php?news_block_id=287; for more details on this case see: M. Muradova, R. Abbasov, Azerbaijan: Turkish Investor, jailed Minister accused of embezzlement, forgery, *Eurasianet Business & Economics*, 8 March 2006, <http://www.eurasianet.org/departments/business/articles/eav030806.shtml>; L. Amirova, Power Play in Azerbaijan, IWPR Caucasus Reporting Service No. 331, 16 March 2006, http://www.iwpr.net/?p=crs&s=f&o=260377&apc_state=henh; F. Ismailzade, Baku seems determined to trade Turkish Business into Russian, *Central Asia – Caucasus Analyst*, 8 March 2006, http://www.cacianalyst.org/view_article.php?articleid=4065&SMSESSION=NO

³⁵ Rovshan Ismayilov, Azerbaijan, Georgia and Turkey: Building a Transportation Triumvirate?, *Eurasianet. Business & Economics*, 7 February 2007; http://www.eurasianet.org/departments/insight/articles/eav020707_pr.shtml

³⁶ Data provided by the Turkish Ministry of Culture and Tourism.

³⁷ Khazri Bakinsky, Mina Muradova, Azerbaijan pursues NATO Integration, *Eurasia Insight*, 16 March 2007, http://www.eurasianet.org/departments/insight/articles/eav031607_pr.shtml; Turkey gives additional military aid to Azerbaijan, Georgia, *Azerbaijan Daily Digest*, 10 June 2005, <http://www.eurasianet.org/resource/azerbaijan/hypermil/200506/0021.shtml>; F. Ismailzade, Turkey-Azerbaijan: the Honeymoon is over, *East West Studies*, 3 March 2006, http://www.eastweststudies.org/makale_detail.php?tur=223&makale=203

³⁸ F. Ismailzade, Turkey–Azerbaijan: the Honeymoon is over, *East West Studies*, 3 March 2006, http://www.eastweststudies.org/makale_detail.php?tur=223&makale=203

³⁹ These issues have also been tackled in Wojciech Tworowski's text on Turkey's relations with Central Asia.

⁴⁰ J. Nosebe, Les politiques religieuses en ex-URSS musulmane, *Les Annales de l'Autre Islam* 6, 1999, pp. 385–402; B. Balci, Islam et Éducation islamique en Azerbaïdjan indépendant: premiers résultats d'une recherche en cours, *Religioscope. Etudes et analyses* 1, May 2004, pp. 11–14, http://religion.info/french/articles/article_54.shtml

⁴¹ A. Yunusov, Islam In Azerbaijan, Baku (2004), pp. 227–229.

⁴² A. Yunusov, Islam in Azerbaijan, Baku (2004), pp. 230–232; R. Motika, Islam in Post-Soviet Azerbaijan, *Archives des Sciences Sociales de Religion*, No 115, 2001, <http://www.ehess.fr/centres/ceifr/assr/N115/006.htm>; J. Burke, Azeri paper says Turkish Islamic radical trend expanding network in Azerbaijan, *Azerbaijan Daily Digest*, 13 February 2002, <http://www.eurasianet.org/resource/azerbaijan/hypermil/200202/0031.shtml>

⁴³ B. Balci, Fethullah Gülen's Missionary Schools in Central Asia and their Role in the Spreading of Turkism and Islam, *Religion, State & Society* vol. 31, No. 2, 2003, pp. 151–176; B. Aras, O. Caha, Fethullah Gülen and his Liberal 'Turkish Islam' Movement, *MERIA Journal* vol. 4, No. 4, Dec. 2000, pp. 30–42

⁴⁴ B. Balci, Islam et education islamique en Azerbaïdjan indépendant: premiers résultats d'une recherche en cours, *Religioscope. Etudes et analyses* 1, May 2004, pp. 12–13, http://religion.info/french/articles/article_54.shtml

⁴⁵ Turkish Education Minister Hussain Chelik in Azerbaijan, *Today.Az*, 1 November 2006, <http://www.today.az/news/politics/32070.html>

CHAPTER II

Historical baggage – relations between Turkey and Armenia

Wojciech Konończuk

Theses

1. Armenia is the only country bordering with Turkey with which Ankara does not maintain diplomatic relations; the border between the two countries is closed. The causes of this date back to the beginning of the 1990s, and have their origin in the conflict between Armenia and Azerbaijan over Nagorno-Karabakh, Turkey's accusations that Armenia was making territorial claims, and Turkey's refusal to recognise the deportations and massacres of Armenians during World War I as genocide.

2. Turkey has declared that normalisation of relations with Armenia depends on settling the conflict over Nagorno-Karabakh, and consequently, on progress in relations between Armenia and Azerbaijan. On the other hand, another important actor in Turkish-Armenian relations is the Armenian diaspora which supports Yerevan's hard line against Ankara, and is quite influential in Armenia proper.

3. Turkish-Armenian relations have considerable impact on Turkey's relations with other countries. Particularly, the international community's assessment of the events of 1915 (mass murder of Armenians by Turkish Ottoman forces) are becoming a major problem in Turkey's foreign policy. The European Union's (EU) influence on relations between Turkey and Armenia is growing. Progress in Turkey's integration with the EU could lead to the normalisation of Turkish-Armenian relations.

4. Possible agreement between Turkey and Armenia will change the geopolitical situation in the Southern Caucasus and have a positive impact on settlement of the Karabakh conflict. It will also weaken Russia's influence in the region.

1. General outline of Turkish-Armenian relations

Armenia is Turkey's smallest neighbour (29,800 km² in surface area), and its border with the eastern Turkish provinces of Kars and Igdir¹ is 268 km in length. Armenia lies between the Turkish-Georgian and Turkish-Azerbaijani (with Nakhchi-

van) borders, on the shortest route linking Turkey with Azerbaijan and Central Asia.

Relations between Turkey and Armenia are centuries long. Their historical legacy is one of the main problems which make it more difficult to improve political relations between the two countries. The state of the Armenians, which existed since pre-Christian times on the territory of today's Armenia and eastern Turkey, was conquered by the Byzantine Empire in the mid-eleventh century, then came under the rule of the Seljuk Turks. The last Armenian state, the Kingdom of Cilicia, situated on the Mediterranean Sea on the territory of today's southern Turkey, was conquered by Turkey in 1375. In the sixteenth century, the bulk of territories inhabited by Armenians were incorporated into the Ottoman Empire. Armenians enjoyed religious and cultural autonomy in the Ottoman administrative system of *millets*². The political loyalty of the Armenians contributed to the fact that until the end of the nineteenth century they were referred to as the 'most faithful of *millets*'. As the importance of nationalist movements grew in the 1890s, Turkish-Armenian relations worsened, which led to the first pogroms against Armenians³.

The years of World War I constituted the most tragic period of Turkish-Armenian relations. The events of 1915 in eastern Anatolia are perceived by the two parties in radically different ways; according to Armenians, it was an act of genocide planned by the Turkish authorities, claiming up to 1,500,000 Armenian lives. From the Turkish point of view, Armenians supported Russians in the Turkish-Russian war, and in retaliation they were displaced to Syria and Iraq. This led to the deaths of between 300,000 and 600,000 people, mainly caused by diseases, famine, and 'exacerbated by massacres committed by groups of Kurds. At the same time, as a result of actions undertaken by Armenian and Russian guerrillas, the bulk of whose soldiers were Armenian, the Muslim population also suffered (a few thousand, according to Turkish estimates)⁴. After the establishment of the Turkish Republic, the problem of the genocide of Armenians was nearly absent from Turkish public debate until the mid-1960s⁵. The issue returned together with the campaign initiated by the Armenian diaspora to recognise the massacre of 1915 as genocide. Turkey then hardened its position, and all attempts to ques-

tion the official historical version were considered a crime. Only the process of democratisation connected with Turkey's efforts to start negotiations with the EU has led to any much wider public discussion on the subject⁶.

After Armenia declared independence in 1918, two short Turkish-Armenian wars broke out (May–June 1918, September–December 1920). The Soviet Army's invasion of the Southern Caucasus a few months later put an end to the Armenian state, which was incorporated into Soviet Russia. The Turkish-Armenian border was demarcated by the Treaty of Kars of October 1921, by virtue of which Turkey gained territories considered by Armenians as their historic lands. Under the Soviet regime, in the Armenian Soviet Socialist Republic there was only one Turkish-Armenian border post in Dogu Kapi/Akuryan, which served as a point of economic exchanges. Contacts between Turks and Armenians were very limited, however, and Armenian territory was heavily militarised, as it was situated close to the border with Turkey – a NATO member. The Soviet era was a period of isolation for both societies, and as a result Turks and Armenians do not know much about each other.

The situation changed radically after Armenia's declaration of independence in 1991 when Turkey closed its border with Armenia, which again restricted bilateral contacts.

Research on the mutual perceptions of the Turkish and Armenian societies published in 2005 by the organisations from Turkey (TESEV) and Armenia (HASA) reveals that Turks have a low level of knowledge about Armenians, and *vice versa*; this shows that the two nations do not know each other due to lack of information and difficulty in establishing contacts⁷. The research also shows that Armenians have more stereotypes, prejudices against and fears of Turks than *vice versa*. Armenian perceptions of Turks are negative, whereas Turks see Armenians in a more neutral and less negative way⁸. In Turkey, the 'Armenian question' nowadays provokes two types of interconnected reactions⁹. On one hand, some of the Turkish ruling class claim that there is more transparency in politics and that history is being revised. On the other, the ruling class's growing impact on public opinion and its increased presence in public life has strengthened Turkish national identity, which has been forged in opposition to accusations of crimes perpetrated on the Armenian po-

pulation. Among Armenians, the key factor influencing their perception of Turks is the historical memory of the genocide. The Armenian national identity has to a great extent been formed in relation to the tragedy of 1915, which is today the most significant element uniting Armenians all over the world. For the numerous Armenian diaspora (which to a large extent is composed of descendants of Armenians who once lived on Turkish territory and survived the genocide), it is the most important issue allowing them to preserve the distinctive national identity. At the same time, it largely determines the Armenian diaspora's approach to the Turkish state. Despite the closure of the Turkish-Armenian border since the 1990s, Turkey has become a place where Armenians come looking for work. The number of Armenians working in Turkey is estimated at around 70,000. However, this number is not big enough to influence the way the two nations perceive each other. In Turkey (mainly in Istanbul), there are about 60,000–70,000 Armenians descended from former citizens of the Ottoman Empire¹⁰. They constitute a non-distinctive part of Turkish society, although they have maintained a sense of separate identity and the group is well organised¹¹.

2. Evolution of political contacts

Turkey was one of the first countries to recognise Armenia as an independent state on 16 December 1991. This was caused by Ankara's interest in seeing sovereign countries established in the Southern Caucasus, which would create a sort of a buffer zone separating Turkey from Russia, weaken Russian influences and offer Ankara possibilities of extending its geopolitical ascendancy in the region. The creation of the independent Armenian state provoked some fears in Turkey related to possible Armenian territorial claims and the initiation of the international process of recognising the genocide, which would provide support for the efforts made by the Armenian diaspora. In April 1991, even before the break-up of the USSR, the Turkish ambassador to Russia visited Yerevan. During meetings with Armenian leaders, he was assured that Armenia would not make any territorial claims in regard to Turkey. Since then, Turkish-Armenian relations, already heavy with their historical burden, have become

even more complicated because of the conflict over Nagorno-Karabakh which started in 1988. The war between Armenia and Azerbaijan was the direct cause of Turkey's decision to take the side of Azerbaijan, and resolve not to establish diplomatic relations with Armenia. Unofficially, Ankara presented three preconditions to Yerevan: **1)** abandoning its territorial claims in regard to Turkey; **2)** abandoning its aggressive policy towards Azerbaijan; **3)** ceasing accusations of genocide of Armenians. Turkey's fears of Armenia's efforts to revise borders were provoked by the following words in the Declaration of Independence adopted on 23 August 1991: 'The Republic of Armenia stands in support of the task of achieving international recognition of the 1915 Genocide in Ottoman Turkey and Western Armenia' (art. 11)¹². Ankara also states that by virtue of the Armenian constitution (art. 13), the Armenian national emblem features Mount Ararat, situated on Turkish territory, which proves that it has claims over Turkish territory¹³.

In August 1992, a Turkish delegation came to Yerevan to discuss the prospect of development of bilateral relations. The only outcome was the signing of agreements on the sales of 300 million kW of energy and wheat supplies to Armenia. The agreement on the sales of wheat was suspended a few months later, and the energy agreement was cancelled by Turkey the same year because of strong protests from Azerbaijan. In the following months, the impact of the Karabakh conflict on Turkish-Armenian relations rose considerably, and in April 1993 Turkey decided to close its border with Armenia, believing that this act would weaken Armenia's position. Since then, the Turkish policy towards Armenia has been strictly linked to Azerbaijan's policy towards Armenia.

In the period immediately after the independent Armenian state was re-established in 1991, the Turkish government was not unanimous in its political line towards Armenia. The then-President Turgut Ozal advocated a firm and aggressive policy, and believed that Armenia should be 'scared'; 'dropping a few bombs' on the border territories in Armenia would make them soften their position towards Karabakh¹⁴. Suleyman Demirel, who was Prime Minister at that time, was in favour of a more cautious and non-confrontational policy. In the end, Demirel's opinion prevailed; he replaced Ozal as president in 1993. Despite a lack

of decision on diplomatic relations with Armenia, Ankara did not abandon attempts to establish alternative contacts with Yerevan, for example, by inviting Armenia to become a member of the Black Sea Economic Co-operation (BSEC). In June 1992, at the Istanbul summit where the BSEC was founded, a meeting was held between Prime Minister Demirel and the Armenian President Levon Ter-Petrossian. For Armenia, relations with Turkey, apart from the issues of Karabakh and relations with Azerbaijan, have become the most important foreign policy problem. After 1991, Ankara's declared will to open up to post-Soviet Turkic-speaking republics and an attempt to revive the concept of pan-Turkism increased the Armenians' feeling of being threatened¹⁵. Since the beginning of the 1990s, the Armenian authorities have tried to normalise relations with Turkey without putting forward any preconditions. Yerevan initially decided not to politicise the problem of the genocide so as not to further complicate with Turkey any relations. However, neither this Armenian policy nor the cease-fire signed in 1994 in Nagorno-Karabakh led to a breakthrough: no dialogue between Ankara and Yerevan began, and the border remained closed. Since the mid-1990s Turkish-Armenian relations have been in a deadlock. The launch of a project to transport energy supplies from Azerbaijan through Turkish territory to the West has contributed to Turkey's toughened and uncompromising policy towards Armenia. The government in Baku expects Turkey to back their political line towards Yerevan, even though this had not always been beneficial to Turkish interests. Turkish-Armenian relations have thus become to some extent a 'hostage' to Azerbaijani-Turkish relations. The close collaboration between Azerbaijan and Turkey has increased Armenia's isolation in the region, as was exemplified by Armenia's exclusion from the project of construction of the Baku–Ceyhan oil pipeline¹⁶.

2.1. The Nagorno-Karabakh problem in Turkish-Armenian relations

As a result of the Armenian-Azerbaijani conflict over Nagorno-Karabakh, the third party, Azerbaijan, has become involved in relations between Turkey and Armenia. Throughout almost the whole period of the conflict, Armenia has feared Turkish military intervention in support of Azer-

baijan. Ankara, despite regular threats made against Yerevan, has refrained from direct involvement on the Azerbaijani side¹⁷. In a way, Turkish policy has reached an impasse. On one hand, Turkey did not want to see relations with the West and Russia worsened, which any military intervention by them would certainly cause. On the other, it is obliged to respond to the expectations of Azerbaijan and other Turkic-speaking republics which expect Ankara to take an active position in the conflict. Turkey's influence on the conflict over Karabakh was restricted to lobbying in favour of Azerbaijan in the international arena, which however was quite effectively countered by the Armenian diaspora. Ankara has gone further than just verbally supporting Baku, and since the end of 1991 it has started to secretly supply Azerbaijan with arms, equipment and a certain number of 'military experts'. Turkey has also begun to train Azerbaijani officers in Turkish military schools. However, even Armenian specialists admit that Turkish aid, taking into account Turkey's potential and interest in extending its geopolitical ascendancy in the region, has been limited¹⁸. In relation to the threat of an Armenian intervention against the Azerbaijani enclave of Nakhchivan, Ankara 'reminded' Armenia that the Treaty of Kars states that Turkey is a guarantor of security and the borders of the region. In May 1992, President Ozal demanded that the Turkish government send troops to Nakhchivan in order to defend it against possible Armenian attack¹⁹. Turkey's cautious attitude in the conflict over Nagorno-Karabakh is a result of many factors: its relations with the EU, Kurdish separatism, the Cyprus question, difficulties in relations with other neighbouring countries, Russia's position, the unstable economic situation, and the actions of the Armenian lobby in the West²⁰. In this situation, launching a military operation against Armenia could exacerbate Ankara's problems in the international arena²¹. The problem of Nagorno-Karabakh remains one of the crucial issues making the normalisation of Turkish-Armenian relations difficult.

2.2. The issue of the Turkish-Armenian border

On 3 April 1993, Ankara announced its decision to stop supplying wheat and all other humanitarian aid to Armenia through Turkish territory²²,

which amounted to a closing of the Turkish-Armenian border and the imposition of an economic embargo on Armenia. Since then, Turkey has constantly associated the question of reopening the border with Armenia with a solution to the Nagorno-Karabakh conflict and the withdrawal of Armenian troops from the occupied regions of Azerbaijan²³. Armenia has not advanced any preconditions for reopening the border. The question of the closed Turkish-Armenian border is also linked with the problem of recognising Armenia's present borders. Ankara has criticised Yerevan for seeking to revise them by questioning the provisions of the Treaty of Kars. Armenia claims it has frequently declared that it has no territorial claims to Turkey. When Armenia joined the Organisation for Security and Co-operation in Europe, it confirmed that it had no desire to change the state's borders. In the interview for the *Turkish Daily News*, the President of Armenia Robert Kocharian stated that 'Turkey's recognition of the genocide of Armenians will not result in Armenia making any territorial claims'²⁴. Similarly, the Armenian Foreign Minister Vartan Oskanian has often declared that Armenia would respect the provisions included in the Treaty of Kars²⁵. On the other hand, in April 2005 while emphasising Armenia's lack of territorial claims, President Kocharian said: 'And on our agenda today is the issue of genocide recognition. Future presidents and future politicians will deal with the legal consequences of that'²⁶.

However, Turkey expects the Armenian parliament to adopt a special declaration which would affirm the existing borders and stipulate that Armenia would not make any claims on Turkish territory. It appears that this condition from Ankara is simply a pretext not to reopen the border with Armenia. On the other hand, the Armenian government cannot adopt such a parliamentary resolution as it would be received negatively by both Armenian society and the diaspora because of strong revisionist feelings²⁷.

Opinions that Armenia wishes to rebuild a 'Greater Armenia' are frequently encountered among Turks²⁸. Additionally, no influential groups in Turkey would be interested in reopening the border. Only the authorities of the eastern regions believe it would stimulate their economic development²⁹. On both the Turkish and the Armenian sides there are some opinions that Turkish sanctions are in-

effective, and – paradoxically – opening the border and establishing diplomatic relations will increase Turkey's possibilities for influencing Armenia. Despite periodically appearing rumours that Ankara is inclined to open its border with Armenia, at the moment this is quite unlikely. The solution to the problem hinges mainly on a breakthrough in Armenian-Azerbaijani negotiations³⁰. The EU could have a positive impact on the two sides; Ankara will be ever more obliged to take the EU's opinion into account, particularly with regard to its progress towards European integration, and Yerevan and the Armenian diaspora organisations in the EU countries are also trying to get support from Brussels. In several EU documents regarding Turkey, appeals to unblock the Turkish-Armenian border have been made. In September 2006, the European Parliament called on Ankara to 'take the necessary steps, without any preconditions, to establish diplomatic and neighbourly relations with Armenia, to lift the economic blockade and quickly open the border'³¹. Growing pressure from the EU (albeit only if relations between the EU and Turkey are good), and to some extent from the US, may be the factor which will lead to the opening of the border even without any simultaneous progress in negotiations to settle the Karabakh conflict³².

2.3. The problem of the genocide of Armenians

Under President Levon Ter-Petrossian (1991–1998) Armenia abandoned its policy of politicising the genocide problem and raising it in the international arena. The first president of post-Soviet independent Armenia was the proponent of a moderate policy towards Turkey. In his opinion, demanding that Turkey recognise the massacres and deportations as genocide could create an image of Armenia as a state making territorial claims on its neighbours, and could thus weaken Armenia's justified efforts to get hold of Nagorno-Karabakh³³. Ter-Petrossian's successor, Robert Kocharian, radically changed Armenia's policy towards the problem, and international recognition of the genocide became one of the priorities in Armenia's foreign policy³⁴. This shift in policy was also the result of the conviction that raising the issue of the genocide would strengthen Armenia's international position, including its position in the conflict over Nagorno-Karabakh³⁵. In this way,

another question was added to many problems in Turkish-Armenian relations; this problem became one of the most important and difficult. Turks reject accusations of their complicity in the massacres of Armenians in 1915, fearing at the same time that international recognition of the genocide (especially by the American Congress) would be equal to financial claims from Armenian diaspora organisations. The problem of not recognising the slaughter of Armenians as a genocide by Turkey, and the problem of Turkish-Armenian relations in the wider context, is having an increasingly large impact on Ankara's relations with the EU³⁶ as Europe starts to perceive the question as part of the broader all-European history and memory³⁷. For several years now, the atmosphere surrounding the genocide problem has been changing in Turkey. At least ten books and articles presenting a point of view different from the official one have been published; conferences have been held and a related public debate has been started. Armenians are watching these changes with satisfaction³⁸. Another sign of the changes was the letter sent in March 2005 by Prime Minister Recep Tayyip Erdogan to President Robert Kocharian containing a proposal to set up a joint historical commission whose task would be to make a judgement on the events of 1915. The initiative was backed by some Turkish historians who recognise the genocide (including Taner Akcam). Ankara's offer marked a substantial turnaround in Turkish policy; however, it was rejected by the authorities in Yerevan who responded that the genocide was a fact which was not open to debate. In regard to Armenia's intensified efforts for international recognition of the genocide, the Turkish Foreign Minister Abdullah Gül announced at the end of 2006 that Ankara was considering a new strategy towards the Armenian campaign, part of which will be to go to the International Court of Arbitration³⁹. Gül also believed that the issue of the genocide would be one of the priorities in Turkish foreign policy in the coming years. In a foreseeable future there is probably little chance of Turkey and Armenia reaching any agreement on the genocide because of the uncompromising position of both sides. Some Armenians, however, think that the problem should be moved from the political ground to the legal and international dimension. A certain change in Yerevan's position may have been signalled by President

Kocharian's statement in February 2007 that Armenia is ready to set up a joint Armenian-Turkish governmental commission (but not a historical one) to discuss the events of 1915⁴⁰.

2.4. The influence of the Armenian diaspora on relations between Ankara and Yerevan

The Armenian diaspora is a very important factor influencing Turkish-Armenian relations. It is estimated that there are about 8–10 million Armenians, of whom only one-third (3.2 million) live in the Republic of Armenia. Armenians living in various countries (they are particularly numerous in Russia, the US and France) have created efficient organisations which are influential advocacy groups on the politics of the countries they live in. The strongest Armenian lobby exists in the US, where the diaspora is grouped into two major organisations: the Armenian Assembly of America and the Armenian National Committee of America. The diaspora's main goal is to achieve the recognition of the 1915 massacres as genocide by Turkey and the international community. Many parliamentary declarations recognising the genocide of Armenians have been made possible due to influence from the Armenian lobby. The Armenian diaspora is able to exert influence not only on the governmental politics of the countries they live in, but also on Yerevan's politics as well. After Armenia regained independence, the influence of Armenians living outside the country increased considerably thanks to their financial resources; a few representatives of the diaspora have come to hold important state positions. The first Armenian Foreign Minister Raffi Hovannisian (1991–1992) was an Armenian from the US; the present Foreign Minister Vartan Oskanian (in office since 1998) was born in Syria and studied at American universities. The impact of the diaspora on Yerevan's politics strengthened particularly after Robert Kocharian became president. In Turkey, the opinion that the Armenian diaspora is one of the major obstacles in reaching Turkish-Armenian agreement is widespread, and if Yerevan was the only party in negotiations, agreement could be achieved much more quickly⁴¹. From the Turkish point of view, organisations of Armenians living in the West are more conservative and uncompromising, and negatively affect the

possibilities for reconciliation between the two states and nations⁴².

The Armenian diaspora in Russia, which is currently the largest Armenian community outside Armenia itself⁴³, is very specific in character. It is not as influential as the Western diasporae, and does not try to exert any influence on Turkey, Russia or other countries' policy towards Ankara. A reverse process can even be seen; the Armenian diaspora is one of Moscow's more significant instruments of pressure on Armenia, and some of its structures were even created at the Kremlin's initiative. The biggest Armenian organisation in the Russian Federation (the Union of Russian Armenians, headed by Ara Abramian) has close ties with the authorities, and so organisations of Armenians in different countries have accused it of wishing to put the diaspora at Russia's service⁴⁴.

2.5. Attempts to bring about Turkish-Armenian agreement

Turkish-Armenian relations have remained frozen since the beginning of the 1990s; however, the two parties have periodically made attempts to establish a dialogue. An occasion for Turkish and Armenian representatives to meet is provided, among other events, by BSEC summits and UN General Assembly sessions. In Istanbul there is a permanent Armenian BSEC representative office that fulfils the function of an unofficial Armenian diplomatic mission in Turkey. Although regular information appears in the media that the two parties are close to reaching agreement, there have been no signs in recent years that would allow such a conclusion to be drawn. Even Turkey's insignificant attempts to establish a dialogue with Armenia provoke negative reactions of Baku. Great expectations to normalise the relations between Ankara and Yerevan can be linked with Turkey's integration into European structures. Armenia supports this process, believing that the closer Turkey is to EU membership, the easier it will be to bring about a breakthrough in Turkish-Armenian relations. Other actors apart from the EU are trying to get involved in the normalisation process between Turkey and Armenia. In July 2001, at the initiative of the US, the Turkish-Armenian Reconciliation Commission (TARC) was created; its members were well-known Turkish and Armenian social activists, scientists and retired diplo-

mat. The TARC's objective was to initiate an official dialogue between Turkey and Armenia. However, both Yerevan and Ankara distanced themselves from the TARC⁴⁵. The Armenian government believed that the Commission was an attempt to suppress the issue of the genocide as an international problem; the Turkish government feared that the Commission's activities could make it necessary for Turkey to assume responsibility for the events of 1915. Furthermore, the attitudes of the US-based diaspora organisations in the US were not unanimous. The Armenian Assembly of America reacted positively to the efforts made by the Committee, whereas the Armenian National Committee of America saw it as a dismissal of the idea that the genocide of Armenians should be recognised. In February 2003, the International Centre for Transitional Justice (ICTJ), a human rights organisation based in New York, issued a legal opinion commissioned by the TARC on the question whether the events of 1915 could be recognised as a genocide in the light of international law⁴⁶. The report stated that 'the events include all elements of the crime of genocide as defined by the United Nations Convention [on the Prevention and Punishment of the Crime of Genocide to Events which Occurred During the Early Twentieth Century]'. The publication of the ICTJ's report and a lack of sufficient political support from Washington⁴⁷ caused the TARC to finish its work in April 2004, and present seven recommendations for the governments of Turkey and Armenia⁴⁸. Although the Committee did not reach its set objective, it should be seen as a valuable initiative. 'It was the first attempt to establish an institutional dialogue between the societies of Turkey and Armenia and the Armenian diaspora'⁴⁹. In April 2007, at the initiative of the Eli Wiesel Foundation for Humanity, 53 Nobel Prize laureates signed an appeal calling for reconciliation between Turkey and Armenia⁵⁰.

3. The economy

Turkey's closure of its border with Armenia in April 1993 hampered bilateral economic development, but did not stop it altogether. Goods were exchanged in transit through the territory of Georgia, and trade exchange has been growing systematically. According to data from the National

Statistical Service of the Republic of Armenia, in 2005 export to Turkey amounted to US\$2.47 m (0.25% of all Armenian exports), and US\$66.9 million of imports (3.7% of Armenian import)⁵¹. In 2007 the trade turnout between Turkey and Armenia was 133.7 million US \$ (3% of Armenian foreign trade). Unofficial figures reach US\$150–200 million annually⁵². Armenia occupies a marginal place in Turkey's overall balance sheet. On the other hand, Turkey is officially the eleven among the Armenian trading partners. In May 1997, at the BSEC summit in Istanbul, a group of Turkish businesspeople set up the non-governmental Turkish-Armenian Business Development Council (TABDC), based in Istanbul and Yerevan. This is currently the only initiative aimed at the development of economic contacts between the two countries⁵³. The TABDC's position is similar to that of Yerevan, which believes that economic contacts should not depend on political relations. As research by the World Bank in 2000 showed, opening the border would contribute to a substantial increase in economic contacts between Turkey and Armenia. However, it would mainly benefit the Armenian economy, which is incomparably smaller than the Turkish one, and consequently more sensitive to short-term changes. Armenia could double the volume of its exports, which would quickly lead to the growth of GDP by 30%⁵⁴. It would also result in savings of US\$50 m annually on transit through Georgian territory, but on the other hand it would cause a rise in imports into Armenia. Contrary conclusions were presented in the report published in July 2005 by the Armenian-European Policy and Legal Advice Centre (AEPLAC) based in Yerevan. The report argues that benefits for the Armenian economy brought by the opening of the border with Turkey will be insignificant, and will not cause a radical improvement in the country; GDP will grow by as little as 0.67%. Critics of the report state that the report was a political commission, and its objective is to maintain the present Armenian oligarchic economic system, which could not survive the opening of the border⁵⁵. That would also contribute to the development of Turkey's eastern provinces, which could then substantially increase production thanks to access to the Armenian market. As early as 1995, the mayor of Kars announced that opening the border posts with Armenia would provide an important economic

impulse to the region⁵⁶. In recent years Turkey has undertaken several actions to improve the terms of trade exchange. In 1996, Ankara returned to the liberal visa system with Armenia (stopped in 2001) which allows Armenian citizens to obtain a visa at Turkish airports without the need to have it before entering Turkey. For some years Armenian interest in tourism to Turkey, both to its eastern part and to sea resorts on the Mediterranean coast, has been growing⁵⁷.

4. Security

Conflicts in the region of the Southern Caucasus, particularly the tense relations between Turkey and Armenia, have made the region especially important to Turkey's security. Persuaded by the feeling of threat from Turkey and Azerbaijan, Yerevan has established a close political and military alliance with Russia. This alliance has forced Armenia into an asymmetric dependence on Moscow, and the resultant Russian influences in the region constitute a significant geopolitical factor, with considerable impact on Turkey's security. Similarly, Armenia's closer ties with Iran and its political and military collaboration with Greece, even though they do not pose a direct threat to Turkey's security, are certainly unfavourable to Ankara⁵⁸. The presence of Russian troops in Armenia (at the base in Gyumri) is another unsettling fact for Ankara⁵⁹. Russia has provided support for Armenia during the war in Nagorno-Karabakh (particularly since 1992), which had a great impact on Ankara's moderate involvement in this conflict. In May 1992, when there was a danger of Turkey intervening militarily in support of Azerbaijan, the Russian marshal Yevgeny Shaposhnikov threatened that a potential Turkish intervention could lead to the break-out of 'the third World War'⁶⁰. In August 1997, Yerevan and Moscow signed an agreement on mutual assistance, co-operation and friendship providing for military support in case of an external attack. Additionally, Armenia is a founding member of the Collective Security Treaty Organisation (CSTO), a military alliance of post-Soviet countries created under the auspices of Russia and assuming the collective defence of its member states⁶¹. In 1998, a fleet of MiG-29 fighter planes and the Russian S-300 air defence system were deployed on Armenian territory⁶².

Russia is interested in maintaining the *status quo* in Turkish-Armenian (and Armenian-Azerbaijani) relations, as their normalisation would inevitably lead to a significant decrease in Russian ascendancy in the region⁶³. In the 1990s, Armenia was accused in the Turkish media of supporting the Kurdistan Workers' Party (PKK)⁶⁴. There were allegedly Kurdish training camps on Armenian territory, and the PKK leader Abdullah Ocalan was supposedly residing in the town of Lachin in 1994. These accusations were never confirmed, and Turkish journalists sent to Armenia did not find any evidence of the Kurdish party's activities. Turkey's charges were meant to discredit Yerevan in the international arena.

5. The socio-cultural dimension

Because of the lack of political relations, Turkey and Armenia do not collaborate in the fields of culture and science. Few initiatives are undertaken by the non-governmental organisations of both countries. This can be exemplified by the project of the Turkish-Armenian Business Development Council which, among other activities, supports student exchanges, and has led to the signing of a protocol between the Middle East Technical University in Istanbul (ODTU) and the Yerevan State University. In recent years, study visit programmes for journalists from the two countries have also been developing.

6. Conclusions and forecasts

Contemporary relations between Turkey and Armenia were born in a particular regional context (the Nagorno-Karabakh conflict) and burdened by historical events (the genocide of Armenians). To a large extent, current Turkish-Armenian relations have their roots in the events of the beginning of the 1990s. Ankara's policy has remained unchanged for many years: Turkey makes the improvement of relations with Yerevan dependent on the settlement of the conflict over Nagorno-Karabakh, an end to the Armenian occupation of Azerbaijani territory, and the abandonment of Armenian territorial claims towards Turkey. A serious issue that complicates the normalisation of bilateral relations is the problem of the genocide

of Armenians. This problem is becoming an increasingly important challenge for Ankara and has impact on Turkey's relations with many countries and the EU. Although Turkey remains loyal to its opinion about the events of 1915, in the recent years the approach to this problem has clearly been changing in Turkey. This change is being positively received by Armenians, even though they deem it insufficient. The economic blockade of Armenia, in effect since 1993, has not become an effective instrument of pressure. Paradoxically, it can be assumed that if Turkish-Armenian diplomatic relations were established, Ankara's possibility of influencing Yerevan would be greater. It would also weaken Russia's influence in Armenia, thus changing the geopolitics of the region. In Turkey, there are currently two main approaches to relations with Armenia. According to the first and dominating one, the present policy should be continued as eventually it will lead to concessions made by Armenians. According to the second approach, the Turkish policy *de facto* hinges on Azerbaijan's policy towards Yerevan, which limits Ankara's possibilities of influencing the region of the Southern Caucasus. Proponents of this approach claim that Turkey is acting against its own interests and the opening of the border and establishing economic contacts with Armenia will result in rapprochement of the two nations and development of Turkish eastern provinces. Armenia's position on relations with Turkey has also not changed over the years – it advocates establishment of diplomatic relations without any preconditions. Simultaneously, Yerevan has not abandoned actions which Ankara considers unfriendly, including efforts to recognise internationally the 1915 genocide of Armenians and – from the Turkish point of view – attempts to revise the borders, which is reflected in Yerevan's reluctance to recognise their present route in a special parliamentary resolution. No breakthrough in relations between Turkey and Armenia can be expected in the coming years because none of the parties is likely to agree to change its policy. Settlement of the problems is also made more difficult by the lack of an institutional dialogue between the two states. It can therefore be assumed that two factors may significantly contribute to Turkey and Armenia reaching agreement. The first is connected with the EU's pressure on Turkey, which if progress in

the European integration of Turkey is made, may lead to unblocking the border and establishing diplomatic relations with Yerevan. The second factor is the improvement of relations between Armenian and Azerbaijan, which will have a direct impact on reaching a breakthrough in relations between Turkey and Armenia. However, as the prospect of solving the Karabakh conflict in the near future remains quite unlikely, the EU may be the factor that will have a decisive impact on the improvement of Turkish-Armenian relations.

Wojciech Konończuk

¹ In Armenia, the regions bordering Turkey are Shirak, Aragotsotn, Armawir and Ararat.

² Millets were a system for organising non-Muslim populations in the Ottoman Empire in terms of religion. Millets, introduced by Sultan Mehmet II (1451–1481), enjoyed a considerable degree of administrative, religious and legal autonomy, and had the right to collect taxes. A religious leader of a particular community was in charge of a millet and he was directly accountable to the sultan. The most important requirement imposed on particular millets was loyalty to the sultan. The biggest millets were those of the Greek, Jewish and Armenian communities.

³ For example, see G. Levy, *The Armenian Massacres in Ottoman Turkey. A Disputed Genocide*, Salt Lake City 2005, pp. 20–36; Y. Ternon, *The Armenians. History of a genocide*, Cracow 2005, pp. 97–126.

⁴ It is not within the scope of the present article to pass judgement on the events of 1915. See more about the different interpretations of history by Turks and Armenians: A. Balcer, *The hurdle race – the greatest political and social barriers in Turkey's path to the European Union*, in Adam Balcer, W. Paczyński, R. Sadowski, *Turkey after the start of the negotiations with the European Union – foreign relations and the domestic situation*, Report CES, Warsaw 2006, pp. 39–40.

⁵ T. Avcı, *From Empire to Republic. Turkish Nationalism and the Armenian Genocide*, London–New York 2004, p. 8, 208–210. In the author's opinion, it was caused by the fact that part of the members of the Unity and Progress Committee responsible for the genocide of Armenians after the war held high positions in the public administration of the Republic of Turkey. The author also believes that Atatürk was ready to assume responsibility of the Ottoman state for the crimes perpetrated on Armenians; however, this did not happen as the Entente sought to punish Turkey by granting a large part of Anatolia to Greeks, Kurds and Armenians, and marking spheres of influence of Western powers in the remaining regions.

⁶ See more on this in A. Balcer, W. Paczyński, R. Sadowski, *Turkey after the start of the negotiations with the EU – foreign relations and the domestic situation*, *op. cit.*

⁷ *Armenian and Turkish Citizens' Mutual Perceptions and Dialogue Project*, Yerevan–Istanbul 2005.

⁸ 12.7% of Turks consider Armenia a friendly state, whereas only 0.4% of Armenians share the same opinion about Turkey. At the same time, 78.7% of Turks think that the Armenian state might make territorial claims towards Turkey. *Ibid.*, p. 20–27.

⁹ *Ibid.*, p. 4.

¹⁰ See T. Hofmann, *Armenians in Turkey Today. A Critical Assessment of the Situation of the Armenian Minority in the Turkish Republic*, Brussels 2002; N. Karimova, E. Develer, *Minorities in Turkey*, Stockholm 2001, p. 8–9.

¹¹ In January 2007, the Armenian community in Turkey was shocked by the death of Hrant Dink, a well-known journalist of Armenian origin and editor-in-chief of the *Agos* magazine, who was murdered by a Turkish nationalist. His death sparked off a wave of discussions in Turkey on relations between Turks and Armenians.

¹² Declaration of Independence, <http://www.armeniaforeignministry.com/htms/doi.html>

¹³ See information about this on the website of the Ministry of Foreign Affairs of Turkey http://www.mfa.gov.tr/MFA/ForeignPolicy/Regions/Caucasus/Armenia/Armenia_Political.htm

¹⁴ B. Yılmaz, *Turkey's New Role in International Politics*, *Aussen Politik* 1994, No. 1, p. 95.

¹⁵ G. Demoyan, *Nekotorye aspekty armiano-tureckikh otnosheniy v kontekste regionalnykh processov*, in G. Nowikowi (ed.), *Orentiry vneshney politiki Armenii*, Yerevan 2002, p. 50.

¹⁶ Although the shortest route of the oil pipeline goes through Armenian territory, Baku decided on a longer option in agreement with Ankara, namely to run it through Georgia. The then president of Azerbaijan, Geidar Aliyev, was inclined to include Armenia in the project in exchange for signing a peace agreement and giving back Karabakh, but Yerevan refused.

Furthermore, Turkey initially claimed that it was not opposed to constructing the oil pipeline through Armenian territory. Z. Baran, *Turkey and the Caucasus* in I. Bal (ed.), *Turkish Foreign Policy in the Post-Cold War Era*, Boca Raton 2004, p. 273.

¹⁷ S. E. Cornell, *Turkey and the Conflict in Nagorno-Karabakh: A Delicate Balance*, *Middle Eastern Studies* 1998, No. 1.

¹⁸ G. Demoyan, *Turciya i karabakhskiy konflikt*, Erevan 2007, p. 134.

¹⁹ I. Bal, *Turkiye – Ermenistan Iliskileri*, I. Bal (ed.), *21. Yuzyilda Turk Dis Politikasi*, Ankara 2004.

²⁰ O. Kolobov, A. Kornilov, F. Ozbay, *Cadgas Turk Rus Iliskileri: Sorunlar ve Iabirligi Alanlari 1992–2005*, Istanbul 2006; G. Demojan, *Turcija i Karabakhskij...*, *op. cit.*, p. 217–220.

²¹ In May 1993, while presenting the Turkish position on the conflict, President Demirel stated that Turkey 'can intervene, but it will not mean the end of the problem; the problem may just begin after starting the intervention'.

Financial Times, 7 May 1993. Quoted from O. Kolobov, A. Kornilov, F. Ozbay, *Cadgas Turk Rus Iliskileri...*, *op. cit.*

²² The Turkish government's statement said: 'Due to Armenian attacks and the continued occupation [of Karabakh], our government has decided to stop wheat supplies to Armenia and close the infrastructure which enables the provision of aid through our territory'. Quoted from: B. Gultekin,

The Stakes of the Opening of the Turkish-Armenian Border, Istanbul 2002, p. 2, www.tabdc.org/TABDC-BG-PAPER.doc.

²³ In 2002, Turkish Prime Minister Bulent Ecevit stated: ‘When Azerbaijan and Armenia solve problems in their bilateral relations, when the occupation of Azerbaijani territory comes to an end, then we will be happy to establish diplomatic relations with Armenia’, *Turkish Daily News*, 17 January 2002.

²⁴ The Armenian president also expressed his astonishment that ‘Turkish lawyers haven’t explained to their government that similar claims as to the change of borders are impossible’. Armenia has no land demand from Turkey, *Turkish Daily News*, 1 February 2001. In a statement from 2005, President Kocharian said ‘On our agenda today is the issue of genocide recognition. Future presidents and future politicians will deal with legal consequences of that’. E. Danielyan, ‘Turks Renew Calls For Armenian Genocide Study’, 13 April 2005, <http://www.armenialiberty.org/armeniareport/report/en/2005/04/75CE5636-943F-4261-A171-A4D65118D462.ASP>. Similar ambiguous statements from Armenian politicians are received with nervousness by Turks, and considered as evidence that Armenia will not in fact abandon its land demands towards Turkey.

²⁵ In December 2006, Oskanian repeated: ‘Armenia has never challenged the validity of the Treaty of Kars, for Armenia recognises all agreements inherited from the Soviet Union’. *Noyan Tapan*, 13 December 2006.

²⁶ E. Danielyan, ‘Turks Renew calls for Armenian Genocide Study’, 13 April 2005, <http://www.armenialiberty.org/armeniareport/report/en/2005/04/75CE5636-943F-4261-A171-A4D65118D462.asp>

²⁷ A survey conducted by the Armenian Centre of National and International Studies shows that 93.5% of Armenian citizens believe their country should claim damages from Turkey for the genocide, 60.7% of whom think that there should be demands to return the lands nowadays constituting Eastern Anatolia, and which Armenians call Western Armenia. The Armenian Genocide: 90 Years And Waiting, <http://www.acnis.am/pr/genocide/Socio13eng.pdf>

²⁸ For example, see I. Bal, *Turkiye – Ermenistan İlişkileri*, I. Bal (ed.), 21. *Yuzyilda Turk Dis Politikasi*, Ankara 2004. The author claims that apart from the moderate Ter-Petrosian, none of Armenia’s leaders has not abandoned dreams of a Greater Armenia, accusations against Turkey of genocide, or related compensation claims. The concept of Greater Armenia which is most popular with Armenian nationalists encompasses today’s Armenia, Karabakh together with the Azerbaijani territories which separate it from Armenia, Javakhetia (a region in Georgia inhabited mostly by Armenians), Nakhchivan (the Azerbaijani enclave), and north-eastern Turkey. In the most radical version, Greater Armenia would include a much more substantial part of eastern Turkey with access to the Mediterranean Sea, and the southern part of Azerbaijan with access to the Caspian Sea. Such land demands were presented by the Armenian delegation at the Versailles Conference after World War I.

²⁹ As an example of the probable impact that the reopening of the border with Armenia would have on the region’s economy, the Turkish region of Trabzon saw a considerable eco-

nomical development after the border with Georgia was opened in 1991.

³⁰ In Turkey there are opinions that go against the adopted political line. For instance, in 2002 Yashmak Yakish, Foreign Minister at that time, made the following statement: ‘Turkey will take into account Azerbaijan’s concerns due to Turkish-Armenian collaboration. However, if our economic interests require the establishment of relations with Armenia, we will do so’. *Turkish Daily News*, 17 December 2002.

³¹ Report on Turkey’s progress towards accession, 2006/2118 (INI), 13 September 2006.

³² Compare Double Pressure on Ankara to Open Turkish-Armenian Border, *New Anatolian*, 31 March 2006.

³³ G. Demoyan, *Turciya i Karabakhskiy...*, *op. cit.*, p. 66.

³⁴ Paradoxically, the question of the genocide was raised not by Ter-Petrosian, whose family lived in today’s Eastern Anatolia and suffered during the massacres, but by Kocharian, who comes from Karabakh.

³⁵ R. Safrastyan, *It’s Impossible to Set up Barriers Between Neighbours in the Twenty-First Century. Armenia and Turkey in Regional Development*, Yerevan 2003, p. 79.

³⁶ The impact of the recognition of the genocide of Armenians and Turkish-Armenian relations on the EU integration process is not covered in the present article. See the elaboration on these issues in the first part of the report: A. Balcer, *The hurdle race...*, *op. cit.*, p. 28–29.

³⁷ The heated European debate over the implication of the genocide of Armenians was continued until on 12 October 2006 an act was adopted by the National Assembly in France providing for punishment for denying the genocide. Compare: S. Aydin, S. Carrera, F. Meyer, *France’s Draft Law on the Armenian Genocide: Some Legal and Political Implications at EU Level*, CEPS Policy Brief, October 2006.

³⁸ According to the Armenian Foreign Minister Vartan Oskanian, ‘Armenia is attentively observing the discussion in Turkey, we are glad that currently bigger openness is possible’. *Hurriyet*, 27 March 2006.

³⁹ Ankara signals policy changes on genocide claims, *Turkish Daily News*, 16 November 2006; K. Manoyan, *Turkey’s ‘new’ approaches in Armenian Genocide issue*, *Yerkir*, 24 November 2006.

⁴⁰ *Nezavisimaya Gazieta*, 20 February 2007.

⁴¹ An interview with a Turkish expert, Istanbul, March 2006.

⁴² Equally, few Armenian researchers reproach the diaspora structures for not only having a negative impact on Turkish-Armenian relations, but also for being disadvantageous to Armenia. For example, see R. Goshgarian, *Breaking the Stalemate: Turkish-Armenian Relations in the 21st Century*, *Turkish Policy Quarterly*, 2005, No. 4.

⁴³ According to the Russian census of 2002, in Russia there are 1.13 million Armenians. Unofficial statistics are higher by a few hundred thousand.

⁴⁴ An example of the not readily comprehensible actions undertaken by the Armenian diaspora in Russia is the conference organised in Yerevan in 2006 entitled ‘Georgia as a failed state’. Interviews with a journalist and an expert on Armenia, Yerevan, May 2006.

⁴⁵ A. Tadevosian, *Yerevan Sceptical Over Ankara Dialogue Bid*, *IWPR CRS*, 31 July 2001, No. 92.

⁴⁶ The Applicability of the United Nations Convention on the Prevention and Punishment of the Crime of Genocide to Events which Occurred During the Early Twentieth Century. Legal Analysis Prepared for the International Centre for Transitional Justice, February 2003, <http://www.ictj.org/images/content/0/9/092.pdf>.

⁴⁷ This can be seen in the recollections of David Philips, a former American diplomat and the head of the TARC. In his opinion, Turkey in 2003 was close to making a decision to open the border with Armenia, but it was prevented by a change in priorities in Washington's Turkish policy, which reduced US pressure on Ankara. See E. Danielyan, Turkey 'Nearly Opened Armenian Border In 2003', RFE/RL, 2 April 2005.

⁴⁸ The recommendations were as follows: establishment of official intergovernmental contacts; opening the border; support for projects aimed to develop scientific, educational, cultural and tourist contacts; creation of mechanisms for co-operation in case of humanitarian crises; construction of trust and security centres; encouragement of inter-religious dialogue.

⁴⁹ This opinion was expressed by Ilter Turkmen, the Foreign Minister from 1980–1983, and a TARC member. Quoted in G. Demoyan, Turciya i Karabakhskiy..., *op. cit.*, p. 83.

⁵⁰ The Nobel Prize laureates have called for the opening of the border, development of contacts and co-operation, improvement of official contacts and guaranteeing fundamental freedoms, including the annulment of Article 301 from the Turkish Penal Code (which provides for punishment for 'denigrating Turkishness') and 'reversing the authoritarian course' in Armenia. Nobel Laureates call for tolerance, contact and cooperation between Turks and Armenians, 9 April 2007, The Elie Wiesel Foundation for Humanity, <http://www.eliewiesel.org/PressReleases/TurkishArmenianReconciliation.pdf>

⁵¹ http://www.armstat.am/Arm/Publications/2006/FT_2_2005/FT_2_2005_7.pdf

⁵² A. Baguirov, 'Political and economic dilemma over Turkey's border and embargo of Armenia, implications *vis-a-vis* Azerbaijan', *Turkish Weekly*, 28 June 2005.

⁵³ TABDC is also the only joint Turkish-Armenian institution in the world. Its other objectives include encouraging cultural and scientific exchange, lobbying for opening the border and normalisation of political relations between the two countries; www.tabdc.org/about.php. See also N. Gül, TABDC and Turkish-Armenian Economic Relations: Civil diplomacy rising on the grounds of history of friendship, *Insight Turkey* 2004, No. 2.

⁵⁴ E. Polyakov, Changing Trade Patterns after Conflict Resolution in South Caucasus, World Bank, Washington 2000, p. 41.

⁵⁵ Many experts agree that trade between Turkey and Armenia through Georgian territory has been monopolised on the Armenian side by a group with a strong influence on the Armenian government's policy, and that this group is not interested in reopening the border, as it would pose a threat to its economic interests.

⁵⁶ A. Faik Demir, Turk Dis Politikasi Perspektifinden Guney Kafkasya, Istanbul 2003.

⁵⁷ As a result, a special resolution was issued at the governmental level prohibiting state officials from travelling to this country.

⁵⁸ Idris Bal, Turkey's Relations with the West and Turkic Republics, London 2000, p. 118–119. In 1996, a Greek-Armenian agreement on military co-operation was signed.

⁵⁹ From the Turkish point of view, the Russian military presence in the Armenian territory allows Yerevan to make claims on Turkish territory. P. Robins, Suits and Uniform. Turkish Foreign Policy Since the Cold War, London 2003, p. 17.

⁶⁰ Quoted from B. Aras, Turkey and the Greater Middle East, Istanbul 2004, p. 133.

⁶¹ CSTO is the follow-up to the Commonwealth of Independent States Collective Security Treaty which was established in 1992. Currently, its members are Russia, Belarus, Armenia, Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan.

⁶² N. Uslu, The Russian, Caucasian and Central Asian Aspects the Post Cold War Period, Alternatives: Turkish Journal of International Relations, 2003, 3–4, p. 170.

⁶³ Compare T. de Waal, Black Garden: Armenia and Azerbaijan through Peace and War, New York 2003, p. 365. In Armenia there are also opinions that a growing Turkish-Russian rapprochement may lead to the improvement in Turkish-Armenian relations. See H. Khachatryan, The Russian-Turkish Rapprochement Could Benefit Armenia, Eurasia-net.org, 2 January 2005.

⁶⁴ See: T. Hofmann, Armenians in Turkey Today... *op. cit.*, p. 35–37. Armenian terrorist organizations established within the diaspora co-operated with PKK in the years 1970s – 1980s.

CHAPTER III

A Caucasian ally? Turkish-Georgian relations

Wojciech Konończuk

Theses

1. Georgia is an important country for Turkey principally because it is situated on the transport route of Caspian energy supplies. The strategic Baku–Tbilisi–Ceyhan oil pipeline and the Baku–Tbilisi–Erzurum gas pipeline link the two countries, and constitute the crucial reference point in their co-operation. Until the contracts for the construction of the oil and gas pipelines were signed at the end of the 1990s, Georgia occupied an insignificant place in Turkey’s foreign policy, and Turkey did not show an active approach towards Georgia.

2. With the implementation of strategically important transport projects running through Georgian territory, support for Georgia’s stability has become the priority objective of Turkish policy towards this country. A potential armed conflict in Abkhazia or South Ossetia could destabilise the whole region, and would thus pose a threat to Turkish economic interests in the Southern Caucasus.

3. After the ‘rose revolution’ a slight deterioration in Turkish-Georgian relations came about as a result of Georgia’s unequivocally pro-American policy, the growing involvement of the US in the Southern Caucasus and the increasing rapprochement between Turkey and Russia, which contrasts with the very poor state of Georgian-Russian relations.

4. In its official declarations Turkey has supported Georgia’s territorial integrity, but maintains intensive economic contacts with Abkhazia, a fact which causes periodic tensions in Turkish-Georgian relations. Particularly after the changes in Turkish-Russian relations, the Georgian authorities started fearing that Abkhazia might become a sort of co-dominion of Turkey and Russia. Georgia believes that solving the Abkhazian problem requires collaboration with Turkey, but equally thinks that Ankara has not been using its full potential in this area.

5. The rapidly growing economic exchange between Turkey and Georgia has been gaining more and more importance in Turkish-Georgian relations. Although Georgia occupies an insigni-

ficant place in Turkey's external trade, Turkey has become the key economic partner for Georgia. Turkey's economic presence in Georgia is more visible than its political presence, and in the near future it will only continue to increase.

1. An outline of Turkish-Georgian relations

Georgia, a small country (69,000 sq km) situated in the Southern Caucasus, is one of Turkey's smallest neighbours, bordering the North-East regions of Artvin and Ardahan¹. The length of the Turkish-Georgian land border is 252 km, and their border on the Black Sea is 22 km long. Turks and Georgians have been neighbours since the end of the eleventh century, and the history of their relations is full of armed conflicts in which Turks usually played the role of aggressors who dominated Georgian duchies. From the sixteenth century the western part of Georgia came under Turkish rule; then at the beginning of the nineteenth century it was annexed by Russia, which in the following decades incorporated the bulk of Georgian lands into its territory. At the end of World War I Turkey attempted to take over Georgian provinces; for some time Turkish troops occupied Ajaria and part of Javakhetia, but Georgians won the defensive war (April–June 1918). After a short period of independence (1918–1921), Georgia was incorporated into Soviet Russia and the Turkish-Georgian border was demarcated by virtue of the Treaty of Kars of October 1921. The route of the border as confirmed at that time was recognised by independent Georgia in 1992².

Since the collapse of the Soviet Union, the Southern Caucasian countries have emerged as the main areas of Turkish foreign policy. Georgia has become an important country for Turkey because of its geographical situation, its role as a transit country separating Turkey from Azerbaijan and the states of Central Asia, and because of the lack of Turkish-Armenian relations. Georgia's role as the 'gates' of Turkey to the remaining countries of the region, together with the fact that it is situated on the route of energy supplies from the Caspian Sea, is the principal factor shaping contemporary Turkish-Georgian relations. For Georgia, Turkey became a 'window overlooking Europe' at the beginning of the 1990s, an alternative to

Russia. In the period of the Cold War the Georgian Socialist Soviet Republic, like the whole Southern Caucasus, was considered an area of potential conflict between the USSR and NATO, as Turkey was a member of the latter. The Turkish-Georgian border was tightly closed, and the border region heavily militarised, which led to contacts between Turkey and Georgia being severed for almost seventy years. It was not until 1988 when the first border post was opened in Sarp (on the Georgian side; Sarpı near Batumi), which was a signal of a thaw, and the approaching end of the Cold War. In 1994, another Turkish-Georgian border post was opened in Türkgozü-Posof/Vale. Due to the decades-long isolation, the Turkish and Georgian societies do not know much about each other. The perception of Turks in Georgia is on the one hand shaped by a long history of vilifying them in the Russian Empire and the USSR³, but on the other hand by a history of Georgian-Turkish relations where Turks are stereotyped as invaders. This picture has been modified by the short experience of contacts after 1991, mainly economic exchanges. As a result, the attitude of Georgians towards Turks is marked by mistrust and a certain degree of suspicion. In the consciousness of Turks, Georgia is present to only a small extent; Georgians are their least known neighbours. The process by which the societies of Turkey and Georgia can learn about each other may be encouraged by an increase in bilateral trade exchange and the abolishment of visas between the two countries⁴. Since the second half of the 1990s, Turkey has become a place where Georgians go to look for jobs. Although it is not the most frequently chosen destination for those seeking jobs, around 80,000 Georgian citizens are estimated to be working there⁵. According to Georgian estimates, there are at least a few tens of thousands of Turks working in Georgia, mainly in the trade sector. In Turkey, there are also 14 associations and foundations representing immigrants from Georgia who are in close co-operation with associations of Georgian Muslims from the Artvin region⁶. Both diasporae maintain active economic ties with Georgia. The Laz, an ethnic group of Georgian descent which has to a large extent assimilated to Turkish culture, are a separate minority; they live in North-East Turkey⁷. Their sense of attachment to Georgia is quite weakly developed, and they do not exert any influence on Turkish-Georgian relations.

2. The evolution of political contacts

The creation of new states in the Southern Caucasus has obliged Ankara to redefine its position in the region and initiate a new Turkish policy towards this area. The policy's main assumption was decided support for sovereignty of Georgia and the remaining Southern Caucasian states. On 16 December 1991, Turkey was the first state in the world to recognise Georgia's independence⁸. In May 1992, both countries established diplomatic relations, and a month later President Suleyman Demirel was the first leader of a foreign state to pay an official visit to Georgia, a gesture which symbolised Turkish ambitions to play a key role in the region. One of the effects of the visit was an agreement on friendship, co-operation and neighbourly relations signed on 30 July 1992. In the period of the Georgian civil war and the conflicts in South Ossetia and Abkhazia, Turkey granted Georgia a low interest rate loan worth US\$50 million and provided humanitarian aid, which improved Turkey's image in Georgian society. Ankara equally contributed to the cease-fire in South Ossetia in 1992. After the military operations came to an end and the situation in Georgia assumed relative stability, in January 1994 Eduard Shevardnadze, the then leader of the country⁹, went to Turkey on an official visit – the first trip by a Georgian leader to a country outside the post-Soviet area. The visit's greatest success was the introduction of Georgia onto the international arena without the mediation of Russia¹⁰. The term 'strategic partnership' was used to refer to Turkish-Georgian relations for the first time. However, during the first years of Georgia's independence, Turkish policy towards the country was not very active and was of limited scope. This resulted from the fact that Ankara then treated its relations with Azerbaijan and Central Asian countries as a priority, and the crucial objective of Ankara's policy towards Tbilisi was to guarantee its stability (however, it is hard to say that Turkey has undertaken any specific actions with this end). Consequently, Turkey has not gained a significant influence on the situation in Georgia, and the likelihood of it ever doing so was in fact small. Ankara's second major task was not to allow the situation in Georgia and the entire region to be dominated by Russia¹¹. Turkey then started opting for

a policy of balancing out Russian influences. Tbilisi advocated a more active Turkish policy, to provide it with a counterweight to Russia's policy. In an attempt not to allow Russia's influence to return (and to some extent, that of Iran), Ankara backed Georgia's integration with international organisations: the United Nations, the Council of Europe, the Organisation for Security and Co-operation in Europe and – since the mid-1990s – collaboration with NATO within the framework of Partnership for Peace. In June 1992, Georgia became a founding member of the Black Sea Economic Co-operation (BSEC), a structure for regional co-operation created at Turkey's initiative¹². Since the mid-1990s Georgia has been gaining new importance for Turkey as the project for energy supplies from Azerbaijan was launched. Although the shortest transport route went through Armenia, due to the conflict in Nagorno-Karabakh and the lack of Turkish-Armenian diplomatic relations, Georgia became the key transit country. For this reason, Turkey has attached great importance to Georgia's stability. The newly-established Turkish-Georgian relations were confirmed by the visit of the Turkish Prime Minister Mesut Yilmaz in Tbilisi in March 1998, during which he called Georgia a 'country with which Turkey shares common interests, towards which Turkey has a will to increase collaboration in all spheres, and whose independence is beneficial to the peace and stability of the Southern Caucasus'¹³. In January 2000, Ankara and Tbilisi announced a joint initiative entitled the Stabilisation Pact for the Southern Caucasus. The project was meant not only to enhance Turkey's significance in the region but also ensure the EU and Russia's greater commitment to its transformation¹⁴. However, Armenia and Azerbaijan's distant approach to the concept and Russia's mistrust caused the initiative to end in failure.

2.1. Turkey and the situation in Ajaria

Turkey maintains special ties with Ajaria, a Georgian province situated on the Black Sea coast on Georgia's south-western border with the Republic of Turkey, and inhabited mostly by Georgian Muslims. By virtue of the Treaty of Kars, Turkey is the guarantor of the borders, autonomy and freedom of religion for Muslims from Ajaria. After Georgia regained its independence, this provision start-

ed causing concern for the Georgian authorities, which feared that Turkey would want to interfere in its internal affairs. These concerns did not prove to be true, although Ankara does indeed maintain active relations with Ajaria. In the 1990s, when the danger of Ajarian separatism grew, Turkish diplomacy softened tensions between Tbilisi and Batumi. In 2000, when the then leader of the region Aslan Abashidze intended to stand for the presidential elections, thus challenging the incumbent Eduard Shevardnadze, the Turkish President Suleyman Demirel persuaded him to change his mind. Ankara also contributed to solving the conflict in Ajaria in May 2004 as well as the ouster of Abashidze, which put an end to a dozen years of this autonomous region's *de facto* separation from Georgia. The limitation of Ajaria's autonomy after 2004 caused a periodic deterioration in Turkish-Georgian relations.

2.2. Turkey and the conflict in Abkhazia

Officially, Turkey supports Georgia's territorial integrity¹⁵; because of its own problems with Kurdish separatism, Turkey attaches great importance to the principle of the immutability of borders. However, the situation in Abkhazia is one of the major issues complicating Turkish-Georgian relations. The presence of an Abkhazian population in Turkey (numbering about 400,000–500,000) has some influence on Turkish policy regarding this problem¹⁶. The Abkhazians living in Turkey (also called Cherkess) are trying to press Ankara to increase its involvement in support of Abkhazia, although their possibilities of exerting influence on the Turkish policy are limited. The self-appointed Abkhaz President Vladislav Ardzinba (who ruled from 1993–2005) visited Turkey many times in attempts to win support for the province's independence, although he was never officially received by the Turkish authorities. Towards the end of the 1990s, Turkey tried to be more active in solving the problem of Abkhaz separatism, which however ended in failure. Irrespective of Ankara's political passivity towards the Abkhazia problem, Turkish-Abkhaz trade relations are developing intensively. Until recently, despite the Georgian formal prohibition, Turkish trading ships delivered cargos to Abkhaz ports without any obstacles, and the trade exchange was continually rising. The si-

tuation changed in 2004 after the US delivered patrol boats to Georgia which could effectively monitor the Georgian sea border. The Georgian coast-line patrol started imposing fines on Turkish ships (as on Russian, Ukrainian and Bulgarian ones) which travelled to Abkhazia without permission; a few ships were even confiscated¹⁷. Because of the developing rapprochement between Turkey and Russia, the Georgian authorities started fearing that Abkhazia could become a sort of co-dominion between Turkey and Russia. At the same time, Georgia realises that solving the Abkhazian conflict requires collaboration with Ankara, which would be able to exert some influence on Abkhazia. Today, Turkey is Abkhazia's biggest trading partner – over 50% of Abkhaz export in 2006 went to the Turkish market¹⁸, Turkish investments in the Abkhaz economy are also considerable. Georgia appreciates the possibilities of the Turkish impact on Sukhumi; however, it believes that the Turks have a potential which they do not want to use¹⁹. In Georgia, the idea of replacing Russian peace-keeping troops in Abkhazia by multinational peace-keeping forces with a large participation of Turkish soldiers has been expressed many times. As Abkhazia and Russia have objected to it, the idea has not so far been implemented.

2.3. The problem of the Meskhetian Turks

One of the problems in Turkish-Georgian relations is the situation of the Meskhetian Turks²⁰. Turkey supports their repatriation to Georgia, although it has not put the Georgian authorities under any particular pressure on this issue. Tbilisi has formally agreed to their return, but it fears the related costs and ethnic conflicts between the displaced people and the Armenians living in the region which the Turks abandoned (Samtskhe-Javakhetia). In 1999, during negotiations about joining the Council of Europe, Georgia committed itself to adopting a legal framework within two years which would make it possible to repatriate the Meskhetian Turks and reintegrate them with Georgian society. Their return would be planned within 12 years after Georgia became a member of the Council of Europe²¹. However, Tbilisi has delayed the process, and it has not so far even started. At the end of 2005, a parliamentary commission on repatriating the Meskhetian Turks

was set up; its head was Georgia's minister for conflict resolution Giorgi Khaindrava. The commission's members visited places in Uzbekistan, Russia, Kazakhstan and Kyrgyzstan where the Meskhetian Turks lived. However, after Khaindrava was dismissed in July 2006, the commission's activity stopped. In June 2007, the Georgian parliament finally adopted a law which allows the repatriation of the Meskhetian Turks; the process is set to begin in 2008 and finish in 2011. However, this does not mean that the majority of the Meskhetian Turks will return to Georgia, or that those who decide to come back will be able to settle in Samtskhe-Javakhetia, where their ancestors once lived.

2.4. Turkish-Georgian relations after the 'rose revolution'

The Georgian 'rose revolution' of November 2003 was an important landmark in the history of Turkish-Georgian relations. Turkey quickly established contacts with the new government led by Mikheil Saakashvili; however, it reserved a cautious approach to the revolution itself and its implications. This stems from the fact that in Turkish foreign policy, questions of democracy are not priorities. Ankara appreciated the fact that the new authorities stabilised the internal situation and put Georgia on the path to economic development. The greater stability of the country, compared to that of the Shevardnadze era, allowed Turkey to finish implementing its strategic projects to transport energy from the Caspian Sea region, in which Georgia is a key transit country. It also allowed new transport initiatives to be initiated, above all the construction of a railway line running from Kars through Tbilisi to Baku (see more in Chapter III). Despite the intensive development of political and economic contacts, there was a certain deterioration in Turkish-Georgian relations after the 'rose revolution'. This has usually been explained by the new authorities' lack of experience in conducting a policy towards Turkey, together with Georgia's unequivocal choice of a pro-American orientation in its foreign policy combined with a radical deterioration in its relations with Russia²². The issue of the relations of Turkey & Georgia with Russia & the US is exerting an increasing influence on the shape of Turkish-Georgian relations. A growing rapprochement be-

tween Ankara and Moscow has been observed for at least the last three years, whereas at the same time Georgian-Russian relations have worsened. Simultaneously, the American intervention in Iraq substantially affected Turkish relations with the US; Ankara's growing mistrust of Washington's involvement in the Black Sea region also had an impact on American-Turkish relations²³. Meanwhile, Georgian-American relations intensified under the rule of Mikheil Saakashvili, mainly because of the creation of a strong central administration (which was a significant difference in comparison with the weak rule under Shevardnadze) and the priority given by Tbilisi to integration with NATO. As a result, Turks tend to believe that due to the Georgian authorities' pro-American stance and the increasingly visible rapprochement between Ankara and Moscow, Turkey no longer serves as an element balancing Russian influences in Georgia, and its place is perceived as being taken by the US. A certain change in Turkish policy in the region has equally been observed by Washington, which initially saw Turkey in the role of an intermediary to bring about Georgian-Russian agreement. Russia is trying to use its rapprochement in its relations with Ankara to hamper American involvement in Georgia²⁴. Turkey is also concerned about how Georgia has been conducting its policy towards Russia, which considers confrontational and uncompromising. According to press information, Ankara tried to press Tbilisi for a more conciliatory policy towards Russia. In the context of the tense Georgian-Russian relations, Turkey's main preoccupation is not to allow a conflict to break out which could destabilise the region and threaten the energy supply projects. Turkey's involvement in the case of a potential Russian intervention is quite unlikely, however, but Turkey's negative position has been and remains one of the factors preventing Russia from adopting a policy of force towards Georgia. Tbilisi is trying to alleviate Turkey's discontentment with some aspects of Georgian foreign policy, for example by means of regular bilateral meetings with the highest-ranking state officials²⁵.

3. Economic relations

The Turkish presence is much more visible in the economic than the political sphere. The history of contemporary Turkish-Georgian economic contacts can be divided into three major periods: **(1)** in the years from 1991 to 1996, small Turkish enterprises began to operate on the Georgian market, although they were mostly ill-prepared for it, and as a result bilateral turnover did not reach any considerable significance; **(2)** after 1996, Turkish investments started in Georgia, the agreements for the construction of the Baku–Tbilisi–Ceyhan (BTC) oil pipeline and the Baku–Tbilisi–Erzurum (BTE) gas pipeline were signed, and trade exchange slightly increased²⁶; **(3)** after the ‘rose revolution’, bilateral trade grew substantially, large Turkish firms made investments in Georgia, and the BTC and BTE pipelines became operational; in addition, the agreement to construct a railway from Kars to Tbilisi was concluded. Turkish-Georgian economic co-operation is asymmetric; Georgia is of little economic importance to Turkey, whereas Turkey is, along Russia, Georgia’s key economic partner. In 2007, bilateral economic exchange amounted to US\$900 million, of which Turkish exports reached US\$728 million.

In the last three years, a huge increase in Turkish exports to Georgia has been observed. In 2003, exports from Turkey to Georgia reached a mere US\$112 million, whereas over the following four years it rose by US\$788 million. In 2006 Turkey overtook Russia as a main trade partner of Georgia. However, in the overall balance of Turkish external trade, Georgia’s share remains quite insignificant, and stands at 1%. For Georgia, Turkey is its major economic partner; in 2007 it accounted for 14% of all Georgian exports and 15% of its imports²⁷. In the coming years, it is probable that bilateral trade exchange will continue to grow quickly. For Georgia, however, the problem is its growing deficit in trade with Turkey, which will be hard to reduce in the immediate future. Since the beginning of the 1990s, the key objective of Turkey’s policy towards the Southern Caucasus has been to secure energy supplies from the Caspian Sea region. In November 1999, the presidents of Turkey, Georgia and Azerbaijan signed an agreement in Istanbul to transport Azerbaijani oil through the Baku–Tbilisi–Ceyhan oil pipeline (its target capacity is to be 50 million tonnes a year).

The construction of the oil pipeline that will change the geopolitics of the region started in September 2002, and the first oil supplies arrived at the Turkish port of Ceyhan in May 2006. Almost at the same time, the construction of the Baku–Tbilisi–Erzurum gas pipeline was launched (its target capacity is to be 20 billion cubic metres a year); it went online in December 2006. Regardless of new routes for transporting Caspian oil and gas, the importance of Turkish-Georgian energy co-operation is growing. For Georgia, Turkey has become a partner, enabling it to reduce its full dependence on Russian energy supplies. In January 2006, when the pipeline transporting Russian gas to Georgia was damaged on Russian territory as a result of an unexplained terrorist act²⁸, Turkey for the first time supported Tbilisi by providing it with the missing amount of energy. In October 2006, Gazprom announced that from 1 January 2007 it was planning to increase its gas prices for Georgia to US\$230/1000m³. In response the Georgian authorities, which believed that the decision was politically motivated, started negotiations with Ankara about the possibility of buying the Turkish part of the gas transported by the BTE pipeline. In December 2006, Tbilisi managed to persuade Ankara to sell off 0.8 billion cubic meters of gas, which enabled Georgia to prevent a looming energy crisis²⁹. The Turkish decision to sell part of its gas quite possibly depended on the Georgian authorities’ agreement to the construction of a railway connection running from Kars through Akhalkalaki & Tbilisi in Georgia to Baku.

Turkey and Azerbaijan had started planning the construction of the Kars–Baku railway line running through Georgian territory as early as 1993. Initially, Georgia was sceptical about the project, called the ‘railway Silk Road’³⁰, as it feared a destabilisation of the situation in Javakhetia (the Georgian region inhabited mostly by ethnic Armenians, through which the route of the railway line was planned to run), increased Turkish influence in Georgia and the reduced importance of Georgian ports³¹. The delay in implementing the Kars–Tbilisi–Baku railway project (KTB) was also provoked by the negative positions taken by the US and the EU, which are in favour of opening the existing railway connection from Kars to Tbilisi through the Armenian town of Gyumri, arguing that the new project will exacerbate Arme-

nia's isolation³². In May 2005, the Turkish-Georgian-Azerbaijani declaration to build the railway route was adopted³³. The final agreement was signed on 7 February 2007 in Tbilisi by the presidents of Turkey, Georgia and Azerbaijan³⁴. By virtue of the document, Azerbaijan granted Georgia US\$200 million in a low-rate loan for 25 years in order to finance the Georgian section of the railway connection³⁵. The remaining costs of the project (US\$400 million) will be covered by Turkey. The new railway route will be opened in three years; it is intended to be a quicker and more secure way of supplying Turkish goods to Azerbaijan & Central Asia, and of Azerbaijani goods to the Turkish market³⁶.

Turkey is also one of the largest foreign investors in Georgia; according to data from the beginning of 2006, Turkish investments in this country were worth US\$165 million, which puts them in fifth place with a share of 7%³⁷. Turkish companies are very active participants in the Georgian privatisation programme, which started after the 'rose revolution'. The authorities in Tbilisi are disturbed by the expansion of Russian firms, and see in them an extension of the Kremlin's political influence, and so they have been encouraging Turkish entrepreneurs to invest more in Georgia. So far, Turks have mainly invested in the food industry, telecommunications, banking, tourism and infrastructure (for example, a consortium of Turkish companies has modernised the airports in Batumi and Tbilisi). Energy projects also come within the sphere of Turkish interests, above all the construction of hydroelectric plants. Although the level of Turkish investments in Georgia has risen substantially since 2003, Turkish entrepreneurs are still quite cautious about investing in the Georgian economy because of corruption, the poor infrastructure, the poorly-developed banking sector and insufficient legal protection.

4. Security

Georgia and the entire Southern Caucasus region are perceived in Turkey as an important area for Turkish security, although not of top priority. From the point of view of the Turkish General Headquarters, Georgia at the beginning of the 1990s was a real buffer zone separating Turkey from Russia, which in the period of the Cold War was

treated as the main opponent, and of which since 1991 Ankara has been quite mistrustful. A breakthrough event for Turkish-Georgian security co-operation came with the signing of the agreements to transport Azerbaijani oil and gas through Georgian territory. As a result, Turkey started intensively developing its military collaboration with Georgia, and in the second half of the 1990s Turkey became the most important state supporting reform and modernisation of the Georgian army. In June 1997, Turkey and Georgia signed a co-operation agreement on military education, and in March 1999 a military co-operation agreement, by virtue of which Turkish officers organised the training of Georgian soldiers, the military police (gendarmarie) and border patrols. With Turkish participation within the framework of the Partnership for Peace, a new military school in Tbilisi and training centres in several Georgian towns were founded. Between 1999 and 2001, Turkish workers modernised the military airport in Marneuli, south of Tbilisi. Since 2003, a Georgian squad under Turkish command has been stationed in Kosovo as part of the KFOR mission. Ankara has also secured organisational and financial support for the Georgian mission at the NATO headquarters in Brussels³⁸. From 1998 to 2002, Turkey granted the Georgian army aid worth US\$30 million (for comparison, the annual Georgian military budget was then US\$20 million). An equally important objective for Turkey in its support for transforming the Georgian army was to strengthen Georgia's position towards Russia. It was in Ankara's interest to weaken and reduce Russian influences in the region. Therefore at the organisation for Security and Co-operation in Europe summit in Istanbul in 1999, Turkey supported Georgia's demand for the withdrawal of Russian military bases from Georgian territory. Moscow committed at that time to evacuating two of its four bases (in Vaziani near Tbilisi and in Gudauta in Abkhazia) by 2001. Turkey also greeted with satisfaction Russia's decision to sign an agreement with Georgia in March 2006 to withdraw the two remaining bases in Batumi and Akhalkalaki (right near the Georgian-Turkish border) by 2008. Turkish-Georgian collaboration was so intensive in the 1990s that President Eduard Shevardnadze believed it necessary to declare during his visit to Ankara in March 1999 that the strategic partnership of Georgia and Turkey was not directed

against any third country, and that the question of installing a Turkish military base in the Georgian territory had never been considered³⁹. The Georgian president's declaration was aimed at Russia, which was increasingly concerned about Turkey's growing military involvement in Georgia, particularly given the fact that since the end of the 1990s Tbilisi has been more and more open about seeking NATO membership. Turkey supported those efforts; moreover, it became the strongest advocate of Georgia's membership in NATO. Turkish-Georgian military co-operation lost momentum after 2002, and Turkey was replaced as Georgia's major partner in the security field by the US. This was connected with Washington's growing involvement in the Southern Caucasus, and its most visible sign was the beginning of the Train and Equip military programme in 2002, which was geared towards Georgia and worth US\$64 million. Although the programme formally finished at the end of 2004, the US is continuing to support the Georgian army. After the 'rose revolution', integration with NATO became the key objective of Georgian foreign policy⁴⁰. Turkey, which is watching the intensification of the US presence in Georgia with growing displeasure, officially continues to support Georgia's desire to join NATO. Unofficially, however, Turkey is opting for a slowdown in this process, so as not to antagonise relations with Russia⁴¹. This is also matter which has brought the positions of Ankara and Moscow closer together in their Georgian policies, as Moscow is decidedly against Georgia's membership in NATO. Both states are equally opposed to the presence of foreign powers in the region, albeit to different degrees, and they manifest their disfavour in different ways. There is rivalry for influences over the region among those powers wishing to preserve the *status quo* (Turkey and Russia) and states in favour of transforming the region and integrating it rapidly with Euro-Atlantic structures (led by the US)⁴². The result of Turkish-Georgian contradictions over this issue will to the greatest extent be determined by future relations between Ankara and Washington.

5. The socio-cultural dimension

Cultural contacts between Turkey and Georgia are far less intensive than between Turkey and

Azerbaijan or Central Asian countries; however, they are systematically rising, and a Turkish cultural presence in Georgia is visible. Although this country is not a priority in Turkey's external cultural policy, Turks established quite extensive cultural and scientific ties with Georgians after 1991. The Turkish Ministry of National Education has emphasised that among Turkey's neighbouring countries there are two that have particular significance: Bulgaria and Georgia⁴³. As early as July 1992, a bilateral agreement about development of contacts in areas of culture, science, education and sport was signed with Georgia. In its actions Turkey adheres to the principle that co-operation in education is the best way of forging political relations, particularly after 70 years of forced isolation. Turks have placed special emphasis on investments in Georgian higher education. In 1993, the private Turkish Demirel College was founded, in Batumi the Turkish-Georgian Friendship College was opened and in 1995 the Georgian president and the Turkish prime minister participated in the opening of the International Black Sea University based in Tbilisi. In recent years, student exchange programmes have been developing intensively; young people from Georgia are interested in studies at Turkish universities because it is easier to obtain scholarships, and Turkey is becoming more attractive as a place to study. Turks are also starting studies in Georgia; 503 Turks studied at Georgian higher education establishments in 2001⁴⁴. Turkish is being chosen as a foreign language for study in Georgian schools more often.

6. Conclusions and forecast

Although the Southern Caucasus has become a strategically important region for Turkey, Turkish foreign policy towards Georgia still has limited capacities, and the political significance of the Turkish factor is systematically falling. For Turkey the key objective in its policy towards Tbilisi remains preserving the internal stability of the Georgian state and preventing any armed conflicts in Abkhazia and South Ossetia or a Georgian-Russian conflict. Destabilisation of Georgia would have a direct impact on the security of energy supplies from the Caspian Sea as well as the other transport and communications projects

essential for Turkey's economic and political interests. According to some Turkish experts, Georgia in some respects is even more important for Ankara than Azerbaijan. Georgia has serious ethnic problems which affect Turkey; more Georgians than Azerbaijanis visit Turkey, and a substantial Muslim diaspora coming from Georgia lives in Turkey. The following arguments are also made: the BTC and BTE transit pipelines running through Georgian territory, the Kars–Tbilisi–Baku railway project and the fact that Turkey is a more important economic partner and investor for Georgia than it is for Azerbaijan. For Georgia, the further 'Europeanisation' of Turkey is significant, as this process translates directly into the geopolitical situation in the whole region, as well as Georgia's plans of integration with the EU. Tbilisi also attaches importance to Ankara's stronger support for Georgia's integration with NATO, which is currently the priority objective of Georgian foreign policy. There are also fears of a change in Turkey's ideological direction and an increase in the Muslim factor, which could potentially pose a very tough challenge for Georgian policy. It appears that in the short and mid-term no fundamental changes in Turkish-Georgian relations can be expected. In the next few years, a further increase in bilateral trade contacts is quite likely to appear, particularly when considering that the Russian market has been closed to Georgian goods since mid-2006, and in the future it will be difficult to regain this opening. Economic factors are thus forming increasingly strong ties between Turkey and Georgia. Turkish-Georgian political relations will principally be determined by the development of the situation in the Black Sea and the Southern Caucasus region, as well as the degree of US involvement in the region and the EU presence there. It will be equally important to see how sustainable and far-reaching the Turkish-Russian rapprochement will prove. The major goals of Turkish policy towards Georgia, however, will remain unchanged, because Turkey will for Tbilisi remain one of the key states in the region with which the best possible relations must be maintained.

Wojciech Konończuk

¹ The Georgia regions bordering Turkey are Ajaria, Meskheta and Javakhetia.

² Some Turkish parties and nationalist organisations accuse Georgia of wanting to regain the lands between Kars, Ardahan and Trabzon, which were once part of the Georgian state. Historical resentment on the part of the Georgian side is weak, however, and not supported by the authorities.

³ K. Agacan, *Soguk Savasi Sonrasi Turkiye-Gurcistan iliskileri*, in: I. Bal (ed.), 21. Yuzyilda Turk Dss Politikasi, Ankara 2004.

⁴ In 2003, 167,000 Georgians visited Turkey, in 2005 367,000; by September 2007 nearly 500,000 Georgians had gone to Turkey. Statistics from the Ministry of Culture and Tourism of the Republic of Turkey, <http://www.kultur.gov.tr>

⁵ Small amounts of money transferred from Turkey to Georgia, which in 2006 reached US\$14 million, show that the number of Georgian immigrants is quite moderate. According to the Georgian National Bank, the general level of funds transferred to Georgia in 2006 totalled US\$546 million, of which US\$365 million was accounted for by money transfers from Russia. *Civil Georgia*, 15 January 2007.

⁶ E. Taymaz (ed.), *Kuzey Kafkas Dernekleri*, in *Turkiye'de Siliv Toplum ve Millyetcilik*, ed. Istanbul 2002, p. 451–460.

⁷ See more about the Laz: N. Ascherson, *Black Sea*, Jonathan Cape, London 1995.

⁸ On 9 April 1991, the Georgian parliament adopted a resolution to re-declare Georgia's independence.

⁹ In March 1992, Eduard Shevardnadze was appointed by the Military Council President of the State Council, a transitional parliament. He was elected President only in November 1995.

¹⁰ A. F. Demir, *Turk Dis Politikasi Perspektifinden Guney Kafkasya*, Istanbul 2003.

¹¹ H. Kramer, *A Changing Turkey. The Challenge to Europe and the United States*, Washington 2000, p. 97.

¹² The BSEC's main objective was supposed to be the facilitation of trade exchange between its members; however, the organisation's activities to a large extent remained merely declarative.

¹³ Quoted from E. Karagiannis, *Turkish-Georgian partnership and the pipeline factor*, *Journal of Southern Europe and the Balkans*, 2004, No. 1, vol. 6, p. 13–26.

¹⁴ S. Larrabee, I. Lesser, *Turkish Foreign Policy in an Age of Uncertainty*, Santa Monica 2003, p. 106.

¹⁵ The main lines of Turkish policy towards the region are well reflected in the statement made by President Ahmet Necdet Sezer during his visit to Georgia in 2006: We want South Ossetian and Abkhazian problems to be solved in frames of Georgia's territorial integrity through peaceful and constrictive means. We would like all these problems to be solved in a shortest period of time...". Quoted from *Civil Georgia*, 14 March 2006.

¹⁶ In the years 1867–1877, thousands of Muslims from the territory of today's Abkhazia, which then belonged to Russia, were expelled into the Ottoman Empire. As a result, currently more Abkhazians live in Turkey than in Abkhazia. The self-appointed government in Sukhumi is trying to persuade some of the Turkish Abkhazians to come back, although so far only around a thousand Abkhazians have done so. *Abkhazia Today*, International Crisis Group, September 2006, p. 12.

¹⁷ *The Georgian Times*, 31 January 2007.

¹⁸ *The Georgian Times*, 27 January 2007.

¹⁹ The interview conducted by the author with a Georgian diplomat, May 2006.

²⁰ The Meskhetian Turks are a nation living in the once-Georgian region of Meskhetia. They are descendants of Seljuk Turks and assimilated Georgians who became Muslims. In 1944, nearly all the Meskhetian Turks (around 115,000) were exiled to Uzbekistan, Kazakhstan and Kyrgyzstan because of false accusations of collaboration with the Nazis. In 1956, they were allowed to move to another place, but without the right to return to Georgia. After pogroms in the Uzbek part of the Fergana Valley in 1989, many of them were forced to flee Uzbekistan because of the conflict with the locals; they moved mainly to the Krasnodarsky Krai in Russia. At present, there are about 260,000 Meskhetian Turks on the territory of the former USSR, mainly in Russia, Kazakhstan, Azerbaijan and Kyrgyzstan. As a result of the American displacement project, by the end of 2006 around 12,500 Meskhetian Turks left the Krasnodarsky Krai for the US.

²¹ For more, see O. Pentikainen, T. Trier, *Between Integration And Resettlement: the Meskhetian Turks*, European Centre for Minority Issues Working Paper No. 21, September 2004 http://www.ecmi.de/download/working_paper_21b.pdf

²² F. Hill, O. Taspinar, *Russia and Turkey in the Caucasus: Moving Together to Preserve the Status Quo*, IFRI, January 2006, p. 17. http://www.ifri.org/files/Russie/hilltaspinar_anglais.pdf

²³ F. Hill, O. Taspinar, *Turkey and Russia: Axis of the Excluded?*, *Survival* 2006, No. 1, p. 88.

²⁴ F. Hill, O. Taspinar, *Turkey and Russia...*, *op. cit.*, p. 82.

²⁵ During a meeting with President Sezer in March 2006, Mikheil Saakashvili said: Mustafa Kemal Atatürk's activities, which were directed towards unifying and strengthening Turkey, are a perfect example for me. Quoted from S. Gevorgian, Saakashvili by Example of Atatürk, *New Neighbors*, 21 March 2006, <http://www.newneighbors.am/news.php?cont=3&rg=2&date=21.03.2006&month=4&year=2006>

²⁶ A. F. Demir, *Türk Dis Politikasi...*, *op. cit.*

²⁷ *Ibid.*

²⁸ See more in M. Falkowski, *Dywiersje na gazociągach: „lobbing” w wykonaniu rosyjskich struktur siłowych? [Sabotage on gas pipelines: 'lobbying' by Russian institutions of force?]*, Centre for Eastern Studies, Commentaries of 26 January 2006.

²⁹ V. Novikov, D. Butrin, Mikhail Saakashvili dobył gaz w Turcii, *Kommersant*, 21 December 2006.

³⁰ China was also interested in the construction of the railway line. Initially, it declared that it could co-finance a part of the Kars–Tbilisi railway line. Z. Baran, *Turkey and the Caucasus*, in I. Bal (ed.), *Turkish Foreign Policy in Post-Cold War Era*, Boca Raton 2004, p. 280.

³¹ The Georgian ports in Poti and Batumi (the latter was leased to a Turkish firm for 49 years) are of considerable importance in the transit of Turkish goods to Azerbaijan and Central Asia.

³² In December 2006, the Congress adopted an act prohibiting American firms from taking part in the construction of the Kars–Akhalkalaki–Tbilisi railway link. The US's negative attitude to the project is to a certain extent an effect of lob-

bying by the Armenian diaspora. The Georgian authorities postponed giving the go-ahead to the construction because they feared it could affect relations with Armenia.

³³ D. Avaliani, N. Gulieva, D. Markosian, *Azerbaijan, Georgia Launch Rail Project*, Institute of War and Peace Reporting, CRS No. 340, 18 May 2006.

³⁴ President Mikheil Saakashvili stated: “This is a project that will lead to a geopolitical revolution in our region because this will be a new line that will connect not only our three countries, but also interlink the Asian and European regions with each other”. *Civil Georgia*, 7 February 2007. On the same day, the three presidents also signed an agreement for the construction of the energy line going from Azerbaijan through Georgia to Turkey.

³⁵ A new 29-kilometre section running from the Turkish-Georgian border to Akhalkalaki will be built on Georgian territory, and the existing Akhalkalaki–Tbilisi section (192 km) will be modernised. A 76-km section linking Kars and the Georgian border will be constructed on Turkish territory.

³⁶ H. Kanbolat, *Kafkasya'da Demir Ipek Yolu, Kars–Tiflis–Baku Demiryolu projesi*, *Stratejik analiz*, March 2007.

³⁷ A. Atli, *Turkey and Georgia: opening the roads for trade*, *EurasiaNet.org*, 8 April 2006.

³⁸ K. Agacan, *Soguk Savasi Sonrasi Turkiye-Gurcistan...*, *op. cit.*

³⁹ N. Uslu, *The Russian, Caucasian and Central Asian Aspects the Post Cold War Period, Alternatives: Turkish Journal of International Relations*, Vol.2, No.3&4, Fall&Winter 2003, p. 172.

⁴⁰ See about Georgia's integration with the NATO: T. Yakobashvili, *Georgia's Path to NATO in: R. Asmus (ed.), Next Steps In Forging a Euroatlantic Strategy for the Wider Black Sea*, German Marshall Fund, Washington 2006.

⁴¹ F. Hill, O. Taspinar, *Turkey and Russia...*, *op. cit.*, p. 87–88.

⁴² S. Kiniklioglu, *The Anatomy of Turkish-Russian Relations*, Brookings Institution, Washington 2006, p. 13.

⁴³ A. Faik Demir, *Türk Dis Politikasi...*, *op. cit.*

⁴⁴ The data from the Ministry of National Education of Turkey <http://www.meb.gov.tr/Stats/apk2002ing/apage166-178.htm>

CHAPTER IV

Realism mixed with romanticism: Turkey's relations with the states of Central Asia

Wojciech Tworkowski

Theses

Turkey's policy towards the states of Central Asia at the beginning of the 1990s was characterised by huge enthusiasm and the hope of creating a community of Turkic countries. However, this enthusiasm did not translate into the elaboration of a coherent strategy for developing contacts and influences in this region, and therefore as early as in the mid-1990s Turkey's involvement in the region faltered.

Due to competition from bigger players (among them the US, Russia, China and Iran) and its relatively insignificant resources, Turkey has had to come to terms with a secondary role and abandon its dreams about being the leader in Central Asia.

Currently, Turkey is mainly involved in the economic field (particularly in small- and medium-sized enterprises), education and security. In spite of resuming the tradition of summits grouping together leaders of Turkic states in 2006, any deeper integration, let alone the construction of a commonwealth of states announced at the beginning of the 1990s, stands no chances of success as it is not in the interest of the Central Asian countries.

Turkey can play an important role in co-operation in the fields of energy and transport infrastructure. Involving Kazakhstan and Turkmenistan in three key projects, the Baku–Ceyhan oil pipeline, the Baku–Erzurum gas pipeline and the Baku–Kars railway line, is of paramount importance for Turkey's interest in Central Asia. Despite declarations of commitment from the countries of Central Asia, it is difficult to assess for the time being whether the actual collaboration will be carried out in any more than a symbolic dimension, particularly considering that Turkey's opportunities for taking action are limited.

1. A general outline of Turkish-Central Asian relations

Post-Soviet Central Asia, an inland region with a surface of nearly 4 million sq km and inhabited

by about 60 million people, does not have any direct borders with Turkey but it has quite close cultural ties with it. The national languages of four out of five states of the region (Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan) belong to the Turkic language family¹. The Turkic ethnic group was forged in the Altai mountains (a range of mountains in Russian Siberia) and it populated Central Asia in the fifth to seventh centuries. In the ninth and tenth centuries, the majority of Turkic peoples embraced Sunni Islam, and were then heavily influenced by the Persian culture². In the tenth century the Oghuz Turks started to migrate from Central Asia westwards into Anatolia. In Asia Minor, at the end of the thirteenth century, the Oghuz created the Ottoman Empire which, although it stretched out to the shores of the Caspian Sea at the peak of its development at the end of the sixteenth century, never extended eastwards to the lands of Central Asia. Contacts between Central Asia and Anatolia were quite rare. In the ruling classes of Central Asia (and to a lesser extent the Ottomans), there was a limited awareness of the ethnic Turkic community, which was reflected in the use of the name *Turkestan* to refer to Central Asia and *Turkic* to describe the official language of the Ottoman Empire³. At the turn of the twentieth century, the idea of a national community of all Turkic people (pan-Turkism) started developing among the elites in Central Asia and the Ottoman Empire. In the decade from 1908 to 1918, under the Young Turk regime, this concept became one of the most important state ideologies in the Ottoman Empire. It arose later in Central Asia and had a weaker impact⁴. This sense of community was challenged in the 1920s and the 1930s by two revolutions: the Kemalist revolution in Turkey and the Bolshevik revolution in Russia. On the ashes of the Ottoman Empire, Kemal Atatürk built the Republic of Turkey where all inhabitants of Anatolia were considered Turks, without pursuing the idea of creating a great Turkic nation encompassing all the Turkic-speaking peoples. As a result of the conquest of Central Asia by the Bolsheviks⁵, the communist authorities started the processes of constructing separate national identities (the Kazakh, Kyrgyz, Uzbek and Turkmen 'nations') as well as intensive Russification. Local elites were deprived of their status of actors in international politics, and their role was taken over by Moscow⁶.

Pan-Turkism survived only in the West and in Turkey, where itself it was marginalised by Kemalism. After World War II, when a democratic system was introduced to Turkey, there was an increase in the activity of pan-Turkish circles (magazines, associations). Immigrants from the USSR and from Central Asia played an important role in this process. In 1965 the National Movement Party (MHP) was created (initially operating under a different name), an extreme right-wing party which promulgated pan-Turkish slogans. The party still exists in the present, although its popularity is limited. The 'Grey Wolves' organisation is affiliated with the MHP. In more than 40 years of its existence, the party very seldom held any power, and usually remained outside the parliament.

In the Soviet period, Turkey's contacts with the Central Asian republics were very restricted. It was not until March 1991 that the then President Turgut Ozal visited Almaty on his way back from Moscow. He thus reacted to the ongoing process by which the Soviet republics acquired their autonomy, although simultaneously his meetings with Soviet leaders counterbalanced that visit. The disintegration of the USSR and the independence of five republics of Central Asia, however, came as a total surprise to Turkey and forced the country to create a policy towards the region off the cuff, without any due consideration of what its strategic goals might be, in an atmosphere of enthusiasm caused by regaining the 'lost brothers' and an unexpected enlargement of the family of Turkic states on the global political arena. That policy was based on the atmosphere in Turkish society at large. Public opinion polls reveal that a positive mutual image is prevalent in Turkey and the states of the region. According to research by Pollmark from mid-2004, the vast majority of Turks declared that they had a positive image of the Turkic nations. In comparison, over half of the Turkish population surveyed held a negative image of Christians and Jews, and the majority was negative about Arabs. On the Turkish political scene, the extreme right-wing pan-Turkish party MHP remains the most fervent proponent of tightening ties between Turkey and the Central Asian states. Support for the party has been fluctuating between 8–17% since the beginning of the 1990s⁷. The MHP's chances of influencing Turkish politics have been limited, as since 1991 a ruling coalition

was only formed with the MHP in the period from 1999 to 2002. The party remained outside parliament between 1995 and 1999, and from 2002 to 2007. On the other hand, the MHP operates in the countries of Central Asia (in the form of local associations) and has some backing in the Turkish security sector. Support for pan-Turkism in Central Asia is limited, being substantially weaker than in Turkey.

Enthusiasm for strong bonds between Turkey and the Central Asian countries has proved an insufficiently solid foundation for their sustainability. In Turkey, citizens of the Turkic republics of Central Asia were perceived as brothers; integration with them – with Ankara in the role of their ‘elder brother’ and patron – appeared natural. The export of the Turkish model of a secular state combining Islam with the free market and democracy, supported by the West, seemed similarly natural⁸. However, problems arose with adopting such a model. Overly close ties with Turkey could pose a threat to relations with Russia, which (after a short crisis) still remained a significant player in the region. Turkey’s paternalistic approach was unacceptable to the ruling classes of the newly formed states, who were very sensitive to the question of sovereignty. This sensitivity was enhanced by the character of the people grouped around the predominant presidential circles. The leaders of the states of Central Asia considered democracy a threat to their political monopoly. The emphasis placed on the ethnic Turkic community was quite often interpreted as challenging the identities of the Central Asian nations. A considerable conflict in these mutual perceptions was also provoked by Turkish initiatives in the area of development aid for the countries of Central Asia. In Turkey, Central Asia is generally perceived as backward, underdeveloped and contaminated by the Soviet system. In reality, students and officials offered scholarships or internships in Turkey frequently discovered that the level of literacy, education and health care in their countries was often higher than in the poorest regions of Turkey. A particular clash was caused by co-operation in education; the Central Asians were convinced that their education, for example in the medical field, was at a higher level, and in consequence they limited their student exchanges. At the same time, collaboration proceeded

very well in other areas. Turkey, which was the first to officially recognise the independence of the new states, became a natural training ground for diplomatic personnel which had not existed earlier.

In the face of the above-mentioned factors, Turkey’s initiatives aimed at integrating the Turkic nations through the concept of pan-Turkism were doomed to failure. Governments in Central Asia used them to achieve their own objectives (for example, many schools were founded; see below) and the propaganda of brotherhood ceased playing a significant role in the consciousness of Turkish society. On the other hand, with the Central Asian states’ growing knowledge of the external world and their economic development, Turkey has become an interesting destination for their citizens, firstly for those looking for jobs, and then for tourists.

2. The evolution of political contacts

The introduction of the policy of *glasnost* by Mikhail Gorbachev, which gave rise to political liberalisation within the USSR and then to the independence of the Central Asian countries, made Turkey euphoric. The country saw opportunities to build relations with the new sovereign Turkic republics, which, by definition, it considered as close friends. This assumption later proved false, as the presidents of the newly independent states came to adopt much more pragmatic positions than pan-Turkish romanticism.

As early as 1991, the presidents of the Central Asian states went to Ankara⁹ treating their visit as a natural way of searching an alternative to close relations with Moscow, or at least as an attempt to build diplomatic contacts outside the post-Soviet area. The visits and their accompanying wide-ranging, positive talks about potential co-operation strengthened Turkey’s hopes for a quick development of political collaboration within the cultural and linguistic community. This enthusiasm was also translated into concrete actions. On 16 December 1991, Turkey was the first state in the world to recognise independence of the Central Asian states, thus showing solida-

rity with their aspirations; the following year saw a period of intense activity by Turkey in the region. In February, Hikmet Cetin, the then Turkish Foreign Minister, paid a state visit to Central Asia, and two months later Prime Minister Suleyman Demirel followed suit. Both politicians were accompanied by large delegations including business representatives, which was a sign of high expectations in the field of economic contacts¹⁰. During these mutual visits, many agreements and contracts were signed regulating future co-operation on various levels. In Turkey, a series of institutions aimed at developing mutual contacts were set up, including a special department at the Ministry of Foreign Affairs, and the Turkish International Co-operation and Development Agency (TIKA), that co-ordinates collaboration and aid programmes. A network of diplomatic missions in all the states of the region was also established.

While forging a strategy towards the 'fraternal' states of Central Asia, however, Turkey made a fundamental mistake in assuming that they are equally eager to unequivocally define their basic course of foreign policy. Whilst the supreme objective of the Turkic republics in Central Asia after regaining independence was to diversify their foreign policy and abandon Moscow's umbrella, Turkey's excessive pressure and unduly patronising offers to play an intermediary role in representing these countries in the international arena were not well received. It appears that this was caused by three factors. Firstly, despite the internal crisis, Moscow still had an overwhelming ascendancy in the post-Soviet South – its political, military and economic influences, as well as those resulting from the close infrastructural ties between Central Asia and the Russian centre; in the case of Kazakhstan the 7000-kilometre-long border with the Russian Federation was also an important factor. Secondly, independence offered wide prospects for co-operation with various partners, among which Turkey was quite an interesting country but certainly not a strategic one, because of its limited attractiveness in areas such as economy and security. The Turkish offer faced substantial competition from Russia, China and the US¹¹. Thirdly, the collaboration proposed by Turkey implied an export of the Turkish model of state, and the Central Asian ruling classes were not inclined to adopt it.

The summit of the Turkish states held in Ankara in October 1992 proved to be a wake-up call for the romantic vision of the Turkic community of interests¹². Turkey put forward a concrete and exceptionally wide proposal for co-operation¹³. However, Turkish diplomacy did not prepare the presidents of the Central Asian states who were attending the summit for such a radical acceleration in their co-operation, which resulted in a considerable deterioration in the atmosphere of the meeting, and its closing without making any binding resolutions.

Due to the worsened mutual relations following the summit, and their disappointment with Turkey's high requirements, the states of Central Asia developed their foreign policies in different directions over the forthcoming years. They had two top priorities: on the one hand, emancipation from Russia, and on the other, normalisation of relations with Moscow, which in some circumstances proved an indispensable and the most effective partner. The mounting tension and subsequent civil war in Tajikistan proved particularly conducive to the development of relations with Russia; in order to prevent the escalation of the conflict into their territories, Kyrgyzstan, Uzbekistan and Kazakhstan established close co-operation with the Russian 201st Division, whose presence in Tajikistan ensured relative stability in the region. Ankara could not be a partner in that area because of the distance and its lack of suitable military instruments. Iran, which directly borders Central Asia, became Turkey's rival for influence in the region. However, the attractiveness of Iran's offer was diminished by Washington's reluctance to strengthen Tehran's position in the region, as well as the Islamic character of the Iranian regime, which caused concerns for the secular rulers of Central Asia. After the shock provoked by the lack of enthusiasm for integration among the Central Asian leaders, Turkey's foreign policy became more pragmatic. Previous lofty announcements made by President Ozal and other politicians about regional leadership in Central Asia were forgotten and replaced by attempts at constructive collaboration. The presidency of Suleyman Demirel (1993–2000) definitely played an important role in rebuilding trust, as he dedicated much time to Central Asia, and built up good personal relationships with the local govern-

ments. He is still remembered as a symbol of the Turkic community¹⁴. In October 1994, another summit of the leaders of the Turkic states was organised; it was lower-key than the previous ones, and much better prepared politically. As Turkey abandoned its paternalistic approach, the participants of the summit were able to resume talks on the prospects of co-operation, and concluded the meeting by signing the Istanbul Declaration announcing future collaboration in all fields¹⁵. In the following years, similar meetings of the heads of state were held regularly until 2001; after which a break of a few-years arose. Gradually the president of Kazakhstan, Nursultan Nazarbayev, emerged as the main champion of deepening pan-Turkish ties; however, it seems that the idea of a Turkic union or commonwealth which he advocates has been only a game within the context of the perfectly balanced and diversified Kazakh foreign policy¹⁶. After attempts to assassinate Uzbekistan's president, Islam Karimov, Turkish-Uzbek relations worsened because Turkey gave shelter to the leaders of the Erk and Birlik opposition parties, Muhamad Solihov and Abdrahimov Pulatov, at the beginning of the 1990s. In 1999 Karimov suspended student exchanges between Turkey and Uzbekistan. Relations deteriorated further thanks to Ankara's condemnation of the Andijan massacre in May 2005.

The latest sign that mutual relations are being resumed was the first summit of the Turkic states in five years, which was held in Turkish Antalya in November 2006. The summit was another sign of a pragmatic normalisation of relations among the Turkic states. It was ignored only by the president of Uzbekistan, Islam Karimov, who was offended by Turkey's support for the United Nations report condemning Tashkent for violating human rights¹⁷.

Since the death of Saparmurat Niyazov, the president of Turkmenistan (1991–2006) in December 2006 the Turkish-Turkmen relations have improved. In December 2007 the president of Turkey visited Ashgabat for the first time since 2000.

Relations between Turkey and the states of Central Asia have also been shaped by their co-operation in international organisations. The newly independent states quickly became members of the United Nations and the Organisation for Se-

curity and Co-operation in Europe, and were admitted to NATO's Partnership for Peace programme (1994). However, the key to development was intended to be the new states' membership in regional organisations. Turkey, which counted on the role of an intermediary, introducing the new states into the international arena and intending to reap the associated political benefits, naturally backed the association of its 'fraternal' states with the UN and NATO, as well as doing so financially, by covering the costs of renting offices for representative missions. In 1992, Ankara supported the membership of the five Central Asian republics in the Economic Co-operation Organisation (ECO), which consequently became the most powerful common economic institution in Muslim countries; however, the ECO's activities have little practical impact (the ECO does not even provide for the creation of a free trade zone).

In Central Asia, Russia still played a federating role; under its auspices, subsequent organisations regulating co-operation on different levels were founded (the Shanghai Co-operation Organisation and the Collective Security Treaty Organisation are currently playing the most significant roles in the area of politics and security; in terms of economy, the countries of Central Asia, particularly Kazakhstan, are much more involved in the Eurasian Economic Community than in the ECO). In the second half of the 1990s, the GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova) organisation was created at the initiative of the US; Uzbekistan was a member for a period of time¹⁸. On the other hand, Turkish aspirations for EU membership and its regional interests turned Ankara's attention from the relatively distant Central Asia to the areas geographically closer to Turkey. Although Turkish politicians raised the issue of inviting the states of Central Asia to the BSEC, it appears that the Western course has finally taken over in Turkish politics, and Ankara's interest in institutionalising trans-regional co-operation is currently much weaker than it once was.

Nowadays, Turkey's relations with the republics of Central Asia are characterised by a pragmatic approach to collaboration. Mutual relations are good, but not very intensive. After the collapse of the USSR, Turkey's offer of co-operation was

based on huge enthusiasm, although it was not followed up by any real possibilities of aid. Because of rampant inflation, an enormous budget deficit and privatisation problems, Ankara had relatively few available financial resources, and they were not employed as part of a well thought-out strategy for developing Turkish influences in Central Asia. Gradually, relations between the regions came to focus on cultural co-operation, education, business (mainly small- and medium-sized enterprises) and security (see below). The states of Central Asia, in the face of an irrational choice of Turkey as their key strategic partner, decided to base their foreign policies on other alliances, or on diversification. On the other hand, in the light of Turkey's aspirations to join the EU and develop co-operation in the Black Sea Basin, Central Asia has now gone on the back burner for Turkey's interests. Despite that, thanks to the cultural affinity, Turkey's growing economic and political potential may play an important role in the five republics, particularly if the projects for transporting Central Asian hydrocarbons through the Baku–Tbilisi–Ceyhan and Baku–Tbilisi–Erzurum pipelines are implemented.

3. Economic relations

The economy plays a key role in the pragmatically-forged relations between Turkey and Central Asia. Stores in Central Asia are full of Turkish goods, the wealthier members of society there enjoy eating in Turkish restaurants, and buy products from Turkish suppliers. Turkish enterprises co-own major mobile telecommunications operators (including K-Cell and K-Mobile in Kazakhstan) and have developed a telecommunications infrastructure; they build roads (e.g. the Bishkek–Osh ‘highway’ in Kyrgyzstan), and supply construction materials, sanitary fixtures and fittings (competing principally with Chinese and Iranian companies). Asia Minor is also a holiday destination for an increasing number of tourists and a job market for immigrants looking for jobs, although the number of people arriving there remains limited¹⁹. Even though the Turkish presence on the local market is quite large, in the majority it is represented by small- and medium-sized enterprises. This is a result of the pioneering ambitions of Turkish entrepreneurs, who flooded Central Asia

in the 1990s hoping for quick development and a big growth potential in the local markets²⁰. Another large group are Turks working for Western (especially American) companies. These people are well-educated, are considered as ‘Westerners’, yet at the same time they have Turkish roots, which brings them closer to the inhabitants of Central Asia. So, they have often been employed as ideal middle management staff and qualified employees (such as engineers), who can bridge the gap between local employees and the American management; the latter usually have poor knowledge of the local contexts. The practice by Turkish construction and energy companies operating in Kazakhstan of employing mainly Turkish citizens has led the authorities in Kazakhstan to introduce restrictions on the employment of foreigners. This has sometimes equally provoked ethnic conflicts with dissatisfied Kazakh employees who perform similar jobs for substantially less pay²¹.

3.1. Trade and investments

Turkey is among Central Asia's top ten trading partners, although it does not aspire to compete with Russia or China. The trade exchange between Turkey and Kazakhstan, the undisputed economic leader in Central Asia, is the largest in the region. Although it is growing constantly, it still only accounts for just over 2% of Kazakhstan's total trade exchange. Similarly, Turkish investments in Kazakhstan, which by the end of 2005 were worth a total of US\$939 million, make up merely 2.3% of overall investments, which places Turkey as the twelfth biggest foreign investor²². Although Turkey holds a slightly higher position on the list of economic partners in other countries of the region, it lags far behind the most significant players. For Turkey, the states of Central Asia are not important trading partners; their share in Turkey's trade exchange does not exceed 1.5%. Among the countries of Central Asia, Turkmenistan is Turkey's essential economic partner. Turkey occupies the 4th place in Turkmenistan's exports, and the first place in Turkmenistan's imports. The exchange volume in 2007 increased to more than 10% of Turkmenistan's foreign trade. Turkey is also the most important foreign investor in Turkmenistan, although foreign investments are not large²³. Turkmenistan's importance for Turkey's

economic policy is due to its gas reserves and its plans to export them through Anatolia to Europe (see more in the chapter on energy issues).

The Turkish niches in the Central Asian economy are principally in the construction work and textile industry²⁴ in both export and investments. Other important sectors are household detergents and food products. Turkey faces serious rivalry, mainly from China, which offers much lower labour costs (particularly in the construction sector); however it has maintained its market position thanks to its investments in infrastructure (Turkish enterprises have funded the construction of the road linking the capital of Kyrgyzstan with the south of the country), as well as decision-makers' sympathies for Turkey, which in turn are closely connected with concerns about the Chinese economic expansion. The Turkish activity in the services sector is represented by many small companies (restaurants, stores, laundrettes, internet cafes, hotels, travel agencies)²⁵. Relations between Turkish private investors and the particular states of the region are coordinated by joint business organisations.

Turkey imports mainly cotton and fabrics from Central Asia, which are often manufactured locally with the participation of Turkish companies. Metals and chemical products are still important imported goods. Aluminium is imported by Turkey from Tajikistan. In recent years, the states of Central Asia, particularly Kazakhstan, have showed an increased interest in making investments in Turkey²⁶.

Turkey remains an important tourist destination. Citizens of Kazakhstan make up a sizeable percentage of the tourists visiting Turkey. Rich holidaymakers from other countries of Central Asia also go to Turkish resorts. Negative phenomena of economic tourism, particularly voluntary or forced prostitution, may also be observed. According to estimates, the number of women involved in prostitution varies from a few thousand to a few tens of thousands of women, mainly from the poorer countries of the region, Tajikistan, Kyrgyzstan and Uzbekistan.

3.2. Energy and transport

One of Central Asia's major assets for Turkey was the reserves of oil and natural gas situated in the Turkmen and Kazakh areas of the Caspian Sea Basin. Turkey's interest in importing the resources harmonised with the idea promoted by American diplomats of exporting oil and gas to global markets and bypassing Russia, which after the collapse of the USSR had monopolised routes of transport of hydrocarbons from former Soviet republics. Two pipeline projects which would allow not only Russia but also the Turkish straits to be bypassed, thus supplying oil and gas to terminals on the Mediterranean Sea coast, were elaborated in order to enable export to Turkey and through its territory. Oil and gas were to be transported by means of a route crossing Azerbaijan and Georgia (in the case of oil, to the port of Ceyhan (the Baku–Tbilisi–Ceyhan oil pipeline) and gas to Erzurum). The concept of the BTC pipeline was created in the mid-1990s, and the final decision to undertake construction was taken in 1999. The pipeline was constructed from 2002 to 2005 by a consortium led by BP, whose minority shareholder (6.53%) became the Turkish oil concern TPAO; it was officially inaugurated in July 2006. From the beginning, the pipeline was a sticking point in talks with Kazakhstan, which (it was assumed) would along with Azerbaijan become the main oil supplier, as there have been serious doubts as to whether the oil from Azerbaijan will be sufficient to fill the full capacity of the pipeline. Although the Kazakh authorities declared an interest in the project, they did not get directly involved in it, and the state-owned concern KazMunaiGaz did not buy any shares in the project. The concept of building the linking pipe under the Caspian Sea fell through due to its cost and contentions over its division between the states which have access to the sea. Eventually, it was decided to construct a port terminal in the Kazakh port of Kuryk, linked to the oil reserves in Kashgan, which in 2010 will be ready to transport oil to BTC²⁷. However, the Kazakh authorities seem distanced from the project, and it is highly likely that their interest is aimed to blackmail Russia into accepting better conditions for transporting Kazakh oil by bypassing the Caspian Sea in the north through the Tengiz–Novorossiysk route.

The situation is similar in case of the BTE project, which is intended to extract gas from Azerbaijan and Turkmenistan and supply it through Turkey to the planned south-European Nabucco route. The problem is the lack of a transporting infrastructure; constructing the proposed trans-Caspian gas pipeline linking the project with Turkmenistan would be enormously expensive. The necessary investments are estimated at US\$5–12 billion, and the US is against the transport of gas through Iran. Another problem is Russia's animosity towards the project; nowadays it controls the Turkmen export of gas almost completely.

Turkey sees itself as an intermediary in the oil and gas trades, and as a key link in the East–West route; it is therefore in its interest to involve Astana and Ashkhabad in both projects. However, it appears that Russian influences are too strong, and Moscow will not allow this to occur. Moreover, particularly from the Kazakh point of view, Turkey or Europe are not the only possible recipients of its oil and gas. The southern oil pipeline (BTC) faces fierce competition from the existing transport route to China, which has also become a vital recipient of gas. Another option is being considered; routes crossing Iran or Afghanistan and going to the Pacific Ocean coast. However, it is difficult to implement this project because of the unstable political situation in the two countries. It is also not certain how determined Turkey, which has already contracted to receive excessive gas supplies (mainly from Russia), is to press for the implementation of projects transporting Central Asian hydrocarbons through its territory. A new issue in relations among Turkey and the states of Central Asia is the interest which some of the latter, such as Kazakhstan, have been showing in investing in Turkish energy infrastructure.

Along with the two routes of transporting energy resources, another important infrastructure project for Turkey is the Baku–Kars railway connection, an element of transport plans to revitalise the Silk Road, bypassing Russia from the south. The construction of the railway line which will finally link the Southern Caucasus and Central Asia with the European network began in 2007 and will take about three years. Its capacity will be 30 million tonnes a year; Kazakhstan has al-

ready declared it could transport 10 million tonnes of goods²⁸.

4. Security

Central Asia and Turkey are located in such a way that they do not have a direct impact on each other in terms of strategic security. However, Ankara is concerned with the region's stability because of the potential importance of the Southern Caucasian transit corridor, and the close relations between the Southern Caucasus – an area of Turkey's direct interest – and Central Asia. Although the countries of Central Asia are far beyond the direct reach of Turkey's possible military commitment, Ankara has become involved in some fields, principally by encouraging the creation of modern armies which are independent of Russia. This involvement is mainly apparent in training. Military contacts were established in 1992, when officers from Central Asia were permitted to go to Turkish military schools; this initiative was aimed at preparing new staff for the local armies, which had formerly been dominated by Russian officers corps (several thousand officers were trained in Turkey in total). In 1993, the Turkish HQ commander paid a working visit to Kyrgyzstan, Turkmenistan and Uzbekistan. Following a series of mutual visits, agreements to co-operate in training military staff were signed. In 1994, Kazakhstan joined the Euro-Atlantic Partnership Council (EAPC, formerly the NACC) of the Partnership for Peace programme, which implied increased collaboration with NATO member states. In the same year, Kyrgyzstan, Turkmenistan and Uzbekistan joined the programme; Tajikistan only joined the programme in 2002, after the end of its civil war. Turkey became the natural partner of the Central Asian states in co-operation with NATO; moreover, it was assigned responsibility for NATO interests in the region²⁹. In 1996, a Kazakh-Turkish agreement about co-operation in the arms industry was signed, although it was not implemented due to Russia's resistance, and too weak a push from the Turkish arms sector. In the same year CENTRASBAT (the Central Asian Battalion) was founded. It was a joint undertaking by Kazakhstan, Kyrgyzstan and Uzbekistan within the framework of the Partnership for Peace; between 1997 and 2000 the battalion car-

ried out common exercises with NATO units, including Turkish ones.

Turkey works together with most national intelligence services in Central Asia. Since September 1995 it has been involved – in a common initiative with Russia and NATO – in organising training for local security services within the framework of the Turkish International Academy Against Drugs and Organised Crime³⁰. The Turkish government also signed a series of agreements with the Central Asian states on fighting organised crime, arms smuggling, terrorism and separatism, although they were accompanied by some tensions. In the second half of the 1990s, Turkey gave shelter to Uzbek dissidents, which led to radically mounting tension in relations with Tashkent, which saw the activities of the opposition refugees as threatening the unity of the state. On the other hand, towards the end of the 1990s, Turkey frequently expressed its reservations about Kyrgyzstan's mild policy towards the Kurdistan Workers' Party (PKK), which was illegal in Turkey itself.

Although Turkey's weakness in regional security policy has been exposed many times. Ankara did not participate in the resolution of the conflict in Tajikistan; Russia played the key role there, which clearly showed the force of impact both countries had in the second half of the 1990s. Turkey was not invited to peace talks about the Afghan conflict, held since 1997 (despite having declared its will to attend them). The situation changed slightly after September 11. On the one hand, the development of its collaboration with NATO and the use of the region as a base for NATO operations in Afghanistan allowed Ankara to show how useful it could be as a partner (among other actions, a Turkish representative was appointed as NATO liaison officer in Central Asia). On the other hand, this led to a more direct collaboration between Western headquarters and the new states, which obliged Turkish diplomacy once again to identify its role in this co-operation. The deterioration in relations between the West and the Central Asian states, resulting from Russia's diplomatic offensive and the Western states' criticism of human rights violations, offers some opportunities for Turkey to increase its role in the region. Thanks to Turkey's perception of regional

stability as its priority, Ankara is still seen as a 'constructive' partner. However, Turkey's bad relations with Uzbekistan, the most densely populated country in the region, are still a cause for concern.

5. Cultural and social dimensions

Turkish enthusiasm for the newly independent states of Central Asia at the beginning of the 1990s resulted mainly from the idea of the solidarity of Turkic nations, and its outcome was quickly revitalised cultural, educational and religious co-operation, funded from both public and private resources.

Initially, Turkey tried to build a common platform for all the Turkic languages. On 18 November 1992, the Turkish Ministry of Education organised a meeting for the Education Ministers of the Turkic republics (Azerbaijan, Kazakhstan, Kyrgyzstan and Uzbekistan). During the meeting a statement about 'a common Turkic language' was made. On 8-10 March 1993, the Turkish International Co-operation and Development Agency (TIKA) Presidency held a meeting of representatives of the Conference of the Alphabet and Spelling of the Turkic Republics, during which it was decided to introduce a common alphabet composed of 34 letters, but this decision did not come into force. Major institutions founded to promote the development of cultural co-operation at the Ministry of Culture were the Joint Administration of the Turkish Culture and Arts TURKSOY, created together by Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, Uzbekistan and Turkey, and the General Directorate of Research and Development of Folk Cultures HAGEM. These institutions staged a series of festivals, conferences and exhibitions promoting Turkish culture in Central Asia and *vice versa*. HAGEM has also sponsored much ethnographic research, and issued numerous publications about culture of Central Asia. Currently, the activity of the two institutions is almost imperceptible, apart from within circles of academics and aficionados of Turkish culture. Another element of popularising the cultural community has become the broadcast of Turkish television channels and radio stations to

post-Soviet areas. The aim of this move was, among other goals, to build the awareness of pan-Turkism, promote Turkish culture, and spread information about Turkey's foreign policy. The biggest ambitions of building the cultural community were noticeable in the state-owned TRT AVRASYA channel, although when it was renamed TRT TURK it did not win many viewers. It is mostly available in (often Russian-speaking) large cities, and is not competitive compared to popular channels broadcast from Russia. Turkish pop stars (such as Tarkan) and the private entertainment channels STAR TV and SHOW TV enjoy much more popularity³¹.

Co-operation in education was carried out on two levels: through the mass funding of scholarships for students (and secondary school students) from Central Asia, and setting up Turkish educational institutions locally. On 29 January 1993, the Turkish government created the Office of Turkish Republics and Communities affiliated to the Ministry of Education; this Office deals with all joint educational actions and initiatives.

Until the end of 2006 Turkey granted 18,000 scholarships to Central Asian countries. The most important Turkish schools in the region are the Manas Kyrgyz-Turkish University in Bishkek, the International Turkmen-Turkish University in Ashgabat and the Ahmet Yassavi Kazakh-Turkish University. Situated far away from contemporary centres of civilisation, but in one of the most significant destinations of Muslim pilgrimages, the Yassavi University embodies pan-Turkish ideas – its students are representatives of nearly all the Turkic nations, starting from Altai and Yakutia/Sakha, through Central Asia and Tatarstan, Azerbaijan, Turkey, Northern Cyprus and finally the Bulgarian Turks. The students live together in dormitories on a modern campus, and are taught by the multinational teaching staff (the language of studies is Turkish and sometimes English). Apart from the universities, there are many Turkish secondary schools and numerous privately financed higher education establishments³².

Activities in the area of religion and the promotion of a secular model of state which preserves the Islamic identity have been coordinated by the Turkish Religious Affairs Directorate. The influence of Turkish Islam was perceived positively

by the authorities in the states of Central Asia, as an Islam separating religious matters from the state issues; however it did not win broad support in local communities which were oscillating between a post-Soviet lack of commitment or even atheism, and a search for more radical models of religiousness inspired by those of the Arab world. Until 2001, the Directorate built or renovated about ten mosques and delegated a number of clerics to work in the Turkic republics. Many Turkish religious schools educating Kazakh clerics were opened in the region; in Kyrgyzstan and Turkmenistan, theology faculties financed by Turkey were founded at local universities. Moreover, about a thousand future imams from all the states of the region received education in Turkey. The Directorate also funded the publication of religious materials in local languages, and supplied tens of thousands of copies of Koran translations. Additionally, the Turkish government co-financed the pilgrimage to Mecca for small groups of people from the Central Asian states until 2001.

The movement of the followers of Fetullah Gülen plays a special role in Turkish relations with Central Asia. This movement is widespread in Asia Minor, and aims to promote Islam and Turkism. Motivated by these reasons, it has been conducting quasi-missionary activities in the countries of the region. Its members, who are supported by an unofficial community, run companies and various educational institutions (in particular, prestigious high-level Turkish secondary schools) and have been winning over new members through personal contacts. The Gülen movement is supported by the Justice and Development Party (AKP), the Islamic-democratic party in power in Turkey since 2002. However, its activity is frowned upon by the Kemalist establishment, which considers it a threat to the lay character of the state. In Central Asia the movement is an important element of the Turkish presence, and is often informally backed by the diplomatic corps³³.

Despite the intensity of Turkish efforts in the cultural, social and religious dimensions, Turkey has not succeeded in ensuring a strong position as a close partner of the region; this is to a large extent due to Ankara's misunderstanding of post-Soviet realities, and its failure to adjust its strategies to local conditions and needs. Convinced of

its cultural superiority, Turkey approached new partners from the paternalistic position of the 'elder brother', and met with incomprehension and sometimes even humiliation when it appeared that the post-Soviet levels of education or welfare system were higher than the Turkish one at the beginning of the 1990s. The lack of suitable resources coupled with an attempt to get involved on all possible fronts was another crucial problem. Because there was no appropriate strategy or coordination of actions, not to mention the overemotional and sentimental attitude towards cultural affinity, the Turkish presence in Central Asia is nowadays confined to a narrow scope.

6. Conclusion and forecast

Turkey, which was originally seen as a natural candidate to play the role of the guide, leader and mentor of the new states of Central Asia in the international arena, because of its cultural ties and geographical situation at the junction of Europe and Asia³⁴, has not managed to fulfil this role. The failure of Turkish aspirations became visible as early as the first half of the 1990s, and they were symbolically buried at the summit of the Turkic states in 1994, where a new rhetoric of pragmatic collaboration replaced the romantic visions of integration after the previous breakdown of relations. Many analysts place the blame for this on Ankara's chaotic and overemotional policy, as it did not have a well thought-out strategy to meet the quite unexpected challenge. It seems that Turkey's involvement was limited by historical and geopolitical conditions. Although Turkey could undoubtedly have gained a stronger position in the region than the one it finally held, the concept of its leadership was doomed to failure from the very beginning.

While Turkish diplomats assumed similar enthusiasm for integration on the part of the states of Central Asia, and took the cultural and political backwardness of their 'brothers' for granted, leaders of the new republics proved to be much more aware and shrewder players. The geographical situation and assets of the Central Asian republics (principally hydrocarbons) offered them wide prospects in foreign policy, and simultaneously the guaranteed interest of the world powers,

which Turkey could not compete with in terms of resources and co-operation opportunities. Breaking the bond between Central Asia and Russia was made quite difficult by the deep economic and infrastructural ties between the new states and Moscow. On the other hand, Turkey overestimated its powers, and relied too much on US support. In the end, Washington finally decided on direct involvement in the region without an intermediary, and used Turkish staff only partly as assistants in introducing the economic policy and investment expansion.

The differences in the geo-strategic interests of Turkey and the Central Asian states gave rise to increasingly wide discrepancies in the principal courses of their foreign policies. This was particularly manifest in the various dimensions of the integration processes, as implemented within the framework of different alliances. Whereas Turkey opted for European integration, the states of Central Asia, particularly Kazakhstan, are continuing a multi-vector policy of foreign co-operation, including within the Russo-centric Collective Security Treaty Organisation (CSTO) and the Russian-Chinese Shanghai Co-operation Organisation. Turkey's aspirations for EU membership do not have any direct impact on the Turkic republics; their relations with the EU are autonomous and Turkey would not rather play the special role of liaison officer, as was proved by the elaboration of the EU's strategy for Central Asia in mid-2007. Despite this, the question of Turkish accession to the EU remains important in the Central Asian states approach to the EU', as in the opinion of the Central Asian elites it reveals a change in EU mentality and a withdrawal from Huntington's destructive theories³⁵.

Turkey's role in Central Asia currently focuses on economic involvement; Turkish entrepreneurs have gained a stable position in the construction and textile sectors. Although Ankara remains a partner in the areas of education and security, none of the parties gives this co-operation top priority. Simultaneously, the mutual perception of Turkey and Central Asia is relatively positive, particularly after both Ankara and Washington stopped promoting the liberal, free-market and democratic model of the Turkish state (which is unacceptable for the leaders of Central Asia as

they consolidate their power) as the solution for Central Asia. Turkey and the US have concentrated instead on common interests, including regional stability and economic growth.

As there are no direct strategic interests, no sudden intensification of relations between Turkey and Central Asia should be expected in the foreseeable future. Some chances of rapprochement may be provided by collaboration in the energy field, as well as the transport of Central Asian resources and goods to the West by means of routes crossing Turkey and bypassing Russia. As the states of Central Asia are aiming to maintain their good relations with Moscow, however, it is quite unlikely for co-operation in these areas to become a priority for them.

Wojciech Tworowski

¹ The only non-Turkic country in Central Asia is Tajikistan, where a variety of Persian is spoken and whose closest cultural ties are with Iran and northern Afghanistan. The 'Turkic' land link between Central Asia and Turkey is Azerbaijan.

² The majority of the Kazakhs and Kyrgyz embraced Islam much later, in the eighteenth century.

³ The Ottoman elites considered the term Turk pejorative, and used it to refer to peasants and nomads.

⁴ J. Landau, *Pan-Turkism: From irredentism to cooperation*, Indiana UP, 1995.

⁵ Young Turks also took part in battles against Soviet expansion. The most famous of them was Enver Pasha, who together with the basmachi rebels resisted the Red Army in Bukhara and finally died at the hands of Soviet soldiers in 1922.

⁶ I. Bal, *Turkey's Relations with the West and the Turkic Republic*, London 2000.

⁷ In the parliamentary elections in 2007, the MHP obtained 14% of the vote.

⁸ This position was clearly expressed by President Ozal as early as the first summit of Turkic-speaking states in Ankara, October 1992. Compare: P. Robins, *Suits and Uniforms. Turkish Foreign Policy since the Cold War* Hurst & Company, London 2003. p. 284–286

⁹ In September 1991 Kazakhstan's President Nursultan Nazarbayev visited Turkey; he was followed in December by Saparmurat Niyazov, the President of Turkmenistan; Islam Karimov of Uzbekistan and Askar Akayev of Kyrgyzstan.

¹⁰ As early as November 1991, the first Turkish-Uzbek business council was created, and similar bodies were then set up with the participation of other countries from the region.

¹¹ In the first phase, the US planned to use Turkey as a means of making a political impact in Central Asia. However, in the mid-1990s the US went on to build up direct contacts.

¹² In the years 1992–2001 seven summits of the Turkic states were held. After a five-year break in November 2006, the leaders met for the eighth time in Antalya in Turkey.

¹³ Including the creation of a common market and the construction of a commonwealth.

¹⁴ The president of Kazakhstan, Nursultan Nazarbayev, expressed respect for Demirel's role during the last summit of the Turkic states, November 2006, and suggested appointing him as the first chairman of the Turkic Parliamentary Assembly.

¹⁵ For more information about relations between Turkey and Central Asia in that period, compare G. Winrow, *Turkey and the Newly Independent States of Central Asia and the Transcaucasus*, *MERIA Journal*, Vol 1, No. 2, July 1997; <http://meria.idc.ac.il/journal/1997/issue2/jv1n2a5.html>

¹⁶ As a rule, in the case of Turkey, President Nazarbayev usually makes grandiloquent declarations which are not followed up by any concrete actions. As with the Turkic commonwealth, Nazarbayev approached the issue of the Baku–Tbilisi–Ceyhan (BTC) oil pipeline in a similar way; he pledged support for the project, which was supposed to diversify routes of oil export from Kazakhstan to the West. After the completion of the oil pipeline, Kazakhstan even signed a memorandum regarding the transport of its oil through that route. However, the collaboration has still not yet been im-

plemented, and Kazakhstan's declarations have only served to soften Russia's position on the question of transporting Kazakh energy resources through the routes crossing its territory.

¹⁷ Katik, M. Spirit of Cooperation Dominates Turkic Summit, Eurasianet.org, 20 November 2006, <http://www.eurasianet.org/departments/insight/articles/eav112006.shtml>

¹⁸ Uzbekistan suspended its membership in GUUAM in June 2002, and definitely quit the organisation in May 2005.

¹⁹ In 2007, almost 400,000 citizens of the states of Central Asia visited Turkey, including 195,000 from Kazakhstan and nearly 76,000 from Turkmenistan.

²⁰ In many cases, it has transpired that cultural affinity does not necessarily mean an ability to adapt to post-Soviet realities. Technologies and firms have often been taken over by local partners, and Turkish businesspeople have not been able to cope with the brutal realities of the Central Asian market. Author's interview with a Kazakh businessman, Astana, June 2006.

²¹ In February 2005, a large fight broke out between Turkish and Kazakh workers in the GATE company, which was involved in the reconstruction of the Atyrau refinery. In that year and the following one there were several such incidents. For example, see Brawl Between Kazakh, Turkish Workers Injures 140, RFE/RL 20 October 2006, <http://www.rferl.org/featuresarticle/2006/10/07e94a3b-86dc-4718-aea0-2c0dae4ebdc7.html>

²² Data from the Embassy of Turkey in Kazakhstan.

²³ The major Turkish investor in Turkmenistan is Ahmet Calik, a conservative businessman associated with the Justice and Development Party (AKP) which has held power in Turkey since 2002. He was the Deputy Minister of the Textile Industry for some time.

²⁴ Turkish firms have been responsible for the construction of 70% of buildings in the new Kazakh capital of Astana (including the airport, the parliament building, the presidential palace, hotels and residential housing).

²⁵ For instance, in Kazakhstan Turkey is the third in terms of the number of registered companies after Russia and China (data from 2003, provided by the Embassy of the Republic of Turkey in Kazakhstan).

²⁶ There are plans of a joint construction of a refinery on the Black Sea.

²⁷ For the time being the project remains on the drawing board; construction has not yet been started.

²⁸ The memorandum on economic co-operation between Kazakhstan and Georgia, signed by the Kazakh Minister of Transport Serik Akhmetov in Tbilisi on 2 April 2007 (RFE/RL Newswire, 4 April 2007, <http://www.rferl.org/newswire/2007/04/2-TCA/tca-040407.asp#archive>)

²⁹ In that period of time Turkey was the only NATO member which had military attaches in the states of the region. Central Asian Security: The New International Context. Allison A. & L. Johnson, SIIA – RIIA, 2001.

³⁰ R. Weitz. Towards a New Turkey – NATO Partnership, *Turkish Policy Quarterly*, Vol.5, No. 2, 2006.

³¹ Y. Kalafat, 'Turkiye – Turk Cumhuriyetleri Kultur Iliskileri', in 21 Yuzyilda Turk Dis Politikasi, ed. Idris Bal, Ankara 2004.

³² According to a Turkish diplomat with whom the author spoke in Bishkek (May 2006), only a small number of private universities officially called Turkish are financed from Turkish funds. The rest function thanks to capital coming mainly from Arab countries.

³³ For more about the activity of followers of Gülen in the states of Central Asia see: Balci, B. Fetullah Gülen's Missionary Schools in Central Asia and their Role in the Spreading of Turkism and Islam, *Religion, State & Society*, Vol. 31, No. 2, 2003.

³⁴ Prime Minister Demirel was persuaded to adopt such an approach among other politicians by George Bush in February 1992 during the meeting in Washington he declared: 'Turkey is a model for the states of the region, particularly for the newly independent republics of Central Asia'. P. Robins., *op. cit.*, p. 282–83.

³⁵ The author's interview with an official in the Kazakh Ministry of Foreign Affairs, Astana, May 2006.

CHAPTER V

Advocate for the *status quo*? Turkish policy towards the Black Sea region – its form and background

Rafał Sadowski

Theses

1. In its policy towards the Black Sea area, Turkey wishes to maintain the *status quo* and is not willing major geopolitical changes in the region, especially the emergence of any new active players, such as the United States.

2. The Turkish Black Sea policy is to a great extent reactive. This is an effect of the low priority granted to the Black Sea region in the policy of Ankara, which has been actively engaged in other areas (Iraq, the Middle East and relations with the EU, the USA and Russia). Higher priority is given only to selected issues, such as preserving the Montreux regime and maintaining Ankara's strong position in the region by restricting access to external players. Turkey is not actively engaged in the Black Sea area because its vital interests in the region are not under any serious threat.

3. The shape of Ankara's policy towards the Black Sea region strongly depends on its relations with Washington and Brussels. The worsening of relations with the EU and the USA has caused a redefinition of Turkish policy towards the Black Sea region. Attempts by external actors, namely the United States and the European Union, to increase their presence in the region have resulted in an improvement in Turkey's relations with Russia, which also does not want the former actors' role to grow either.

1. Introduction

The Black Sea region has gradually been gaining significance in international politics since the year 2001. This is mainly the effect of the growing interest of the United States, the EU and NATO member states in the region. This area has become increasingly important for the USA after 11 September 2001 in the context of activities undertaken as part of its 'war on terrorism' in Afghanistan and the Middle East, as well its rivalry with Russia (the US presence in the Caucasus, energy issues, policy towards Ukraine, etc.). On the other hand, the Black Sea region has aroused the increasing interest of the European Union as a consequence of its enlargement policy (the accession

of Romania and Bulgaria, and membership negotiations with Turkey) as well as the launching of the European Neighbourhood Policy (which also concerns other countries in the Black Sea region, with the exception of Russia). In turn, the accession of Romania and Bulgaria to NATO and the prospect of membership for Ukraine and Georgia have strengthened the Alliance's position in the region, and have forced it to become more active. The significance of the region has also increased in the context of European energy security, and also as a consequence of developing new projects for oil and gas transit from the Caspian Sea area to Europe.

Since the role of the Black Sea region has started growing in importance, the policies of the countries located there and of the global superpowers towards the region have gained significance as well. The intention of this text is to describe the present shape of Turkish policy towards the Black Sea region. To make Ankara's policy in this area more understandable, it is necessary to present the regional political background. For this reason, this analysis also includes such topics as the geopolitical aspects of the Black Sea area, key guidelines regarding the policies of the main regional actors, and descriptions of the multilateral structures of regional co-operation. Since this publication includes separate texts discussing energy issues and Turkey's relations with Russia (the most important country in the region) and the Caucasian states, these questions will be tackled in this analysis only to the extent necessary to present the Black Sea aspect of Turkey's foreign policy.

2. The Black Sea region

2.1. A new geopolitical order in the region

Throughout its history, the Black Sea has been dominated by one powerful nation. In ancient times, the sea coast was colonised by Greek settlers. Next it fell under the influence of the Roman Empire and its successor, the Byzantine Empire. Between the late fifteenth and late seventeenth centuries, it belonged to the Ottoman Empire. Between late seventeenth century and 1870s, the northern coast

of the Black Sea was conquered by Russia. The war fought between 1768 and 1774 was a breakthrough, which allowed Russia to gain an advantage. The region was then *de facto* divided into the spheres of influence of Russia (the USSR from 1922) and of the Ottoman Empire (the Republic of Turkey from 1923) until the collapse of the Soviet Union in 1991.

During the Cold War period, the Black Sea region was a secondary area of confrontation between the West and the Communist bloc, while the main arena of the conflict was located in Central Europe and particular places in the world where open military conflicts erupted (such as Vietnam, Korea, Africa, Latin America, etc.). In the 1990s, the major political events on the European continent were mainly dominated by processes of integration with the European Union, system transformations in the Eastern & Central European countries, and military conflicts in the Balkans (which had a much greater impact than those fought in the Caucasus). For these reasons, the Black Sea area itself was initially of minor significance in the construction of the new post-Cold War geopolitical order.

The break-up of the USSR, the collapse of the Soviet bloc and the emergence of new independent countries created a new geopolitical system. The divides which had determined the political situation in the region during the Cold War period became insignificant. New platforms of regional co-operation in such areas as the economy, social life and politics appeared. The economic transformation of all the countries in the region enabled the liberalisation and development of trade & investment co-operation between those states. The opening of borders (except for the one between Turkey and Armenia) and the simplification of border crossing procedures noticeably intensified people-to-people contacts between various societies living in the region. The breakdown of the Cold War order enabled new regional forms of institutional co-operation to be developed, the most prominent example of which is the Organisation of the Black Sea Economic Co-operation (BSEC).

2.2. The Black Sea or the Wider Black Sea?

The political definition of the Black Sea region is not limited to those countries which have direct

access to the sea (Romania, Bulgaria, Turkey, Georgia, Russia and Ukraine). In geopolitical terms, the scope of the region is much larger, and includes countries located in its close neighbourhood, namely Moldova, Azerbaijan and Armenia. The Black Sea region may also be defined even more extensively as the Wider Black Sea area, which stretches out between the Southeastern Europe and the Caspian Sea basin². This is reflected in the shapes of the regional co-operation organisations existing there. The BSEC alone has 11 member states and 16 countries and international organisations which have observer status³. The definition of the Wider Black Sea used for the needs of this text, along with the littoral countries (Bulgaria, Georgia, Russia, Romania and Turkey), also covers countries located in its close neighbourhood, especially countries which have historical, cultural, political and economic ties with the aforementioned states (Armenia, Azerbaijan and Moldova). Sometimes Greece is also considered to be a part of that area⁴.

The international significance of the region attracts active engagement of major international players, i.e. the USA and the EU. This is mainly an effect of its location between such strategic regions as Central & Eastern Europe, the Balkans, the Middle East, the Mediterranean Sea, Russia, Caucasus and Central Asia. The Black Sea region is also the area where routes connecting North to South and from the East to the West of Eurasia intersect⁵.

2.3. A regional identity?

The Black Sea region as such does not have a clearly defined identity, unlike other European regions (e.g. Central Europe, the Balkans, Scandinavia, etc.). Apart from the geographical and political aspects, it is difficult to find any cultural and historical determinants. In effect, the sense of regional identity is very weak. For this reason, some specialists even believe that the distinction of the Black Sea region is a 'purely intellectual construct'⁶. It exists at the meeting point of other regions which have clearly defined cultural and historical identities, such the Balkans or the Caucasus. All the Black Sea countries have stronger bonds with those regions; for example Ukraine and Moldova with eastern Europe; Georgia, Armenia and Azerbaijan with the Southern Caucasus; and Ro-

mania and Bulgaria with South-Eastern Europe. Weak as the cultural & historical factors and the regional identity are, the perception of the Black Sea region as a separate geopolitical area nevertheless became clearer in the early 1990s. Professor Mustafa Aydin has noted that this was an expression of the political will of the region's countries resulting from their interests, which allowed them to transform the geographical area into a separate region. Establishing the BSEC, which is a regional co-operation organisation, in 1992 was a tangible sign of that⁷.

2.4. Regional challenges

The international significance which the Black Sea area has acquired recently is a consequence of various emerging potential threats, which are mainly related to the political stability of the countries in the region, international terrorism and European energy security. The stability of the Black Sea countries is under threat due to the 'frozen conflicts' existing in Abkhazia, Nagorno-Karabakh, Transnistria and Southern Ossetia. The likelihood of these conflicts 'defrosting' is strong. Moreover, serious political tension is present in relations between particular countries in the region, such as Turkey against Armenia and Russia against Georgia, which may lead to serious international political crises. Another major problem is the weakness of the states, especially those which were established in the 1990s, which creates a potential threat of domestic crises⁸. Russia and Turkey have been engaged in long-standing military conflicts between the state and separatist guerrilla forces (Chechnya and Kurdistan respectively), which are being fought in areas bordering the coastal regions.

From the Western perspective (NATO and the EU member states), the region gained significance when the threat of terrorism from radical Islamic circles arose (after the attacks in the USA on 11 September 2001 and in Madrid on 11 March 2004)⁹. This also concerns Russia as there are links between Chechen guerrilla forces and Islamists from the Middle East¹⁰, as well as Turkey, where Islamic terrorist organisations are active (responsible for the attacks in Istanbul in November 2003). As a consequence of the interventions in Iraq by the USA and its allies, and Afghanistan by the USA and NATO together with the difficult situation in

the Middle East (the Israeli-Palestinian conflict, the unstable situation in Lebanon and the Iranian nuclear programme), the Black Sea region has started to be perceived by European countries as a sort of a buffer zone between Europe and these unstable areas, and also as a platform from which to launch military operations.

The Black Sea area offers a key route for the transit of energy raw materials, especially natural gas, from the Caspian Sea region to Europe. Implementation of energy projects located in the Black Sea region (such as the Nabucco project) is vital for European countries in terms of energy security and diversification of energy sources. This concerns not only the Central European EU member states but also countries in the Balkans and Eastern Europe¹¹. Developing the transport network will also bring tangible economic and political benefits to countries in the Black Sea region.

3. The key regional players and their policies

Turkey is a key player in the Black Sea region, thanks to its geographical location and politico-economic potential. Other major political actors in the region include Russia, the United States and the European Union. Romania has shown quite considerable ambitions, by initiating the Black Sea Forum, among other moves; however, Bucharest has rather limited possibilities of independent activity in the region due to its relatively small politico-economic potential. Therefore, the Romanian initiatives have gained regional significance mainly thanks to political support from other 'big players', mainly the USA.

3.1. Russia

Russia is the most important of those countries which have access to the Black Sea. In Soviet times, Moscow used to control the entire northern and eastern coastline (where the Ukrainian, Russian and Georgian Soviet republics were located), and the western coastline was under its strong political influence (Romania and Bulgaria belonged to the Warsaw Pact and Comecon). Russia has treated the Black Sea as its 'near abroad', in other words, the sphere of its exclusive influence. Maintaining political domination in the region is one

of the key goals of Russian Black Sea policy. As a consequence, Moscow has taken active measures to prevent other players, mainly the United States and the European Union, from strengthening their position in the region, and has made attempts to counter changes in the former Soviet republics of political orientation from pro-Russian into pro-Western. For these reasons, Russia is not interested in seeing any major political changes in the region. Moscow is able to use both political and economic pressure, especially with regard to former Soviet republics. It has applied the strategy of maintaining 'controlled' destabilisation in the region through failure to settle the 'frozen' conflicts. These prevent the Caucasian countries and Moldova from modernisation and establishing closer relations with the West, and allow Russia to exert significant influence on the internal situations in those countries. Ensuring their dependence on Russian oil and gas supplies is another significant instrument of influence.

3.2. The United States

Firstly, the United States and the European Union are new players. Secondly, they are external actors who do not belong to the region. The United States has become more interested in the region since 11 September 2001. The Black Sea is treated by Washington as a place which can be useful as a staging area for military operations in the Middle East and Afghanistan. At that time, US analytical circles (especially the German Marshall Fund) have developed the concept of establishing a regional Black Sea dimension under the auspices of NATO, which has been named 'the Wider Black Sea'¹². The concept has received the greatest support in the region from Romania and Georgia. The key US goals in the region are democratisation and the establishment of closer relations between the Black Sea countries (except for Russia) and the West, including their accession to NATO and the EU. This would contribute to a strengthening of the US position and an extension of its influence in the region. Three fields of direct US activity concerning the Black Sea countries can be distinguished¹³. In the political field, the USA has made efforts to support the development democratisation and free market reforms, which is supposed to help bring the countries closer to Western structures. In the trade and energy fields,

Washington wants new infrastructure projects (transport routes and pipelines) to be developed, in order to make the countries in the region (as well as the EU) independent of Russian oil and gas, or export of the raw materials through Russian territory. Finally, in the security field, the USA has been trying to take active measures to combat terrorism, organised crime and illegal arms trade. Co-operation in this field includes assistance to state security structures (training, donating equipment, etc.). As part of its Black Sea policy, the USA has been taking actions in co-operation with NATO structures and regional allies (especially Romania).

3.3. The European Union

The Black Sea region has appeared on the European Union's agenda as a consequence of the accession of Romania and Bulgaria to the EU, the commencement of membership negotiations with Turkey, and the implementation of the Union's largest foreign policy project, the European Neighbourhood Policy (ENP), which also covers other countries in this area, with the exception of Russia. In turn, Russia plays the special role of a strategic partner in the EU policy. Moreover, the Black Sea region is very important in the context of diversifying energy sources for EU member states. For the European Union, as for the USA, the key areas of interest are energy, security in the broad meaning of the term (both 'hard' and 'soft' security issues), democratisation and economic transformation. The Union has become engaged in the implementation of large infrastructural projects (TRACECA the Transport Corridor Europe-Caucasus-Asia, and INOGATE, Interstate Oil and Gas Transport to Europe). The TACIS programme used to be the most significant instrument of EU policy. Its goals included support for institutional & legal reforms and the development of private entrepreneurship & infrastructural networks. Since 2007, the tasks of the TACIS programme have been assigned to the European Neighbourhood and Partnership Instrument (ENPI), which was created as part of the ENP. The Union has also been trying to play an important part in resolving the 'frozen' regional conflicts. The European Union's position in the region became stronger after accession negotiations with Bulgaria, Romania and Turkey started, and after Georgia, Moldova and

Ukraine had expressed their interest in EU membership. As a consequence, the BSEC passed a declaration in October 2005 appealing to the EU to create a Black Sea regional policy and entrusted Greece, as a EU member state, with the mission of coordinating relations between the two organisations.

Until recently, EU policy towards the region was characterised by developing bilateral relations instead of regional co-operation, and taking *ad hoc* actions in response to events taking place there¹⁴. Finally, on 11 April 2007, the European Commission created a regional co-operation initiative as part of the ENP, which was named Black Sea Synergy¹⁵. However, it is complementary to the other initiatives being developed by the EU in the region (either the ENP or bilateral relations). Its goal is to stimulate co-operation in the region as well as between the region's countries and the EU. The tasks to be implemented as part of the Black Sea Synergy include combating 'soft' threats (illegal migration and organised crime), activities aimed at resolving regional conflicts, developing co-operation in the fields of energy, transport, trade & science, and protecting the environment. The Union also wants to focus on developing cross-border co-operation and strengthening state institutions and civil society in Black Sea countries. A special programme for cross-border co-operation in the Black Sea region, financed by EU funds, has been launched to achieve that¹⁶. Co-operation with the BSEC, in addition to bilateral contacts, is expected to be the main channel for dialogue. The European Commission thus applied for observer status, which was granted to it at the BSEC summit in Istanbul in June 2007. The recognition of the BSEC as an important partner by the European Commission has to be seen as a goodwill gesture addressed to Turkey, which initiated the establishment of the organisation and is a staunch supporter of its development.

4. Regional co-operation organisations

4.1. Organisation of the Black Sea Economic Co-operation

The Organisation of the Black Sea Economic Co-operation (BSEC), which was created on Turkey's initiative in 1992, is the most important organisation for regional co-operation. Turkey came up with a proposal to establish an organisation of this kind as early as 1990. In the opinion of some commentators, the main reason behind the proposal was the rejection of its application for membership by the European Community in 1989, which Turkey had submitted two years before¹⁷. At the beginning, its activity was concentrated on promoting economic co-operation and taking joint actions in the fields of transport, energy and environment protection. Later, the BSEC tried to handle new topics such as combating crime, border control, crisis management and preventing terrorism. Additionally, BSEC offers room for a forum for ministers of the region's countries to address security issues. Although the scope of the issues on the organisation's agenda has broadened, economic co-operation is still the BSEC's main task. However, the organisation has been facing a crisis for some time now. The key points of criticism against BSEC include the inefficiency of its activities, its limited field of interest to issues of economic co-operation, and its failure to start a political dialogue within the organisation. Regardless of its quite well-developed institutional structure (including a secretariat, parliament and bank), the BSEC still has problems with making decisions efficiently. The limited level of funding is another significant problem. Moreover, there are different visions for the future functioning of the organisation among its members. Another serious problem is the existence of bilateral tensions between individual member states (Turkey/Armenia, Turkey/Greece, Azerbaijan/Armenia, Russia/Georgia, Russia/Ukraine and Russia/Moldova among other conflicts)¹⁸.

Currently, the largest countries in the region, Russia and Turkey, have placed an emphasis on developing economic co-operation, and are unwilling to face any challenges in the field of politics, fearing that political disputes may have an ad-

verse effect on the economic results. The BSEC is unable to resolve the most serious political problems, which has results in a lessening of its prestige. At present, the major problem and challenge for the BSEC is developing a new concept for the organisation's functioning which could allow it to overcome the crisis.

4.2. The Black Sea Forum

Holding the Black Sea Forum in Bucharest in June 2005 was an attempt to find new platforms for regional co-operation. The idea of the forum, which was created on Romania's initiative, was not to establish another institutional structure, but to create a permanent mechanism for consultations among the countries of the region, as well as between those countries and international organisations. The forum was intended to focus on security issues, and to find solutions to problems related to the 'frozen conflicts' and energy issues. However the Romanian initiative, which was strongly supported by the USA among other players, did not find approval from Russia. Although Turkey joined the Forum, Ankara has been treating this initiative with some scepticism because it is not interested in Romania's role to grow. Moreover, it believes that Romania has too small a political potential to be able to successfully preside over a regional organisation. Turkey's participation in the first summit of the Forum could be seen as a goodwill gesture on its part addressed to the United States. Due to the lack of interest from the key regional players in the initiative, the Forum has not been a success, and has not become an important platform for regional co-operation. In June 2007, during the BSEC summit in Istanbul, Russia and Turkey did not agree to include information on the role of the Black Sea Forum in the version suggested by Romania in the final communique.

4.3. Initiatives in the security field

Two initiatives related to security issues, Blackseafor and Black Sea Harmony, have been implemented in the Black Sea. Blackseafor was formally established in April 2001 on Turkey's initiative. It comprises the six Black Sea littoral countries, and the goal of the initiative is joint action in search & rescue operations at sea, humanita-

rian aid and environmental protection. Common maritime exercises have been held annually as part of the initiative. Since January 2004, Turkey has made efforts to transform the organisation and successfully counteract new maritime threats. A permanent operational centre has been created, and co-operation in information exchange has been improved, among other achievements. In 2005, the initiative was enhanced to include new tasks linked to combating terrorism and the non-proliferation of weapons of mass destruction. In turn, Operation Black Sea Harmony, which was initiated by Turkey in 2004, is intended to supplement the NATO-led Operation Active Endeavour in the Mediterranean Sea. Its field of action is the southern coast of the Black Sea, and its goals are similar to that of the NATO-led operation, namely, to ensure the security of communication routes and to monitor suspicious ships. Turkey has invited the other littoral states to participate in the initiative. Russia and Ukraine have declared an interest in joining it. Meanwhile, Romania and Bulgaria have responded with restraint to the Turkish initiative, seeing it as an instrument for strengthening Turkey's dominant position in the region¹⁹. The two countries would rather have a NATO-led operation in the region (and permit US ships to operate on the sea).

5. The Black Sea region as an aspect of Turkish foreign policy²⁰

5.1. The significance of Turkey in the region

Turkey is one of the most important countries in the Black Sea region. It has the longest coastline of all the other littoral states, extending a total of 1595 kilometres. Thanks to its geographical location, Turkey is in the centre of the region, lying at the crossing point of the major communication routes running from North to South (such as the transport routes from Ukraine and Russia which lead through the Turkish straits, the Blue Stream gas pipeline, etc.) and from West to East (the bridge connecting Europe with the Middle East, the Caucasus and Central Asia). The Bosphorus and the Dardanelles, which connect the Black Sea with

the Aegean Sea and constitute the only passages into global waters, are under its total control. Turkey, preceded only by Russia, has the second largest demographic potential²¹ and, unlike other countries in the region, its population number has been increasing.

Table 1. Population numbers (2007)

Country	Population
Russia	142 million
Turkey	71 million
Ukraine	46 million
Romania	21 million
Azerbaijan	8.3 million
Bulgaria	7.6 million
Georgia	4.6 million
Moldova	4.3 million
Armenia	3 million

Source: UN, national statistical offices (estimates)

Turkey is an important country in the region not only because of its geographical situation but also thanks to its military, economic and political potential. The Turkish fleet deployed on the Black Sea, along with the Russian Black Sea Fleet, represents the most substantial regional military force.

The Turkish economy, which has been developing at a fast pace (the predicted GDP growth is 5% in 2007 and 6% in 2008²²), is one of the strongest in the region.

Turkey, which is a NATO member, and the EU's candidate country, has been maintaining relatively good relations with Russia, and has some influence in the Caucasus and Central Asia, has been aspiring to the role of a regional leader. This has been reflected by its participation in all the regional co-operation structures, and in fact initiating most of them. It was on Turkey's initiative that the BSEC, Blackseafor and Black Sea Harmony were established.

After Russia, Turkey is the only Black Sea country to have very extensive economic contacts and political relations with all the countries in the region. This makes it the country which has the most options for collaboration and activity on the regional scale. Neither Romania nor Ukraine (not to mention Georgia or Bulgaria), whose in-

Table 2. The economic potential of the countries in the Black Sea region (2007)

Country	GDP value in US\$ billion by purchasing power parity (PPP)	GDP* <i>per capita</i> in US\$ by purchasing power parity (PPP)
Russia	2,087	14,692
Turkey	888	12,288
Ukraine	320	6,941
Romania	245	11,387
Bulgaria	86	11,302
Azerbaijan	65	7,659
Georgia	20	4,690
Armenia	17	4,942
Moldova	10	2,901

* IMF estimates

Source: International Monetary Fund, www.imf.org, data for 2007

Table 3. The significance of Turkey as a trade partner for Black Sea states (2007)

Country	Turkey's position in trade in general	Turkey's share in trade in %
Russia	7*	3.9*
Ukraine	5*	3.8*
Georgia	1	14
Moldova	8	4
Romania	3 in exports and 5 in imports*	6*
Bulgaria	1 in exports and 3 in imports	8.5
Azerbaijan	1	14
Armenia	12	3

* data for 2006

Source: data gathered by the CES on the basis of statistical data for individual countries

<http://trade.ec.europa.eu/>

<http://tpb.traderom.ro>

<http://www.bnb.bg/>

fluence and politico-economic impact on the region are much more limited, have such a potential.

In this context, it is worth paying attention to the strong cultural and historical bonds which Turkey has with the Turkish & Muslim minorities living in other countries in the region and with other Turkic-speaking nations²³. Many people live in Turkey who come from other countries in the region, a number estimated to reach several millions. Contacts between the Muslim communities in the region and their descendants living in Turkey make this country special in the Black Sea area. A great number of tourists and entrepreneurs from other Black Sea countries visit Turkey every year, which is another important factor. The impact of small trade exchanges on building

Table 4. Number of citizens who visited Turkey in 2007 (in thousands)

Country	Number of citizens
Armenia	53
Azerbaijan	435
Bulgaria	1,234
Georgia	631
Moldova	145
Russia	2,465
Romania	390
Ukraine	593

Source: Turkish Ministry of Culture and Tourism

people-to-people contacts between the societies of Turkey and other countries in the region should not be underestimated either. Turkey is the only country in the Wider Black Sea area to be perceived as an important or quite important destination for the residents of all the countries classified as belonging to it²⁴.

The issue of the Turkish minority is the most significant in bilateral relations with Bulgaria, where 9.5% of the population are Turks and 12% are Muslim. In the 1980s, Bulgaria adopted a policy of compulsory assimilation of the Turkish minority, which reached its peak in 1989, when nearly 350,000 Turks were forced to leave the country by Bulgarian authorities. The policy caused a severe worsening of relations between Turkey and Bulgaria. Following the collapse of communism, the new government in Sofia definitively changed its approach towards the Turkish minority, and started respecting their rights. More than half of the Turks who had left Bulgaria in 1989 came back. The Turkish minority started to participate actively in the socio-political life of Bulgaria, and its political representative, the Movement for Rights and Freedoms (DPS), became the third largest party in parliament; it has participated in almost all government coalitions. The positive solution to the Turkish minority issue was the basis on which good relations between Turkey and Bulgaria were built²⁵. The fact that in May 2006, the Bulgarian parliament failed to pass a bill which was expected to designate the massacres of Armenians committed by the Young Turks regime during World War I as acts of genocide seems to prove that the political influence of the Turkish minority in Bulgaria has increased, and that relations with Turkey have gained significance for Sofia.

However, the engagement of the Turkish government and society in developing contacts between people in the region is mainly limited to business contacts and issues of Turkish and Muslim minorities. There is a lack of any broader activity directed to the societies of those countries as a whole. Co-operation between the non-governmental sectors of individual countries in the region is very limited. The activity of Turkish NGOs does not go beyond support to Turkish ethnic minorities or to Muslim immigrants from Black Sea countries living in Turkey. Co-operation between local com-

munities, local governments and cross-border areas is conducted on a small scale, and is in fact limited to economic aspects. In this context, it can be concluded that social contacts in the Black Sea region are not as intensive as in Central and Eastern Europe²⁶ or Western Europe, for example, and as such do not have a significant impact on the general shape of regional co-operation²⁷.

5.2. The position of the Black Sea region in Turkish policy²⁸

Although Turkey plays a significant role in the region, Black Sea issues are not high on its foreign policy agenda. Currently, Turkey's top foreign policy priorities are the Kurdish issue²⁹, stabilising the situation in the Middle East and relations with the United States; European integration and bilateral co-operation with Russia are treated as slightly less urgent tasks. The most important challenges in Turkish foreign policy are the existence of Kurdish guerrilla bases in northern Iraq, which are used to launch attacks on Turkey, and the possibility of setting up an independent Kurdish state as a consequence of the potential disintegration of Iraq.

Ankara does not see the Black Sea area as a potential source of serious threats to its state security. Its strong military presence in the Black Sea and good relations with all the littoral countries make Turks feel very secure in the region³⁰. In effect, the Black Sea region appears in Turkish policy not as a separate policy line, but rather within the context of relations with such big players as the EU, NATO, the USA and Russia, as well as in those areas which are of major significance for Ankara, namely the energy sector, security issues, economic co-operation and naval affairs.

5.3. The evolution of the Turkish Black Sea policy

The Black Sea region was not a significant issue in Turkish foreign policy from the establishment of the Turkish Republic in 1923 until the end of World War II³¹. Moscow's demands to hand over control of the straits to the USSR in 1947 made Turkey take an active stance and join the Western bloc during the 'Cold War' period. At that time, the Black Sea region became a zone of conflict between the West and the Soviet bloc for more than 40 years. Tur-

key found itself in the first front line of this conflict. Regardless of the tensions which existed then, the situation in the region was still quite stable during the Cold War.

The situation seriously changed at the turn of the 1990s, when the USSR disintegrated and communism collapsed. Turkey tried to use the disintegration of the previous geopolitical system to become the most important player in the region. One of the effects of this was the political initiative to create the regional co-operation organisation, BSEC, which was founded in 1992 in Istanbul³². At that time, the main driving force behind Turkish engagement was the desire to develop economic co-operation and use the opportunity which had been offered by the opening of the post-communist countries' markets. The development in political relations came as a natural consequence of closer economic co-operation. The search for new political partners in the region at that time was caused by tense relations with the EU and the search for new markets for Turkish exports and investments, among other reasons³³. However, Ankara's interest in the Black Sea area lessened in the mid-1990s. This was an effect of the military conflicts in the Balkans and the Caucasus. Moreover, Turkey started treating the Black Sea aspect of its foreign policy as significantly less important than the European aspect (specifically, its attempts to win EU candidate status). Thereafter, the Middle East became the key issue in Turkish policy after the US intervention in Iraq in 2003.

However, other events which had a great impact on the development of the situation also took place in the Black Sea region after 2003, namely the 'colour revolutions' in Georgia and Ukraine, the accessions of Romania and Bulgaria to NATO and then to the EU, increasing US influence (military bases in Romania and Bulgaria), the growing regional ambitions of Romania and the activation of the EU (Black Sea Synergy). All this meant the emergence of new actors in the region, where Russia and Turkey used to have the greatest influence. The US efforts to enhance its influence made the strongest impact. Turkey's negative attitude towards those efforts was to a great extent a consequence of the clearly worsening relations with the USA after the intervention in Iraq, which was perceived by the Turkish ruling class and society as a whole as an aggravation of the Kurdish problem. All this has brought Turkey closer to Russia,

which was equivalent to Turkey's distancing itself from US policy and NATO in the context of the Black Sea region.

5.4. The Turkish perception of the region

The Turkish perception of the Black Sea is based on two fundamental principles. They are linked to the historical tradition of the Ottoman Empire's domination of the region and the status of the Black Sea straits³⁴.

The historical awareness of the Sublime Porte's total control over the Black Sea region, which lasted for almost four centuries, has given rise to a tendency to perceive the Black Sea as a 'Turkish lake'. However, this vision has been adjusted in the face of Russian potential. In effect, in the Turkish discourse on the region, the Black Sea is treated as a sphere of influence for those two countries³⁵. This point of view implies a critical approach to the appearance of new actors in the region, who are seen as a threat to Turkey's position. The special status of the Black Sea straits is another significant factor affecting the Turkish perception. For many centuries, the Ottoman Empire wielded absolute control over the straits themselves and over ship traffic in the straits (each foreign ship had to obtain a special permit). In the early nineteenth century, Turkish control of the straits was gradually reduced as a consequence of the increasing influence of Russia and European powers on their administration. A special commission was established to manage the traffic in the straits after World War I. Turkey's control over the straits was confirmed and guaranteed under the Montreux Convention as late as 1936³⁶. Exclusive control of the straits allows Turkey to play a key role in the entire Black Sea region. This is why defending the order which was established at that time is one of the major issues in the Turkish foreign policy. This is not limited to the technical rules of ship traffic in the straits. The Montreux Convention itself is perceived by Turks as one of the basic legal documents which establish and guarantee the sovereignty & security of the Republic of Turkey.

5.5. Characteristics of the Turkish Black Sea policy

The two aforementioned aspects determine the basic parameters of the Turkish policy; that is, in terms of politics, maintaining the *status quo* in the region (the *de facto* domination of Turkey and Russia, because the other countries do not have sufficient potential), and in terms of maritime safety, maintaining Ankara's exclusive control of the straits and opposing the deployment of warships belonging to countries which are not situated on the Black Sea³⁷.

The Turkish policy makes a strong distinction between maritime safety issues and general security problems (terrorism, 'frozen' conflicts, organised crime)³⁸. Maritime safety plays a much more prominent role. Different challenges are linked to those two areas, which entails different kind of actions for each of them. Moreover, different state institutions are engaged in the two areas. The army and the fleet command are the main authorities in charge of maritime safety, whereas issues linked to general regional security fall within the jurisdiction of the government and the Foreign Ministry.

Turkish policy on the Black Sea region is rather passive, focused as it is on supporting general principles such as stability and territorial integrity. Turkey has been watching the events developing in the Black Sea area closely, without however becoming actively engaged in stimulating changes or resolving local conflicts. This relatively cautious and passive Turkish policy in the Black Sea area is an effect of both the low priority granted to this policy line by Ankara, and Turkey's relatively small real influence on the other countries in the region.

Turkey has not developed a clear stance towards the region. Ankara has adopted a 'wait-and-see' approach, to make sure in which direction the situation develops. As a consequence, Turkish Black Sea policy is reactive, and consists rather in adjusting to circumstances than in actively making changes. The situation in the Black Sea region is likely to change gradually and slowly. Each of the major players is either uninterested in, or unable to, cause any quick changes in the regional situation³⁹. The future of the region will depend on whether the European Union becomes an important regional actor (this depends on the success

of the European Neighbourhood Policy, and the possible creation of the proposed 'Black Sea dimension of the European policy'⁴⁰), the implementation and success of the regional energy projects (Nabucco, Baku–Tbilisi–Ceyhan, Odessa–Brody–Płock, etc.), stability in the region, developments in the situation concerning the 'frozen' conflicts in the Caucasus and Transnistria, the developing situation in the Middle East and Central Asia (Iraq, Iran and Afghanistan) and, last but not least, developing relations within the EU–USA–Russia–Turkey rectangle.

Bilateral relations are the most important level of contact for Turkey in the Black Sea area. Multilateral structures play a significantly smaller part due to their weakness. None of the multilateral initiatives, be it the BSEC, the Black Sea Forum or Blackseafor, has proven a success or has had any major impact on the situation in the region. For this reason, the Turkish Black Sea policy has mainly been implemented in direct relations with individual countries. This implies the predominant position of bilateral issues over regional ones.

6. Turkey *vis-a-vis* the key regional actors

6.1. External conditions

Over recent years, the shape of Ankara's Black Sea policy has been strongly affected by worsening relations with the USA, mainly as a result of the US intervention in Iraq in 2003 and its consequences (the strengthening position of Kurds in the Middle East and the escalating conflict between Turkey and Kurdish guerrilla forces), cooling Turkish-EU relations (since 2005) and improving relations with Russia. The latter situation is mainly a result of the tensions in Turkey's relations with the USA and the EU.

In an attempt to determine 'external conditions' for Turkish policy in the Black Sea region, one has to keep in mind the global rivalry between the United States and Russia, which is also being played out in this region. The USA has increased efforts to strengthen its presence in the areas which Moscow treats as its exclusive spheres of influence, and thus aims to reduce Russian political influence. The collision of American and Russian influences can be observed in practically the en-

tire Wider Black Sea region, starting with the Caspian Sea through the Caucasus and Eastern Europe (Ukraine and Moldova) to the Balkans. Since this area lies in Turkey's immediate neighbourhood, the development of relations between the USA and Russia influence what kind of actions Turkey takes in this region. Moreover, Turkey itself has become an object of specific rivalry between the White House and the Kremlin in the context of the Black Sea region.

6.2. Closer relations with Russia

Turkey and Russia have competed for influence in the Black Sea area for many centuries. In the 1990s, the main arena of rivalry between Ankara and Moscow was the Caucasus, which borders on the Black Sea area. Turkey became engaged in supporting the independence of the Southern Caucasian nations; Ankara placed special emphasis on developing trade and military relations with Georgia and Azerbaijan, and offered military support to those states. Strengthening their territorial integrity was especially important for Ankara. To achieve this purpose, Turkey closely co-operated with the United States, a policy which led to confrontation with Russia. At first Moscow took actions to prevent the secession of the Southern Caucasian republics from the USSR. Then, to maintain its influence in the region, it encouraged separatisms in the region (the Abkhazian and Ossetian nationalities in Georgia, and the Armenians in Azerbaijan). The Armenian-Azerbaijani conflict over Nagorno-Karabakh, where Russia supported the Armenians and Turkey the Azerbaijanis, became the main field for Turkish-Russian rivalry. Additionally, allegations that Turkey unofficially supported the Chechens in their fight for independence could be heard in Russia.

Relations between Ankara and Moscow started improving in the late 1990s, the first effect of which was the Eurasia Action Plan signed by the two countries in 2001, envisaging co-operation in combating terrorism. An important consequence of that was the fact that Ankara limited the activity of Chechen organisations in Turkey, and Moscow did the same to Kurdish organisations in Russia; this enabled a political dialogue between the two countries. Turkish-Russian relations further improved after 2003, as Turkish-US relations clearly worsened. The intensification

of Turkish-Russian co-operation in the Black Sea area was accelerated by American pressure to increase the role of the USA and NATO in this region⁴¹. Washington's key goals are to weaken Russia's position, support pro-US countries (first of all Romania and Georgia) and guarantee its military presence in the region, which could be used to attack Iran or exert pressure on it. Different as the motivations of Turkey and Russia had been, the platform of their co-operation was built on their distaste for the growing external influences in the region. For Russia, the entry of the United States and NATO onto the Black Sea area would mean the presence of its main geopolitical rival in its immediate neighbourhood, the area which Russian foreign policy defines as its exclusive sphere of influence. If the USA becomes established in the Black Sea area, its position will also be strengthened in other regions which are strategic for Russia, such as the Caucasus and Eastern Europe.

The United States' increasing significance in the region has given rise to a feeling of 'enclosure'⁴² and a loss of influence even in Ankara itself. In its attempt to prevent the US and NATO from strengthening their position in the Black Sea, Turkey wants to keep its own status as the main Western country (i.e. NATO member) in the area, and is thus striving to retain its monopoly on the Alliance's activities there. Turkey has been making efforts to remain the only representative and executor of the Alliance's policy in the region. This has been evidenced inter alia by Turkey's stance on the extension of the NATO-led Active Endeavour operation from the Mediterranean Sea to the Black Sea. Ankara insists that there is no need to carry out such an operation in the Black Sea, because such functions are already being performed by Black Sea Harmony and Blackseafor.

Turkey is of the opinion that none of the countries concerned can be excluded from any regional initiative, and therefore each of them must include Russia. Ankara argues that if Russia is deprived of participation in and influence on such co-operation, it will start sabotaging it and making efforts to destabilise the situation in the region, which will undermine regional security. It is worth emphasising that Turkey does not perceive Russia's military presence in the Black Sea as a threat to its interests. This has been reflected

inter alia in its indifferent attitude towards the presence of the Russian Black Sea Fleet in Crimea. Ankara and Moscow have started perceiving the emergence of external players in the region as a threat to their interests. In addition to opposing the growing role of NATO in the region, Russia and Turkey have adopted the same stance on keeping the Montreux Convention in force, which the USA pressed to have amended in 2005 and at the beginning of 2006.

Avoiding disputable issues linked to the Black Sea region in bilateral relations (the Azerbaijani-Armenian conflict and the integrity of Georgia & Azerbaijan) and the implementation of some Russian energy projects to the disadvantage of Turkish interests (such as the Burgas–Alexandroupolis pipeline), etc. is a significant feature of the new Turkish approach towards Russia. However, the relations between the two countries slightly worsened in 2007, mainly as a consequence of conflicts of interests in the field of energy (for more information on this issue, see the chapter discussing relations between Turkey and Russia).

6.3. Rivalry with the United States

Tensions between Ankara and Washington are linked mainly to the Kurdish issue and the Middle East, although they are also reflected indirectly in relations in the Black Sea region, where the major differences of opinion concern the character of the US presence in the region and the stimulation of democratic transformation.

Turkey has been critical of Washington's efforts to increase its presence in the region. So far, Ankara has successfully withheld NATO operations in the Black Sea, and withstood US pressure to renegotiate the Montreux Convention and allow the presence of forces other than those of the littoral countries in the Black Sea. Washington, which is unwilling to worsen its relations with Turkey, relieved its pressure on these issues in spring 2006; this has contributed to improving the atmosphere in mutual contacts.

Turkey's approach to the US policy of actively stimulating democratic changes in the region's countries has been rather restrained. From Ankara's point of view, the most important issue is regional stability rather than the democratic transformation of the region's countries. Turkey is afraid that rapid changes could entail a real

threat of destabilisation. Iraq and the development of events there since the US intervention are often used as an example of such a policy's failure⁴³. Therefore, Turkey has chosen a reserved 'wait-and-see' attitude towards the 'colour revolutions' in Georgia and Ukraine, and did not engage in supporting them. Similarly, Turkish non-governmental organisations are not actively engaged in stimulating democratic changes in the region, thus representing a completely different approach to that of the NGO sector in Central and Eastern European countries.

7. Summary: Searching for a political vision in the Black Sea dimension?

The Turkish policy in the Black Sea region is strongly dependent on how Turkey's relations with the United States, the European Union and Russia develop. The Turkish Black Sea policy can be summed up as 'wait and see how the situation develops'⁴⁴. In effect, it tends to react to developing events rather than actively creating a reality. This is a consequence of the desire to preserve the geopolitical *status quo* in the Black Sea area, where the dominant Turkish and Russian influences are balanced, as well as Ankara's conviction for the need of greater engagement in other regions.

Turkey's passiveness in the region is also reflected in the small number of institutions engaged in regional activities and the limited number of topics addressed as part of such activities. Turkey's interests mainly boil down to maritime issues (traffic and transit in the Black Sea and the straits) and the economy (developing bilateral trade relations). Practically, the tasks related to them are implemented only by the navy (which is part of the army) and the organisations of businessmen with the Foreign Ministry's support. People-to-people contacts have been developed to a limited extent, which is supported by NGOs and local authorities. Such an approach, which does not concern Turkey alone, can be seen as a cause for the weakening of the region's cultural and historical identity.

However, it seems that inevitable changes in the politico-economic situation in the region will force

Turkey to modify its current policy, which aims at maintaining the *status quo*. The major challenge for Ankara will be to define its stance on the potential integration of the Black Sea area with European and trans-Atlantic structures. The lack of a clear position on this issue entails the passive approach to projects implemented by the EU and NATO in the region. Active support for the European Neighbourhood Policy could be used to Turkey's advantage in its ongoing membership negotiations with the EU. The Central European countries, which were actively engaged in EU projects addressed to Eastern European and Balkan states before their accession to the Union, can be used as an example. This enabled them to advance their own interests and contributed to their integration with the EU. However, Turkey's ability to pursue a common regional policy with the European Union is limited, due to the fact that unlike the case of Central European countries, its membership prospect is still uncertain. This results from Turkey's much graver internal problems and tensions in its relations with EU member states, as well as the significantly greater reservations held regarding its accession within the EU. Therefore, taking into account the 'dignity' factor in Turkey's foreign policy, a deep crisis in accession negotiations may cause Ankara to torpedo any initiative from Brussels, even if it might be objectively advantageous. Considering Turkey's regional potential, such a policy of obstruction may significantly frustrate the implementation of EU initiatives addressed to the Black Sea area.

Rafał Sadowski

The text was finished in December 2007

¹ In addition to Russia and Turkey, access to the Black Sea was gained by Romania in 1878 and Bulgaria in 1908 (the latter one was an Ottoman fief between 1878 and 1908). However, Bulgaria and Romania were not important players on the regional scale. The two countries belonged to the Soviet bloc between 1944 and 1991.

² See for example M. Aydin, Regional Cooperation in the Black Sea and Integration into Euro-Atlantic Structures, in: The Role of the Wider Black Sea Area in the Future European Security Space, ed. Jean Dufourcq and Lionel Ponsard, Rome, December 2005, pp. 30–31.

³ The member states include Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russian Federation, Serbia, Turkey and Ukraine. Observer status has been granted to Austria, Belarus, Croatia, the Czech Republic, Egypt, France, Germany, Israel, Italy, Poland, Slovakia, Tunisia, the United States, the International Black Sea Club, the Energy Charter Secretariat and the European Commission.

⁴ Greece has strong cultural and historical bonds with the Black Sea countries (a percentage of its residents come from this region). It is a significant trade partner for Bulgaria, and a major investor in Bulgaria and Romania. However, Greece has a small share in the Black Sea countries' trade exchange (with the exception of Bulgaria). The share of Black Sea countries in the trade balance of Greece does not exceed 15%.

⁵ Z. Ritter, EU Engagement in the Black Sea Region: Challenges and Opportunities for the EU, SWP, Berlin, December 2006, p. 3.

R. Asmus, Next Steps in Forging a Euro-Atlantic Strategy for the Wider Black Sea, in: Next Steps in Forging a Euro-Atlantic Strategy for the Wider Black Sea, ed. Ronald D. Asmus, The German Marshall Fund of the United States (2006).

⁶ M. Aydin, 2005, *op. cit.*

⁷ M. Aydin, 2005, *op. cit.*, p. 30.

⁸ I. Kempe, K. Klotzle, The Balkans and the Black Sea Region: Problems, Potentials, and Policy Options, Bertelsmann Group for Policy Research Policy Paper no. 2, April 2006.

⁹ R. Asmus, The Black Sea and the Frontiers of Freedom, Hoover Institute, Jun/Jul 2004.

¹⁰ Y. Kifu, Bolshoye Prichernomor'ye v poiskakh kontseptsii strategicheskoi bezopasnosti, in Sredizemnomor'ye-Chernomor'ye-Kaspiy: Mezhdubolshoi Yevropoi i Bolshim Blizhnim Vostokom, Moscow 2006.

¹¹ For example, Ukraine and Belarus, since the energy conflicts with Russia, which took place respectively in late 2005/early 2006 and in late 2006/early 2007, have started searching for alternative sources of energy materials in the Caspian Sea area.

¹² Ronald Asmus, head of the German Marshall Fund (GMF) in Brussels, is one of the key propagators of the concept. The Fund established the Black Sea Trust for Regional Cooperation in October 2007. According to the GMF's plans, the trust will operate for 10 years. Its goal is to support regional co-operation, the development of civil society and democratisation. The Trust receives funds from the US government, among other organisations. The headquarters of the Trust are located in Bucharest. German Marshall Fund, <http://www.gmfus.org/blacksea/>

¹³ M. J. Bryza, 'The Policy of the United States toward the Black Sea Region', in *Next Steps in Forging a Euro-Atlantic Strategy for the Wider Black Sea*, ed. Ronald D. Asmus, The German Marshall Fund of the United States, 2006.

¹⁴ Z. Ritter, *EU Engagement in the Black Sea Region: Challenges and Opportunities for the EU*, SWP, Berlin, December 2006.

¹⁵ Communication from the Commission to the Council and the European Parliament *Black Sea Synergy – A new regional co-operation initiative*, COM(2007)160, Brussels, 11 April 2007.

¹⁶ Press Release: *Black Sea Synergy – bringing the region closer to the EU*, IP/07/486, Brussels, 11 April 2007.

¹⁷ O. Kolobov, A. Kornilov, F. Ozbay, *Cagdas Turk-Rus Iliskileri. Sorunlar ve isbirligi alanlari 1992 – 2005*, Istanbul 2006.

¹⁸ In November 2006, Turkey's objection against granting observer status to Cyprus led to the veto of the candidacies of the United Kingdom, Kazakhstan, Montenegro and Lithuania.

¹⁹ J. Simon, *Black Sea Regional Security Cooperation: Building Bridges and Barriers*, in *Next Steps in Forging a Euro-Atlantic Strategy for the Wider Black Sea*, ed. Ronald D. Asmus, The German Marshall Fund of the United States, 2006.

²⁰ ASAM, *Karadninz'in Yeni Jeopolitigi Avrasya Dosyasi*, cilt 13 sayi:1, 2007.

²¹ C. Yavuz, *Kara Deniz Jeopolitiginde Kuresel Egemenlik Mucadelesi*, 2023 dergisi, May 2006.

²² Data from the International Monetary Fund, www.imf.org

²³ In the case of Romania, the Turkish-Tatar minority comprises nearly 50,000 people, who live in the Constanta region. In Ukraine, the community of Crimean Tatars has the strongest cultural and historical ties with Turkey. Nearly 300,000 Tatars live in Crimea, which accounts for almost 15% of the region's population. The Georgian Adjarians and Azeris and the Chechen Kists, who are Muslims, constitute nearly 10% of the population of Georgia. Adjaria, which is located in south-western Georgia by the Black Sea, is an autonomous republic; Muslim Adjarians constitute between 30% and 50% of its population. In the case of Russia, its Northern Caucasian republics, which are located not far away from the Black Sea (Adygea, Karachay-Cherkessia, Kabardino-Balkaria, Northern Ossetia, Ingushetia and Chechnya), are inhabited by 1.5 million Muslims, a quarter of which are Turkic-speaking peoples (Karachays, Balkars and Nogais). Muslims are in a clear majority among the residents of Karachay-Cherkessia, Kabardino-Balkaria, Ingushetia and Chechnya, and constitute significant population groups in Adygea and Ossetia. Southern Moldova and Ukraine are home to nearly 180,000 Gagauz people (80% living in Moldova), who are a Christian Orthodox, Turkic-speaking nation. In Moldova, there is an autonomous region named Gagauzia, more than 80% of whose residents are Gagauz people. Turkey has been trying to support the aforementioned minorities to various extents (via investments, scholarships and subsidies). For example, the most important cultural and educational institution in Gagauzia is the Ataturk Library, which was built by Turkey. Turkey also supports the Gagauz university in Komrat, the capital of the region.

²⁴ In absolute numbers, the most numerous is the group of citizens of those countries who visit Russia. However, these are mainly citizens of former Soviet republics.

²⁵ The conversation with Birgul Demirtas-Coskun, PhD from the Department of Political Science and International Relations, Faculty of Economic and Administrative Sciences at Baskent University in Ankara was carried out in November 2006.

²⁶ For more details on cross-border co-operation in Central and Eastern Europe, see Rafal Sadowski, *Cross-border Co-operation at the New Eastern Border of the European Union*, in *The Eastern External Border of the Enlarged European Union*, CES Studies (2004).

²⁷ The interview with Ayce Ergun, PhD from the Centre for the Black Sea and Central Asia (KORA), METU University in Ankara, was carried out in November 2006.

²⁸ H. Kanbolat, *Turkiye Karadeniz'de yeni ufuklara yelken acmak istiyor*, in *Karadninz'in Yeni Jeopolitigi*, Avrasya Dosyasi, cilt 13 sayi:1, 2007, pp. 73–102.

²⁹ Large Kurdish minority groups live in Turkey, Iraq, Iran and Syria. For many years, their rights have been violated to various extents by each of these states. In 1980s Iraq, Saddam Hussein's regime committed genocide against them. Since 1984, Turkey has been at war with the Kurdistan Workers' Party (PKK), which has been fighting for the establishment of an independent Kurdistan (the most recent idea is to establish a confederation of the Kurdish parts of each of the four countries, while preserving the present formal state borders). The PKK has bases in northern Iraq. The possibilities of Turkish troops to launch operations against those bases have been seriously limited since the local Kurds, who are allies of the USA, strengthened their control over northern Iraq.

³⁰ Turkish specialists (Prof. Mustafa Aydin, Suat Kiniklioglu and Ilyas Kamalov, among others) emphasise the significance of the Turkish fleet, which they believe to be the strongest in the Black Sea. The conversations with them were carried out in November 2006.

³¹ S. Kiniklioglu, *Turkey's Black Sea Policy: Strategic Interplay at a Critical Junction*, in *Next Steps in Forging a Euro-Atlantic Strategy for the Wider Black Sea*, ed. Ronald D. Asmus, The German Marshall Fund of the United States 2006.

³² M. E. Ionescu, *The Greater Black Sea Region Cooperation: A Historical Survey*, in *The Role of the Wider Black Sea Area in a Future European Security Space: Volume 1*, Rome 2005.

³³ The author's interview with Prof. Mustafa Aydin from TOBB University in Ankara, which took place in November 2006.

³⁴ S. Kiniklioglu, *Turkey's Black Sea Policy: Strategic Interplay at a Critical Junction*, in *Next Steps in Forging a Euro-Atlantic Strategy for the Wider Black Sea*, ed. Ronald D. Asmus, The German Marshall Fund of the United States, 2006.

³⁵ S. Kiniklioglu, *Struggling was the Black Sea...*, *Turkish Daily News*, 16 June 2006.

³⁶ For more see Kurumahmut Ali, *The Montreux Convention, the Turkish Straits and the Black Sea*, in *The Turkish Straits – Maritime Safety, Legal and Environmental Aspects*, ed. Nilufer Oral and Bayram Ozturk, Turkish Marine Research Foundation, Publication 25, Istanbul (2006).

³⁷ cf. S. Kiniklioglu, *Turkey's Black Sea Policy: Strategic Interplay at a Critical Junction*, in *Next Steps in Forging a Eu-*

ro-Atlantic Strategy for the Wider Black Sea, ed. Ronald D. Asmus, The German Marshall Fund of the United States, 2006.

³⁸ *Ibid.*

³⁹ Interview with Prof. Oktay Tanrisever from METU University in Ankara in November 2006.

⁴⁰ cf. I. Kempe, K. Klotzle, The Balkans and the Black Sea Region: Problems, Potentials, and Policy Options, Bertelsmann Group for Policy Research Policy Paper, no. 2, April 2006, p.16.

⁴¹ S. Kiniklioglu, Turkey and Russia: Partnership by Exclusion? *Turkish Policy Quarterly*, summer 2006.

⁴² *Ibid.*

⁴³ *Ibid.*

⁴⁴ Interview with Suat Kiniklioglu, who was then Director of the German Marshall Fund in Ankara, in November 2006.

CHAPTER VI

Towards a strategic partnership? Turkish-Russian relations at the turn of the twenty-first century

Marek Menkiszak

Theses

1. Turkish-Russian relations significantly improved at the beginning of the twenty-first century. The breakthrough was especially evident in 2003 and 2004. The two countries, which used to be strategic rivals, have become partners engaged in intensive political dialogue, rapidly developing trade and energy co-operation, and have heightened their collaboration in the fields of security and defence. These changes arose as the result of a long-lasting process.

2. Many factors have led to this process. These include the disappearance or weakening of aggravating aspects in mutual relations; Turkey's increasing frustration at both US policy in Iraq and the European Union's attitude towards Ankara; and the growing political and economic ambitions of the two countries. Economic co-operation was the driving force behind the improvement of Turkish-Russian relations, in the forms of trade (including the so-called 'suitcase trade'), investments (especially Turkish investments in the Russian building industry) and the development of Russian tourism. However, it was the increasing ties in the energy sector which had the strongest impact. Turkey's dependence on Russian gas imports and the presence of Russian energy companies on the Turkish market have both noticeably increased. Ambitious plans for energy co-operation brought the two countries closer. The building of mutual trust and the expanding scope of Turkey and Russia's common interests, especially in the Black Sea region, also contributed to the development of co-operation in the areas of security and defence. Last but not least, the intensifying activity of the increasingly strong pro-Russian lobby in Turkey undoubtedly advanced the improvement of relations between the two countries.

3. However, there are some serious limitations which prevent a Turkish-Russian alliance from being formed. In particular, Turkey has not revised the strategic pro-Western line of its policy, and is deeply set in the Euro-Atlantic structures. Nor has Turkey been offered a clear and sufficiently attractive alternative to its bonds with the Western world. Turkish-Russian relations are

still full of mutual distrust. Moreover, the two countries' interests regarding the transport and transit of Caspian oil are substantially in conflict. It is worth emphasising that in 2007, a difference of interests emerged in the gas sector, which used to be an area of close co-operation between the two countries. Turkey seriously fears dependence on Russian gas supplies as well as the expansive plans of Gazprom.

4. Therefore, the improvement of Turkish-Russian relations seemed to be rather a tactical than a strategic. It was selective and based on current circumstances. Moreover, there are signs indicating that it reached its apogee more or less between 2005 and 2006, that the impetus has been lost since then, and that relations between the two countries are cooling down.

5. Nevertheless, the situation may still change. In particular, the improvement of relations between Turkey and Russia could continue as a consequence of the Turkish army's full scale intervention in northern Iraq regardless of US and EU protests, the disintegration of Iraq and the emergence of an independent Kurdistan, a possible US attack on Iran, the breakdown of the negotiation process concerning Turkey's membership in the EU and a loss of perspective for accession in the foreseeable future, and the EU's failure to create a common energy policy and the diversification of energy supplies (especially natural gas) for EU member states.

1. General background of Turkish-Russian relations

Turkish-Russian relations are set in geographical, historical and politico-psychological contexts. Therefore, it is worth starting an analysis of them with a brief sketch of this general background. Turkey and Russia have much in common. The **geographical situation** is the first and the basic example. Although Turkey and Russia have not had a common land border since the collapse of the USSR in late 1991, they are neighbours through the Black Sea; the two countries belong to the Black Sea region. However, while this is one of many regions (not necessarily the most impor-

tant one) for Russia, in the case of Turkey it is a key geographical point of reference. Moreover, Turkey and Russia both have a special, strategic, bridging location. This bridge quality is present in the geographical, cultural and civilisational aspects. Russia, the largest country in the world, which occupies a significant part of northern Eurasia, connects Europe, Central Asia and East Asia. In spite of the domination of the Russian ethnic group, it is a multi-ethnic country, including a substantial Turkic population and a significant percentage of Muslims¹; it often emphasises its role as a link between the European and Asian civilisational traditions. In turn, Turkey is strategically located in the natural land corridor connecting Europe with the Middle East and the Caspian, Black Sea and Mediterranean regions. With its clearly predominant Turkic ethnic group, it is a multiethnic, Muslim yet secular state, which – albeit with some problems – is trying to combine Islamic traditions with a Western democratic system, sometimes holding itself up as a model for other Islamic countries.

Secondly, Turkey and Russia have shared a common, often very turbulent **history**. It is worth emphasising that both countries have strong imperialistic traditions. The beginnings of both their neighbourhood (since the late fifteenth century) and their rivalry (since the late seventeenth century) were closely linked to the expansion of the Ottoman Empire on the one hand, and to the birth of Russian Tsardom (and then the Empire) on the other. A total of eleven Russian-Turkish wars were fought between the late seventeenth century and 1918. Although, from the beginning of the 18th century, the Russian Empire took the offensive against the weakening Ottoman Empire, the Russian strategic goal to gain control of the Black Sea straits was never achieved. The Russian-Turkish conflict reached its peak during World War I, when the two countries were engaged in fierce fights on the Caucasian front. The downfall of the two empires as a consequence of the revolutions in Russia and then Turkey in the final phase of World War I (1917–1918) opened a new stage – this time positive – in Turkish-Russian relations. Soviet Russia, which was governed by the Bolsheviks, offered political and financial (including military²) support to the Kemalists in their so-called war of liberation, noticing an opportunity

to weaken the position of the Western ‘imperialists’ in the region, and to expand the revolution to the Muslim Middle East. At that time, Turkey and Russia established political, economic and military co-operation³, although this did not transform into a lasting alliance, mainly because of Turkey’s generally pro-Western orientation. Moscow and Ankara again found themselves on opposite sides of the front after World War II. The threat of Soviet expansionism hanging over Turkey was one of the triggers of the Cold War⁴. One of its key frontlines ran along the closely guarded border between Turkey, a NATO member state from 1952, and the Soviet Union, which was the leader of the Warsaw Pact as of 1955. The situation changed in the late 1980s, when relations between the East and the West were normalised. A new phase in relations between the two countries opened after the collapse of the Soviet Union at the end of 1991. This meant a real geopolitical revolution for Turkey as well. The two countries no longer had a common land border. Fifteen new independent states, five of which (Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan) culturally belonged to the Turkic community, appeared on the map of Eurasia, thus opening up new perspectives for Ankara. The new situation also brought about a sharpening rivalry between a weakened Russia, defending its status as a global power, and Turkey, which had ambitions to become a regional power.

Geography and history have determined the mutual **perception** of Turkey and Russia to an even greater extent. Russian ethnic identity was formed *inter alia* during battles against the Tatars, a Turkic people. Meanwhile, Turks see the history and culture of the Tatars as a part of their own heritage. Between the late 15th and late 17th centuries, Russia was often attacked by Crimean Tatars, who were vassals to the Ottoman Empire. Russian expansion into the Black Sea area and the Balkans (in the late 17th to early 20th centuries) posed the greatest threat to the existence of the Ottoman Empire. The development of pan-Slavism⁵ in 19th-century Russia created an ideological base for anti-Turkish expansion (the Russian wars against Turkey were presented as a crusade for the liberation of the Christian Orthodox Slavs in the Balkans). In turn, the massacres (in the case of the Caucasus, the more accurate word is geno-

cide) and displacements of millions of Muslims from the Caucasus, the Crimea and the Balkans as a consequence of wars fought with Russian participation left a strong negative mark on Turkish perceptions. The refugees found shelter in Anatolia. Tatarstan (and its capital Kazan) played a key role in the development of Pan-Turkism, from which the modern Turkish nationalism, called *Kemalism*, evolved, albeit sometimes in opposition to it. The shape of the movement was significantly influenced by Tatars from Kazan, or who came from the Russian Empire, such as Yusuf Akcura. These bloody conflicts spread mutual distrust and enmity among various social strata. It was not easy to change the situation after World War I. Although the Russian (Soviet) and Turkish ruling classes had established close relations, especially at the beginning, this distrust remained. Enmity between Russians and Turks was rekindled after World War II. Soviet propaganda presented Turkey as an advocate of US interests and a ‘lackey’ of the Western imperialism; Soviet Russia once more became the main threat for Turkey. The legacy of the Cold War period still affected the mutual perceptions of Turkey and Russia after the end of the Cold War and the collapse of the USSR. This was an effect of many, old and new, disputable issues. However, this mainly concerned the political elites. For many Russians, political and economic liberalisation in the USSR in the late 1980s and the normalisation of relations with the West opened up broad opportunities for travelling to Turkey (usually to trade). The boom of ‘suitcase trade’ involving millions of Soviet citizens (and later of the Russian Federation), and the subsequent boost of real tourism contributed to a positive change in Turkey’s image among broad groups of Russian society. The situation in Turkey was not so clear, because the positive effect of the influx of Russian tourists and traders was countered with increasing fear of the ‘Russian mob’ and the aversion caused by the influx of Russian prostitutes. The improvement of Turkish-Russian relations at the beginning of this century has changed the mutual perceptions among the two countries’ elites for the better. Turkey appreciates Russian efforts aimed at positive development of co-operation, and sees Russia as one of its key partners. However, Russia’s increasing assertiveness in foreign policy and Turkey’s dependence on Russian energy supplies has raised anxiety among some

of the Turkish ruling class. In turn, Russia appreciates the ever-firmer independence of Turkish policy from Western countries, and notes Turkey's strategic location and important role in Russian plans. However, long-standing conflicts of interests in some areas still cause distrust.

2. The evolution of Turkish-Russian political relations

The geopolitical revolution which the disintegration of the USSR in December 1991 in fact was initiated a new phase in the history of Turkish-Russian relations. This phase can subsequently be divided into two periods; the 1990s, when political rivalry between the two countries was dominant, and the period from the turn of the twenty-first century, which saw a thaw in the political atmosphere between Turkey and Russia.

2.1. The 1990s: from conflicts to normalisation

The collapse of the USSR demanded the establishment of a new legal basis for mutual relations. When Turgut Ozal came to Moscow in March 1991, which was the first visit by a Turkish President to the Soviet Union in 23 years, a treaty on friendship, good neighbourliness and co-operation between Turkey and the USSR was signed⁶. That essential document became void nine months later, in the light of the new political situation. Nevertheless, Turkey established relations with the Russian Federation without any unnecessary delay. Turkish Foreign Minister Hikmet Cetin visited Moscow in January 1992, and his Russian counterpart, Andrei Kozyrev, paid a return visit one month later. Another essential document regulating bilateral relations, the treaty on the principles of mutual relations, was signed during the visit of the Turkish Prime Minister Suleyman Demirel to Moscow on 25 May 1992. Exactly one month later, the Russian President Boris Yeltsin came to Istanbul to take part in the summit of Black Sea states, which inaugurated the activity of the Organisation of Black Sea Economic Co-operation (BSEC). This structure, which was initiated by Ankara, was used by Turkey in the early 1990s in its attempt to take the initiative in the region, especially in the new geopolitical situation ensu-

ing from the collapse of the USSR. The project was supported by Russia, which in fact became a co-coordinator of the BSEC. Turkish Prime Minister Tansu Ciller paid a visit to Moscow in September 1993.

Regardless of such signs of constructive co-operation, Turkish-Russian relations were not really good in the 1990s, at least until 1997. This was mainly an effect of various conflicts of interest and tensions existing between the two countries. Russia and Turkey adopted different **stances on post-Soviet countries**, including in the Southern Caucasus and Central Asia, and on the conflicts taking place in that area. Moscow treated the area as its natural sphere of influence, and was watching with anxiety as external actors, especially Western countries, engaged in activity there, seeing this as a challenge to its vital interests. Ankara, which established direct contacts with former Soviet republics as early as the beginning of 1992 (especially in Central Asia), supported them in the process of strengthening their independence, offered them economic assistance (especially to the Turkic countries) and developed political, military and cultural contacts. This raised serious anxiety in Russia, which saw this either as an attempt to materialise the ideas of pan-Turkism, or (not completely unreasonably) as an element for implementing such US strategic goals as promoting the 'Turkish model' for the Islamic states in the Caucasus and Central Asia, and weakening Russian influence there. Tensions over these issues between Moscow and Ankara were especially strong in the early 1990s, and but had eased by the middle of the decade, when Moscow noticed that Turkey had not succeeded in offering any serious alternative to Russian influences in the Turkic-speaking former Soviet republics. Russia and Turkey adopted different **stances on conflicts in the CIS area**. This was manifested most clearly in the conflict between Armenia and Azerbaijan over Nagorno-Karabakh. Following the disintegration of the USSR, Moscow granted political support (and even military assistance, in some sense, since the withdrawing Soviet Army had left most of its military equipment behind) to the Armenians. In turn, the Turks offered political support to their kinfolk, the Azeris. The tension reached its peak in spring 1992, when Armenia launched an offensive against the Azerbaijani en-

clave of Nakhchivan, shelling the enclave's territory). Then Ankara made a public threat that it would support Azerbaijan with military intervention, to which Russia immediately responded with a promise to use force in order to restrain Turkey⁷. Since the end of military activities in Nagorno-Karabakh in 1994, Turkey has supported Baku by condemning the Armenian occupation of part of Azerbaijani territory, and thus refusing to establish diplomatic relations and open its border with Armenia. Although Russia is officially the co-organiser of the peace process (as part of the OSCE's Minsk group) and maintains pragmatic relations with Azerbaijan, it does not conceal its alliance with Armenia. The Russian parliament has passed several resolutions (in 1995 and 2005, among other times) defining the Armenian massacres committed in Turkey in 1915 as acts of genocide.

As a rule, Turkey and Russia presented essentially different **stances on conflicts in former Yugoslavia**. To be more precise, Turkey offered political support to the Muslim government of Bosnia and Herzegovina as well as to the Albanian minority in Kosovo, and actively supported and participated in the UN and NATO operations in former Yugoslavia. Meanwhile, Russia sided politically with the 'new Yugoslavia' (Serbia and Montenegro), trying to hamper Western states' engagement in the conflicts in Bosnia, Croatia and Kosovo. However, when such engagements did take place, it participated in operations with UN mandates until as late as 2003.

Moscow and Ankara also had different opinions on **NATO enlargement towards the East**. While Turkey politically supported the idea of the accession of Central and Eastern European countries to the Alliance, Moscow (from when a real debate on this issue started in 1993) embarked on a political campaign against the enlargement. The two countries' interests also clashed over the **adaptation of the CFE Treaty** (imposing limitations on conventional weapons in Europe) signed in 1990. Turkey firmly demanded that Russia should first of all fulfil its obligation to reduce its armed forces in the 'flank' zone in the Northern Caucasus, which Moscow failed to do. However, under pressure from its main NATO allies, Ankara agreed to ease the provisions regulating this issue in the Adapted CFE Treaty, which was signed at the OSCE's Istanbul summit in November 1999. How-

ever, in solidarity with other members of the Alliance, it refused to ratify the treaty until Russia fulfilled its Istanbul commitments to withdraw its armed forces and military equipment from Georgia and Transnistria in Moldova, a move which has been sharply criticised by Russia ever since⁸.

Moscow and Ankara also disagreed on the **Cyprus problem**. Turkey, which launched a military intervention in Cyprus in 1974 to defend the Turkish population on the island, granted political support to the Turkish Republic of Northern Cyprus, which no other state but Turkey recognises. Russia not only recognised the Greek government in Nicosia as the only legal government in Cyprus, like the rest of the international community, but it also developed very intensive co-operation with the Republic of Cyprus, especially in the economic field. In January 1997, the decision of the Nicosia government to buy S-300 missile systems from Russia even caused a temporary crisis in Turkish-Russian relations. Ankara saw that decision as an attempt to upset the military balance in the region⁹ and threatened Cyprus with military operations. This provoked sharp criticism from Moscow. However, the Greek-Cypriot government was persuaded to change its decision at the end of 1998 as a result of intensive diplomatic contacts (it was agreed that the missiles would be deployed on the Greek island of Crete), and so the crisis was resolved.

The Chechen and Kurdish issues were other factors which caused serious irritation in Turkish-Russian relations. The military operation Russia launched in December 1994 against the break-away Chechnya, together with the casualties among the civilian Chechen population caused by the brutal activity of the Russian army, provoked extremely negative, emotional reactions in Turkey. The Turkish authorities (especially the parliament) criticised the Russian activity. Pro-Chechen demonstrations were held in many places in the country. The lobby of the Caucasian diaspora (including Chechens), which is very influential in Turkey, played a prominent role (see the text below). In turn, Moscow accused Ankara of being overly lenient towards social organisations which, as Russians had been reportedly informed, offered financial support to Chechen separatists, smuggled volunteers and guns to Chechnya, and offered medical care in Turkey to

wounded militants. Sometimes officials representing the Russian Federation made allegations that the Turkish secret service was involved in assisting such activities. Moscow's anxiety and critical reactions were also caused by pro-Chechen terrorist attacks in Turkey, especially the hijacking of the Avrasia ferry in January 1996¹⁰, which provoked a short-lived diplomatic crisis between the two countries.

Turkey, for its part, accused the Russian authorities of tolerating and even supporting the activity of Kurdish structures linked to the Kurdistan Workers' Party (PKK), an organisation which was waging a terrorist campaign on Turkish territory. Ankara reacted with sharp criticism to such moves as opening a so-called Kurdish House in Moscow (December 1994) and a Kurdish training camp (according to some sources, including a hospital) near Yaroslavl (January 1995), which according to Turkish claims were controlled by the PKK, as well as pro-Kurdish resolutions and initiatives taken by the Russian State Duma and its bodies, especially the Committee for Geopolitics (in particular between 1995 and 1996) and the third session of the so-called Kurdish parliament in exile held in Moscow (November 1995). The chronological coincidence of those events with the first Chechen war leads to the conclusion that Moscow was playing the Kurdish card in response to the stance adopted by Turkey on the Chechen issue (and probably also as a warning to Ankara against more advanced moves)¹¹.

One more area of dispute in Turkish-Russian relations covered the **regulations for the transit passage of ships through the Black Sea straits**. The regulations were based on the international Montreux Convention (1936), which provided for unrestrained passage of merchant vessels through the straits, and imposed limitations on the traffic of warships. Both Turkey and Russia wanted the main principles of the Montreux regime to be upheld (for Turkey, this meant keeping control of the straits; for Russia, this guaranteed the limitation of Western military activity in the Black Sea). However, the Turkish side pressed for the imposition of additional restrictions. In 1993, Ankara adopted new regulations for passage of commercial ships through the straits, which came into force on 1 July 1994, setting limitations on the transport of so-called dangerous cargoes (including crude oil). They argued that the ship traffic

was too heavy, and thus posed threats to the natural environment and navigational safety¹². Russia protested against the decision as being contrary to the Montreux regime, and following the failure of bilateral talks, complained against it to the International Maritime Organisation (IMO). The conflict between the two parties ended in 1998, when Turkey eased its navigation rules. It is worth emphasising that in Moscow's opinion, Ankara's stance on this issue resulted from a desire to obstruct Russian projects aimed at maintaining the Russian monopoly on **Caspian oil transit**. Russia believed that this was especially closely linked to the project of building the Baku-Tbilisi-Ceyhan (BTC) pipeline, which is aimed at breaking the Russian monopoly on oil and gas transit from the Caspian Sea region, a move strongly supported by the USA and Turkey. For this reason the project was disputed by Moscow. This issue was another very significant point of dispute in Turkish-Russian relations.

Regardless of the numerous problems in the 1990s, Turkey and Russia continued their political dialogue (for example, the Turkish Prime Minister Tansu Ciller visited Russia in December 1996) and to develop increasingly intensive economic, and even military, co-operation. Turkish-Russian relations started thawing at the end of 1997 and in 1998. Several simultaneous factors seem to have contributed to that. Firstly, some elements causing irritation in mutual relations were soothed. In particular, Russia noticed that Turkish activity in Central Asia and Southern Caucasus was unable to pose a serious threat to Russian influence in the area. The military phase of local conflicts in the CIS area came to an end (1994), becoming 'frozen'. The war in Bosnia and Herzegovina ended in a political agreement (1995). Russia and NATO entered a short-lived phase of pragmatic relations (1997–1998). The Cypriot missile crisis was resolved (1998). The first Chechen war ended (1996). Public support for the Kurdish issue in Russia lessened slightly. The dispute over maritime traffic in the Black Sea straits eased (1998). In addition to these facts, two important events took place. During a visit by Prime Minister Viktor Chernomyrdin to Turkey, an agreement to build the Blue Stream gas pipeline connecting Russia and Turkey through the Black Sea bed, together with another long-term contract on Russian na-

tural gas supplies, was signed on 15 December 1997. This symbolised the strengthening of pragmatic economic co-operation between the two countries. Russia could thus demonstrate that it treated Turkey as an important partner. In turn, Ankara showed its openness to co-operation with Moscow. According to some commentators, the parties mutually agreed during the visit to refrain from any actions aimed against each other's territorial integrity and vital economic interests¹³. On the other hand, several days before, Turkey was refused EU candidate status at the EU Luxembourg summit, which caused great disappointment and frustration in Ankara. As a consequence, the Turkish government came to demonstrate a certain diversification in its foreign policy, among other moves.

However, the end of the 1990s was not free of new problems in Turkish-Russian relations. The financial crisis in Russia (August 1998) was a serious blow to the countries' rapidly developing economic co-operation. In turn, political relations were adversely affected by the Kosovo crisis and the second Chechen war.

It appeared impossible to settle the escalating Kosovo crisis in 1998 at the negotiations table, and in March 1999, in the face of a worsening humanitarian crisis, NATO launched a military intervention against Yugoslavia, which lasted for almost three months. Turkey and Russia took opposite stances again; Turkey supported NATO and Kosovo's Albanians, while Russia condemned NATO and sympathised with the Yugoslavian government. The intervention gave rise to a crisis in Russian relations with NATO and Western countries, which continued almost until the end of 1999.

In turn, Russia – which officially had been provoked by a Chechen attack on Dagestan – resumed military activities against Chechnya in October 1999. The use of force, and another wave of basic human rights violations by Russian armed forces, sparked criticism against Russia in the West, including Turkey.

Interestingly, neither the Kosovo crisis nor the Chechen war led to any significant deterioration in Turkish-Russian relations. In the latter case, the Turkish government acted with noteworthy restraint, emphasising its support for the territorial integrity of the Russian Federation¹⁴. This showed that a certain positive revaluation had

taken place in Turkish-Russian relations, which were no longer so easy to spoil. This had already been proven during an earlier short-lived diplomatic crisis between Ankara and Moscow, caused by the temporary presence of the PKK leader, Abdullah Ocalan, in Russia from October to November 1998; he had been seeking asylum following his deportation from Syria. However, under Turkish and US pressure, Russia chose not to grant asylum to Ocalan, a decision which Ankara appreciated¹⁵.

2.2. Bilateral relations since 2000: from good relations to a 'strategic partnership' and back?

Turkish-Russian relations continued improving in an atmosphere of trust built on mutual concessions on the Chechen and Kurdish issues. Originally these improvements were mainly apparent in the field of the economy, and economic topics predominated during the visit of the Russian Prime Minister Mikhail Kasyanov to Turkey in October 2000, when protocols on economic and defence co-operation were signed, among other documents.

The two countries also began emphasising the similarity of their stances on vital international problems, including the situation in the Middle East, the Caucasus and Central Asia (such as during the visit by the Russian Foreign Minister Igor Ivanov to Turkey in June 2001). In this context, the document which the Turkish and Russian Foreign Ministers, Ismail Cem and Igor Ivanov, signed on 16 November 2001 during a meeting in New York, the Action Plan for Co-operation between the Russian Federation and the Republic of Turkey in Eurasia: from Bilateral Co-operation towards Multidimensional Partnership¹⁶, gained symbolic meaning. This document was signed in the new international climate brought about by the terrorist attacks of 11 September 2001, and in it the common interests and the will to cooperate on stabilisation in Eurasia (including the Caucasus and Central Asia) were clearly declared for the first time by the two countries. The action plan was intended to symbolise the end of Russian-Turkish rivalry in the Caspian & Black Sea regions (although it did not disappear completely) on the one hand, and on the other to emphasise both countries' ambitions to be seen as power-

ful nations. Although the Plan focused on co-operation in various fields, such as trade, tourism, combating terrorism-related threats and 'soft' security, the impression could be gained that Moscow and Ankara were aiming at building a specific co-dominion in this strategic region. The Appointment of a joint working group to implement the Plan's provisions was a practical consequence of its signing. The group's first meeting (at the level of deputy foreign affairs ministers) was held in January 2002 in Moscow. At the same time, Turkish-Russian military co-operation was intensified.

However, the true breakthrough in Turkish-Russian relations took place in 2003 and 2004. This comprised several elements, which had a mutually reinforcing effect. The conservative Justice and Development Party (AKP)¹⁷, which had its origins in Islamic circles, formed a new Turkish government in autumn 2002. This coincided with the worsening Iraqi crisis and Turkey's growing ambition in international politics. The Turkish parliament's decision in March 2003 to refuse the USA the right to use Turkish territory to launch an attack on Iraq was a symbolic sign of the increasing difference of interests between Ankara and Washington. The intervention of the US-British coalition in Iraq in spring 2003, and especially the gradually worsening security situation in that country, contributed to a rise in anti-American sentiments in Turkey. Russia saw that and wanted to exploit it, since it was strongly opposed to the intervention in Iraq; to this end, it built a diplomatic front with Germany and France against the intervention. Moscow, whose ambitions in international politics had been growing, had ever worse relations with some Western countries, especially with the USA (but also with the EU), and was searching for allies in its policy of opposing the 'US hegemony'. This also concurred with the Russian diplomatic offensive, initiated in autumn 2002, to establish better relations with the Islamic world (a move which was initially aimed mainly at cutting off channels of aid for Chechen separatists). Russia, among other efforts, applied for observer status in the Organisation of the Islamic Conference (Turkey took over the rotational presidency of the organisation in 2004 and, significantly, helped Russia achieve this goal in August of the next year). All this created favourable conditions for strengthening

Turkish-Russian relations, of which the opening of the strategic Blue Stream gas pipeline running through the Black Sea bed in February 2003 was one of the symbolic manifestations. Although the pipe soon became a subject of conflict between the two countries, this did not hamper the intensification of Turkish-Russian co-operation. Another political factor which drew Turkey closer to Russia was Ankara's fear of the consequences of the 'colour revolutions' in Georgia (2003) and Ukraine (2004), which were believed to destabilise the regional situation (a feeling which was much stronger in Russia)¹⁸, and the new wave of NATO enlargement eastwards in March 2004, when Bulgaria and Romania among other states became members of the Alliance. Officially, Turkey supported both the democratic changes in the CIS area and NATO's enlargement; however, it was concerned about the 'ëgeostrategic revolution' in the Black Sea region and the increasing presence of 'external' actors (mainly the USA, NATO and the EU) in the region. In this context, both Turkey and Russia have defended the regional *status quo*¹⁹.

The visit of the Russian President Vladimir Putin to Turkey on 5–6 December 2004 (this was the first visit by a Russian president to this country), when a joint declaration on the 'deepening of our friendship and multidimensional partnership' and a number of agreements mainly concerning energy and military/technical co-operation were signed, symbolised a new phase in Turkish-Russian relations. The sections of the joint declaration describing the role of the two countries in Eurasia were especially noteworthy. It was stated *inter alia* that Turkey and Russia were two Eurasian countries with 'unique geopolitical locations' playing the role of a civilisational bridge between East and West, and had 'special interests' in Eurasia²⁰. This kind of wording drew on the concept of Eurasianism, which has been the major ideological base of Russian foreign policy over recent years, and has also become increasingly popular (albeit in a slightly different version) in Turkey²¹. In the case of Ankara, among other reasons, this was an effect of the influence of Ahmet Davutoglu²², a powerful advisor to Prime Minister Recep Tayyip Erdogan. Energy issues, especially projects related to the transport of natural gas (their interests converged to a great ex-

tent at the time) and crude oil (the parties essentially disagreed), were the main subject of the visit. This was linked to Russia's ambitious plans for the European energy sector on the one hand, and to the Turkish ambition to play the role of a strategic linchpin for energy transit routes on the other. President Putin's visit initiated a period when the political dialogue between the two countries was especially intensive, reaching its peak in 2005²³. The Turkish Prime Minister Recep Tayyip Erdogan came on a visit to Russia one month later (10–12 January 2005). This was a token of increasingly specific talks, especially those concerning infrastructure projects in the energy and transport sectors, *inter alia*. Prospects for the rapidly developing trade exchange and international problems (including Cyprus, Iraq and Nagorno-Karabakh) were also discussed.

The trilateral meeting of President Putin, Prime Minister Erdogan and the Italian Prime Minister Silvio Berlusconi in Samsun on 17 November 2005 during the formal inauguration of the Blue Stream pipeline (which had started operating at the beginning of 2003) was a sign of Russian energy plans involving Turkey becoming more active.

However, Turkish-Russian relations were not free from discord. Ankara was especially disappointed with Moscow's stance towards the Cyprus problem. In April 2004, Russia vetoed an important resolution concerning Cyprus at the UN Security Council, as a consequence of which a referendum of Greek Cypriots rejected a plan to unify the island devised by the UN Secretary General Kofi Annan. Thereafter, Moscow blocked approval of a report on Cyprus. President Putin's statement in January 2005 that the economic blockade of Turkish Northern Cyprus had to end was Russia's only goodwill gesture towards Turkey.

Moreover, Russia still occasionally reproached Turkey for the presence of Turkish citizens among Chechen militants, especially since one of them had been identified among the terrorists killed in the fatal attack on the Beslan school in September 2004²⁴. In turn, Ankara appealed repeatedly but in vain for Moscow to include the PKK on the Russian list of terrorist organisations.

Moreover, friendship with Russia did not prevent Ankara from adopting stances on some issues related to the post-Soviet area which fundamentally clashed with the Russian point of view. For

example Turkey, aspiring to become an EU candidate, supported the European Union's stance on the political crisis in Ukraine in December 2004, and the massacre in the Uzbek city of Andijan in May 2005, among other cases. The good relations between Turkey and Georgia stood in stark contrast with the alarmingly bad Russian-Georgian relations. The situation in the case of the two countries' relations with Armenia is almost the diametric opposite. Ankara was concerned about the build-up of the Russian military base in the Armenian city of Gyumri (which came about as a consequence of withdrawing Russian troops from Georgia, among other reasons). In turn, Russia, with its desire to play the greatest possible role in the Southern Caucasus, was dissatisfied by Turkey's increasing significance in this region.

Following the period of ostentatious friendship in 2005, the bilateral contacts somewhat lost their momentum in 2006. The only noteworthy diplomatic event, apart from foreign ministers' meetings, was the visit of the Turkish president Ahmet Necdet Sezer to Russia on 29 and 30 June, the character of which was rather symbolic than practical. This trend was continued in 2007, when conflicts of interests between the two parties, especially in the crucial energy sector, came to the fore. Leaders of the two countries were mainly meeting each other during international events or making phone conversation since then. President Putin did travel to Istanbul on 25th June 2007 but the main occasion was his participation in BSEC summit. Contacts on a lower level were maintained. Still, signs of a clear cooling of Turkish-Russian relations became evident in the middle of 2007.

The first signs of this appeared in autumn 2006, when Turkey rejected Russia's application for observer status at the forum of Turkic states, which met in November at a summit in Antalya.

The two parties essentially disagreed over the Kosovo problem. Ankara sympathised with the Kosovo Albanians' drive towards independence, and supported the peace plan devised by the UN Special Envoy Martti Ahtisaari, which was presented in March 2007. Meanwhile, Russia sharply criticised the plan, and in fact linked its stance to that of Serbia, warning that it could veto the document at the UN Security Council. Moscow has strongly criticised decision of major Western

(including Turkey) states to recognize Kosovo's independence proclaimed 17th February 2008, while Ankara unambiguously supported newly independent state.

Additionally, Ankara reacted coolly to the Russian-Bulgarian-Greek agreement on the construction of the Burgas–Alexandroupolis oil pipeline (omitting the Black Sea straits) signed in March 2007, which lessened the possibility of implementing the Samsun–Ceyhan pipeline project, promoted by Turkey.

The framework agreement concerning a new Russian project for building a gas pipeline running through the Black Sea bed from Russia to Bulgaria, and then to Central Europe and to Italy through the Balkans, was signed in late June 2007 between Russia's Gazprom and Italy's ENI. This act spoiled the atmosphere of Turkish-Russian relations to an even greater extent. The project bypasses Turkey, which means the end of previous concepts for transiting Russian gas through Turkish territory, and so it adversely affects the interests of Ankara, which had hoped to play the role of an energy bridge (see the text below).

Another source of concern for Turkey was Moscow's decision (made on 13th July 2007 by the president Putin and implemented on 13th December 2007) to suspend Russia's participation in the CFE Treaty (meaning effectively abolishing flank limitations for Russia in the Northern Caucasus).

3. Turkish-Russian economic co-operation

Economic co-operation has played a tremendous role in building good relations between Turkey and Russia. Intensifying activity in the fields of trade, investments & services (mainly of Turkish firms & entrepreneurs in Russia), Turkey's increasing popularity among Russian tourists, and especially the growth in Turkish-Russian energy co-operation, have contributed substantially to this state of affairs.

A mixed Russian-Turkish intergovernmental commission for trade and economic co-operation was established at ministerial level as early as 1992. It meets on average once every two years. In addition to that, there are five joint working groups (for trade, investments, services and legal matters, for energy, for transport, for industry, advanced

technologies and small- & medium-sized businesses, and for tourism).

Business structures like the Russian-Turkish Business Council, which includes regional councils, and was established in 1991 in Russia, and the Turkish-Russian Business Council operating as part of the Foreign Economic Relations Board of Turkey (DEIK) are engaged in stimulating economic co-operation.

The development of **trade relations** underpinned pragmatic Turkish-Russian contacts even as early as the early 1990s, when political relations between the two countries were rather cool. The liberalisation of the Soviet economy and the subsequent collapse of the USSR opened up broad prospects to Turkish businessmen for making inroads onto new markets. However, the real phenomenon of the 1990s was the **unregistered trade** (or the so-called 'suitcase trade'), i.e. private individuals (who did not run official businesses) transporting and trading in goods which were in short supply. Travelling to Turkey and bringing consumer goods from that country became the main source of income for millions of Russians²⁵. The estimated annual turnover on such trade in the 1990s reached between US\$5 billion to 15 billion²⁶. In addition to the big economic impact (which concerned not only Russia but also Turkey, where the economy was significantly boosted as a result), the suitcase trade also had a great social effect; it led to people-to-people contacts on a mass scale, which contributed to building a positive image of both societies. However, the role of suitcase trade started lessening in the second half of the 1990s, when Russia imposed stricter customs regulations, and later on faced a financial crisis in 1998. However, the turnovers were still significant²⁷.

Barter exchange was one of the characteristic features of Turkish-Russian trade in the 1990s. Turkey paid for raw materials imported from Russia with goods and building services, among other commodities. However, this form of trade gradually diminished because of the increasing disapproval it met with in Russia. Turnovers in 'normal' trade had been growing every year until 1998, when a temporary breakdown caused by the financial crisis in Russia occurred (turnovers dropped by US\$3 billion). The crisis also inflicted

heavy financial losses on Turkish entrepreneurs operating in the Russian market. The Turkish crisis of 2001 also had a negative effect, albeit on a smaller scale. However, in subsequent years, Turkish-Russian trade turnovers continued growing to reach the level of US\$15.1 billion in 2005 (according to Turkish data, whereas according to Russian sources, the value was US\$12.6 billion)²⁸. The turnovers has increase to more than US\$ 20 billion in 2007 (according to Russian estimates; still it was below declared 25 US S billion target). However, their trade has been unusual, and clearly asymmetric. Firstly, while Russia will remain a key trade partner for Turkey (currently the second largest), Turkey is significantly less important for Russia. After Russian raw energy materials (mainly natural gas) took a dominant share in Turkish imports (which had been consistently increasing), the Turkish trade balance deficit deepened, reaching US\$ 18 billion in 2007. This has caused serious dissatisfaction in Turkey, which has been raising this issue in its dialogue with Russia. In turn, Moscow argues that income from suitcase trade and Russian tourism largely compensate for Turkey's losses. Both countries are hoping for a further increase in turnovers following Russia's planned accession to the WTO. In April 2005 the two countries signed a market access protocol, which ended bilateral negotiations on conditions of Russian membership. It is expected that customs tariffs will be reduced and that Russia will offer investment privileges for Turkish businessmen.

Investments and services constitute another domain in the rapidly developing relations between Turkey and Russia. While Turkey has invested nearly US\$ 5 billion in Russia by 2007²⁹, Russian FDI in Turkey reached approximately US\$150 million by 2005 (the value increased to US\$3.5 billion one year later). Turkish investments in Russia are concentrated in trade, food & industrial manufacture and banking services (five banks). The main areas of investments are Moscow & its surroundings and Tatarstan. In turn, Russian investments mainly cover the energy sector, telecommunications (including a record-breaking investment by the Alfa group, which paid US\$3.3 billion for a 13% stake in the Turkish cellular telephone service provider Turkcell, however later largely re-sold due to commercial disputes) and

the food industry. Russia was greatly dissatisfied with the cancellation in November 2004 of the tender procedure to sell a 66% stake in the Turkish oil company Tupras, which the Russian oil company Tatneft, Yefremov Kauchuk and the Turkish holding Zorlu Grubu had won at the beginning of 2004. This demonstrates that Russian investments in sensitive sectors of the Turkish economy have been hampered.

Building contracts in Russia generate the largest share of Turkish income from the service trade (according to various data sources, between 120 and 145 companies are involved). According to Russian data, the total income earned by Turkish companies on such contracts reached US\$ 17 billion³⁰. Meanwhile, sixteen Russian building companies earned as little as approximately US\$360 million in Turkey by 2003³¹.

Mutual investments and trade may develop more rapidly since the agreements on double taxation and mutual support of investments came into force in 2000, the ratification of which Russia had delayed for several years.

Russian **tourism** to Turkey, which has been developing especially rapidly in the first years of this century, is very important for Turkey. The two countries signed an agreement on developing tourism in March 1995. Turkey is currently the most popular foreign holiday destination for Russians. In 2007, Turkey received nearly 2.5 million Russian tourists, the second largest national group (after Germans). The excursions are handled by nearly 150 tourist firms (approximately 25% of which have Turkish capital). According to estimates, Turkey earned US\$1.5 billion on Russian tourism in 2004. The liberal Turkish visa regime (banderole visas are granted immediately at the border) have contributed to the development of Russian tourism³².

Nevertheless, it is the energy sector which is the key field of economic co-operation between Turkey and Russia. The two countries are interdependent in this area. On one hand, Turkey imports approximately 65% of its gas³³ and over 10% of its oil from Russia. On the other hand, Russia moves 40% of its oil exports through the Turkish Black Sea straits, and Turkey is the third largest buyer of Russian natural gas (after Germany and Italy). This co-operation dates back to Soviet times. In

February 1986, the Botas and Gazeksport companies signed an agreement which provided for the supply of 6 billion m³ of natural gas annually from the Soviet Union to Turkey for 25 years. The agreed supply route ran through the eastern Balkans; the first supplies were made in 1987. A subsequent gas agreement between the Turkish corporations Botas & Gama and the Russian company Gazprom, which formed a joint venture named Turusgaz, was concluded in December 1997 for 23 years, and provided in prospect for supplies of 8 billion m³ annually *via* the Balkan gas pipeline. At the same time, Turkey started diversifying its gas imports.

An important phase in the development of Turkish-Russian gas co-operation began on 15 December 1997 during the visit of Prime Minister Viktor Chernomyrdin to Turkey, when two agreements were signed. One of them concerned the implementation of an ambitious project for building the undersea gas pipeline named Blue Stream (in co-operation with the Italian energy corporation ENI). The pipeline's route (Izobilnoye – Dzhubga – the Black Sea – Samsun – Ankara) is 1213 km long, including a 392-km section running under the Black Sea bed (at a depth of nearly 2200 m)³⁴. The second agreement, which was concluded by Botas and Gazprom for a term of 25 years, provided for supplies of Russian gas to Turkey *via* a new gas pipeline. The annual quantity supplied should have gradually grown from 2 billion m³ to 16 billion m³ (2007), with the application of the 'take or pay' rule (the obligation to receive the amount of gas as provided in the contract, with a simultaneous ban on its re-export). The Blue Stream pipeline was completed in 2002 and launched in 2003. However, disputes over settlement of accounts linked to the investment arose between the parties. Moreover, Turkey demanded that both the price of the Russian gas and the level of supplies be reduced (due to a previous overestimation of its demand for gas). The conflict led in March 2003 to Turkey's refusal to receive gas *via* the Blue Stream. The pipeline's operation was resumed in August that year, and the parties (Botas and Gazprom) reached a compromise on revising the conditions of the contract in November. Pursuant to the new version, gas supplies *via* the Blue Stream would gradually increase from 6 billion m³ (in 2004) to 16 billion m³ (in 2010)³⁵. However, the real amount of gas received through

the Blue Stream was smaller than planned (in 2007 around 9 billion m³). The compromise was a success for the Turkish side, whose hard-line approach in the negotiations let them change the conditions of the contract to their benefit. When the last technical work linked to Blue Stream was finished, the official pipeline opening ceremony was held in November 2005, with the participation of the Russian, Turkish and Italian leaders. As a result, Turkey received in total nearly 23 billion m³ from Russia in 2007³⁶.

Both countries, especially Russia, have had ambitious plans of further enhancing gas co-operation. Intensive talks on co-operation in developing the Turkish gas infrastructure took place in 2005. Russia wanted to build large gas storage facilities near the Tuz lake in Turkey and a liquefied natural gas (LNG) terminal in Ceyhan, develop the network of Turkish gas pipelines, gain access to direct gas distribution in Turkey and, potentially, build jointly with Turkey an undersea gas pipeline running to Israel (through the Mediterranean Sea), among other projects. The most ambitious of the Russian ideas was to extend the Blue Stream pipeline and build a link through the eastern Balkans to Central Europe (Hungary and Austria, the so-called south European gas pipeline) or to Italy, which was presented at the end of 2005. It was clearly intended to compete with the Nabucco project (gas imported from Azerbaijan, Iran and Turkmenistan, sent through Turkey and the Balkans to Western Europe), supported by the European Union as part of its policy of diversifying its gas supply sources. Turkey showed interest in the idea; however, it promoted the concept of combining the two projects (due to problems with gas supplies from the Caspian region, a major part of gas would initially have been fed to Nabucco through the Blue Stream from Russia), which met initially with a positive reaction from Moscow. If this scenario had been realised, Russia would have taken over the main role in the implementation of the Nabucco project, the underlying idea of which was to give geographic diversity to the sources of natural gas supplied to Europe.

A gradual increase in Russian gas imports, along with intensifying pressure from Moscow to let Russian companies take over assets in the Turkish gas sector, started raising some anxiety among

some of the Turkish ruling class. Russia's energy crises with Ukraine, Belarus and Georgia (2006–2007) had worsened, showing thus that Russia was using its export of oil and gas as a tool for achieving political goals. For its part, Moscow was dissatisfied with the implementation of the Baku–Tbilisi–Erzurum gas pipeline building project, which undermined its policy of maintaining control over exports of Caspian oil and gas.

Moreover, signs of divergence in the two parties' interests in gas co-operation, which hitherto had essentially been similar, appeared in 2007. Although Gazprom had gained access to the direct sale of gas into the Turkish market under an agreement signed in May 2007³⁷, its scale was far from satisfactory to Russian ambitions. Additionally, in late June 2007 Gazprom and ENI signed a preliminary agreement on a project to build a South Stream gas pipeline, with a target capacity of 30 billion m³, intended to run from Russia through the Black Sea bed to Bulgaria, and further split into two pipes, one running to Hungary and Austria, and the other to Italy through the Western Balkans. On 22 November 2007, Gazprom and Eni signed in Moscow an agreement about establishing a joint project company for the commissioning of the marketing and technical feasibility studies of the project.

The project, which omitted Turkey, was an unpleasant surprise to Ankara, and immediately met with a negative reaction. If implemented, the project would mean a significant divergence from the previous Russian plans for gas transit through Turkey (Blue Stream II and the South European gas pipeline projects). Nevertheless, the deal between Gazprom and ENI (the latter being a partner to Russia and Turkey in the Blue Stream project) at that stage mainly served propaganda purposes. This proved that Russia and Turkey, regardless of their intensive dialogue, could not reach a consensus on co-operation in the field of energy, including natural gas.

Turkey and Russia are also partners in the oil sector. Turkey buys nearly 5 million tons of crude oil annually from Russia. Oil export through the Black Sea straits is a top priority issue for Moscow; hence its dissatisfaction with Turkish attempts to reduce the amount of ship transit passing through the straits. The two parties have conducted intensive talks on the common construc-

tion of the new Samsun–Ceyhan pipeline. Turkey had long been working for this, as it wished to reduce the amount of maritime traffic in the straits while at the same time keeping control of oil transit. However, the parties failed to reach a mutually satisfactory agreement, and in autumn 2006 Russia forced an acceleration of talks on a competitive project which would omit the Black Sea straits (the Burgas-Alexandroupolis pipeline, which had been discussed by Russia, Bulgaria and Greece as long ago as 1994). This led to the governments of those three countries signing an agreement in March 2007, to Ankara's great and unconcealed dissatisfaction³⁸. In addition to that, Russia could not accept the construction and (partial) launch of the Baku–Tbilisi–Ceyhan pipeline, which it had been trying to forestall for many years because it undermines Moscow's strategic control over exports of Caspian oil.

Electrical power engineering is a separate field of co-operation. Turkey imports over 3 million kW of electric energy from Russia. The parties have been negotiating increasing imports through the Southern Caucasus (also as a part of Black Sea electricity ring proposed by Moscow in BSEC) as well as Russia's participation in Turkey's investments in this field (including nuclear energy cooperation).

4. Turkish-Russian security and defence co-operation

Turkish-Russian security and defence co-operation can be considered from several viewpoints; military-technical co-operation (including the purchase of Russian weapons by Turkey), joint activity in the field of security, including in the Black Sea region, and co-operation on combating terrorism and 'soft' security issues.

Turkey was the first NATO member state to embark on bilateral military co-operation with Russia following the collapse of the USSR. This subject was discussed during the visit to Moscow by Prime Minister Suleyman Demirel in 1992, among other occasions. Turkey's first contract to purchase Russian weapons was signed in 1993 (armoured personnel carriers, Mi-7 and Mi-17 helicopters, machine pistols, machine guns and rocket-propelled grenades)³⁹. An intergovernmental

agreement on military-technical and arms co-operation was signed on 20 April 1994.

A joint commission for military and military-technical co-operation was established in 2000 during Prime Minister Mikhail Kasyanov's visit to Turkey. Further supplies of Russian weapons to Turkey were also discussed.

Two protocols on military-technical co-operation were signed during the visit by the Russian Defence Minister Sergey Ivanov to Turkey in December 2004. They concerned the co-operation of the two countries' arms industries, the protection of confidential information during such co-operation, and the protection of intellectual property rights (concerning Russian licences on equipment and military technologies).

The co-operation initiated between arms manufacturers from Turkey (including Nurol Makine ve Sanayi) and Russia (the state-owned corporation Rosvooruzheniye and the Volga plants, among other companies) was focused mainly on the production of tanks, armoured personnel carriers and the arms used in them⁴⁰.

Moscow believes that the level of military-technical co-operation is still insufficient, and it does indeed have some reasons for dissatisfaction. Russia had been trying to win the tender to supply combat helicopters for the Turkish army since 1997. When the offer concerning Ka-50 helicopters from the Russian-Israeli consortium of Kamov and IAI finally entered the last phase of the tender procedure (competing with the US Bell company offering Cobra helicopters), the tender was suddenly cancelled in May 2004. This provoked a critical reaction from Moscow, which believed that that was a consequence of unfair competition and political pressure from Washington. Since 2005, Russia has been vainly trying to repay its relatively small debt (US\$330 million) to Turkey with weapons supplies (mainly aircraft and helicopters)⁴¹.

Turkey, being a NATO member state, established contacts with the USSR as part of the general policy adopted by the Alliance in 1990. Consequently, it has taken part in NATO-Russian co-operation⁴², usually reacting with reserve to any attempts to make the co-operation any closer.

Regardless of its membership in NATO, Turkey had been watching the Alliance's increasing activity in the Black Sea region with a degree of

dissatisfaction. After 2000, the country initiated regional co-operation in the field of security, the main manifestation of which was the agreement to create a Black Sea Naval Co-operation Task Group (Blackseafor), signed on 2 April 2001 by Turkey, Russia, Bulgaria, Romania, Greece and Ukraine⁴³. The Black Sea Partnership exercises have been organised every year. However, practical co-operation as part of Blackseafor is still limited, and both Turkey and Russia want it to become more active.

The Black Sea Harmony operation launched by the Turkish navy in the Black Sea in March 2004 was a practical element of the regional co-operation. Its key goals included monitoring the Black Sea waters and tracking suspicious ships (including reserving the right to inspect them, subject to consent from the captain or the state under whose flag the ship sailed). Turkey invited other Black Sea littoral countries to join the operation in November 2004. Talks with Russia concerning this issue started at the beginning of 2005, as a result of which the Russian Black Sea Fleet joined the BSH in December 2006 (after an agreement regulating this issue had come into force). Russia agreed to carry out monitoring, exchange data on suspicious ships with other operation participants and, if necessary, take necessary actions in the north-eastern part of the Black Sea⁴⁴.

Turkey's active engagement (supported by Russia) as part of its co-operation in the field of Black Sea security was at odds with its critical reaction to the proposal, repeatedly brought forward by the US since 2003, to extend the maritime anti-terrorist operation Active Endeavour in the Mediterranean Sea to the Black Sea. (Moscow was even more critical of this plan.) The Turkish authorities were similarly sceptical about Romanian and US initiatives to establish a regional Black Sea dimension under NATO auspices as part of the so-called Wider Black Sea concept⁴⁵. This clearly proved that Russia and Turkey did not want countries which did not belong to the region to increase their activity in the Black Sea basin.

Turkish-Russian co-operation in combating terrorism was officially inaugurated on 30 October 1992, when a co-operation agreement was signed by the Interior Ministries of Turkey and Russia. However, it was difficult to expect effective co-

operation in a situation when in the 1990s (most particularly between 1994 and 1996) the two countries accused one another (not without good reasons) of either directly or indirectly (including with the aid of secret services) supporting structures which the other classified as terrorist, namely the Chechen separatists in Russia and the Kurdish separatists in Turkey. This became such a burning issue that the two countries strove to achieve a *modus vivendi* in this issue through the bilateral withdrawal of such support. An intergovernmental memorandum on co-operation in combating terrorism, signed during Prime Minister Tansu Ciller's visit to Russia on 18 December 1996, was a token of political will to solve the problem. The document yielded a practical effect when anti-terrorist consultations between the authorities dealing with this issue were initiated, coordinated by the two countries' Foreign Ministries⁴⁶. The commitment linked to this issue, after the outbreak of the second Chechen war, was reiterated in the intergovernmental declaration on co-operation in combating Chechen terrorism, which was signed on 5 November 1999 during the visit of the Turkish Prime Minister Bulent Ecevit in Russia. Only then did the effects of two governments' new approaches towards the Chechen and Kurdish issues (see above) become apparent, although some doubts were later raised, especially by the Russians (including in 2001, 2002 and 2004). Provisions on anti-terrorist co-operation were included in all the major political documents signed by the leaders of Turkey and Russia, including the declaration of December 2004. To sum up, Turkey and Russia exchange intelligence information which may help in combating terrorism. However, considering the nature of the co-operation, its scope is difficult to assess. The only information available is that some visits by the heads of Turkish and Russian intelligence services have taken place (including in 1995, 1999 and 2004).

Turkish-Russian co-operation in 'soft' security, i.e. counteracting organised crime, drug & people trafficking and illegal migration, is also based on the aforementioned inter-ministerial framework agreement of October 1992, supplemented with a protocol on co-operation between the two countries' Interior Ministries, which was signed during the visit by the Russian Minister of Internal Affairs Vladimir Rushailo in Turkey in February

2001. These issues were also significant elements of the Eurasia Action Plan signed in November 2001. Co-operation also takes place as part of the Blackseafor programme, although its exact effects have not been apparent.

5. The cultural and social aspects of Turkish-Russian relations

The societies of Turkey and Russia are similar in their considerable diversity. Notably, a significant number of Russian citizens belong to Turkic nations, 16 million people according to some estimates. In turn, Turkey is home to the so-called Caucasian diaspora, consisting mainly of descendants of nineteenth-century refugees from the Caucasus, whose estimated number is approximately 7 million people. These groups influence Turkish-Russian relations in various ways. The Turkish factor in Russia has a stimulating effect on economic co-operation, especially with Tatarstan, whereas the Caucasian diaspora, most of whose representatives are engaged in supporting the idea of an independent Chechnya, is an antagonising factor in bilateral relations.

People-to-people contacts between Turkey and Russia are still very intensive, mainly thanks to suitcase trade and Russian tourism, and mixed marriages occur; the estimated number of such couples has reached approximately 80,000.

Cultural exchange is a part of bilateral relations. The year 2007 was the Year of the Russian Culture in Turkey, while in 2008 the Year of the Turkish Culture was proclaimed in Russia.

The Eurasian idea and its effect on the respective policies of Turkey and Russia can be classified as belonging to the cultural dimension. What the Turkish and Russian 'Eurasianisms' have in common is first of all emphasising their unique location at the crossroads of civilisations, and their important international roles resulting from that. However, these concepts seem rather peculiar, considering the strong anti-Occidental component of the Russian Eurasianism and its links to geopolitical concepts on the one hand, and the Turkish Eurasianism related to Pan-Turkic and neo-Ottoman ideas on the other. This element

has played a certain role in mutual relations, which has been demonstrated by some provisions of the joint declaration made in December 2004, among other examples.

It is essential to consider the pro-Russian lobby in Turkey in any analysis of the social aspect of Turkish-Russian relations⁴⁷. The circles supporting the enhancement of co-operation with Russia seem to have seriously influenced Turkish policy. Interestingly, this group includes representatives of various milieus, politicians (such as leaders of the left-wing CHP party or the influential advisor to the AKP's leadership, Ahmet Davutoglu), businessmen (especially representatives of companies from the building and energy sectors, such as Bosphorus AS, who are engaged in co-operation with Russia to the greatest degree)⁴⁸, members of such structures as the Turkish-Russian Business Council, military officers (including elements of both the present and the former command of the armed forces, including the former Chief of General Staff, General Kilinc) and, last but not least, representatives of cultural elites (journalists, publicists, writers and scientists). It is worth noting that members of this informal lobby represent various political options; from left-wing and left-liberals, some of whom share a sentiment for the former USSR or have friends in Russia, through nationalist Kemalists, who may be impressed by the assertive, 'independent' policy of Russia, based on its native traditions, to moderate Islamists, who are attracted to Russia by its anti-Western rhetoric, anti-hegemonist slogans, and its policy of establishing closer relations with the Islamic world.

6. Summary

When comparing the relations between Turkey and Russia at the beginning of the 1990s to the situation which has obtained during recent years, it is impossible not to notice a positive change. The two countries which were once strategic rivals have almost become allies, engaged in an intense political dialogue, rapidly developing trade and energy co-operation, and strengthening co-operation in the fields of security and defence.

These changes did not occur suddenly; they resulted from a long-lasting process. It seems that

the turning points happened in 1997–1998 and 2003–2004. The first one indicated a transition from the period of problems predominating in mutual relations towards normalisation and pragmatic co-operation. The second one was a breakthrough which initiated very close, multidimensional co-operation between the two countries, which however did not mean the disappearance of discord from mutual relations.

The course of this process was affected by many aspects. On the one hand, it was a result of the disappearance or weakening of some irritating factors in mutual relations. In particular, Turkey noticed that its potential for influence in Central Asia, and to an extent in the Southern Caucasus was limited, while Russia saw the same in the Balkans.

The parties also gradually ceased playing the Chechen and Kurdish separatism cards in the bilateral political game, and embarked on anti-terrorist co-operation instead.

The Turkish government and ruling class's increasing frustration at the US policy in Iraq (which is believed to generate instability and a serious challenge to Turkey's vital interests, as a consequence of Iraqi Kurdistan's increasing independence), together with the European Union's attitude towards Ankara (delaying the granting of candidate status to Turkey and multiplying barriers in the negotiations process), have played an essential role in the improvement of political relations between Turkey and Russia. Russia has taken advantage of this by stimulating those elements of Turkish policy which were critical of the West, and offering Ankara a very specific kind of alternative.

The two countries' growing political and economic ambitions, and their particular ideological similarities (the increasing popularity of the Eurasian idea in various forms) have also contributed to their establishment of closer mutual relations. Economic co-operation has certainly been the main driving force behind Turkish-Russian friendship. Rapidly developing trade (including the so-called suitcase trade in the initial phase) made it possible to continue co-operation even in periods when political relations cooled, and stimulated it when the political climate became warmer. As Turkish investments in Russia (especially in the building sector) grew and Russian tourism rapidly developed in Turkey, Russia gained eco-

conomic significance for Turkey, and now it is currently very considerable.

However, energy co-operation between the two countries was the most important issue. Turkey's dependence on Russian natural gas imports was increasing, and Russian energy companies gained a larger share of the Turkish market. The two countries had partly converging ambitious plans in the energy sector (especially those pertaining to natural gas).

Building trust and enhancing the scope of Turkey and Russia's common interests, especially in the Black Sea area, also contributed to the developing co-operation in the fields of security and defence. Finally, the activity of the increasingly strong pro-Russian lobby in Turkey, which has additionally been supported by Russian activity (presumably in the shadier spheres of business and politics also), has certainly affected the improvement of relations between the two countries.

Bearing in mind all those positive aspects, it has to be stated that there are also some essential limitations to any further improvement in Turkish-Russian contacts. In particular, Turkey has not revised the strategic, pro-Western line of its policy and is deeply set in the Euro-Atlantic structures (without disregarding all its reservations in this context). Turkey is an important and active member of NATO, and EU accession is still among its strategic goals. Moreover, the political, ideological and even social ties between a major part of the Turkish ruling classes and the West are still strong. Turkey does not seem to have any clear and sufficiently attractive alternative to its bonds with the Western world.

Regardless of positive revaluations of the perception of Russia in Turkey, a significant part of Turkish society still seems to distrust their big neighbour. This feeling has been reinforced by the policy of Moscow, which has recently become increasingly assertive and even aggressive. The Russian energy crises with Belarus and Ukraine and the crisis in Russian-Georgian relations seem to have had a strong psychological impact in this context.

Additionally, Turkey and Russia seem to still have essentially different interests in such an important field as the transport and transit of Caspian oil. While Ankara's priority is to have the main transport corridor running through its territory, Mos-

cow's priority is to maintain maximum control over the transport routes of Caspian oil.

It is worth emphasising that conflicts of interests play a significant part in the gas sector, which is perceived as an area for potentially intensifying co-operation. Turkey fears becoming dependent on Russian gas supplies and Gazprom's expansionist plans in its domestic market. In its desire to integrate with the EU, Turkey is more inclined to consider the interests of EU member states in this area. In turn, Russia is clearly irritated with Ankara's wait-and-see strategy, and does not want to make the implementation of its strategic plans for expansion onto the European gas market dependent on the stance of this country, which is a relatively strong player and has proven on several occasions that it is able to defend its interests staunchly.

Therefore, it seems that the improvement of Turkish-Russian relations should be perceived in terms of a tactical rather than strategic alliance. It was based on temporary conditions and was selective. Moreover, there are signs indicating that it reached its peak in 2005/2006 and lost some momentum since then, and that relations between the two countries are cooling down.

However, the situation may still change. Circumstances may appear that will make Turkey and Russia strengthen relations and co-operation again.

In particular, relations between Turkey and Russia may improve as a consequence of possible, dramatic events on the southern and eastern frontiers of Turkey, especially in case of a Turkish full scale intervention in Iraqi Kurdistan regardless of EU and US protests, the disintegration of Iraq and the emergence of an independent Kurdish state, which may take over control of Kirkuk (if Ankara does not choose to establish a *modus vivendi* with the new geopolitical entity, and the Kurdish issue is appeased in Turkey, and the US does not prevent such a scenario from being realised). A possible improvement of relations could also result from the potential consequences of a US attack on Iran, which are difficult to predict. Another factor which may push Turkey towards closer relations with Russia could be a breakdown of the negotiation process concerning Turkey's EU accession, and the loss of its prospects for membership in the foreseeable future.

Similarly, if the attempt to complete the reform of the European energy market, develop a common EU energy policy and diversify energy supply sources (especially natural gas) for the European Union is unsuccessful, for example if the Nabucco project fails, Turkey will not have any serious alternative to implementation of gas projects jointly with Russia.

Marek Menkiszak

¹ Russia is multiethnic in the sense that it is inhabited by more than 100 peoples and ethnic groups. The estimated number of Muslims in the overall Russian population of 143 million is at least 15 million (not counting immigrants).

² Principally supplies of weapons, which essentially contributed to the Kemalists' victory in the wars against their neighbours.

³ The warmth of Russian-Turkish relations in that period was reflected even in the name of the basic treaty signed by the two countries on 16 March 1921, the Treaty Of Friendship And Brotherhood.

⁴ The Soviet Union demanded the right to set up military bases next to the Black Sea straits, among other claims. The promise of financial assistance for Turkey, which was endangered by the USSR, was an essential element of the famous address by US President Harry Truman in 1947, on which the so-called doctrine of 'containing communism' was built.

⁵ The most radical version of the idea envisaged the creation of a Russian-led 'Slavic Empire', with a capital city in Constantinople. Popular as Pan-Slavism was among Russian elites, it never became an official doctrine of Russian policy.

⁶ Among other provisions, it confirmed the existing state borders, declared respect for territorial integrity and the will to develop co-operation based on friendly relations, etc.

⁷ Statements by Turkish Prime Minister Tansu Ciller (who made reference to the Turkish guarantees for the autonomy of Nakhchivan included in the Treaty of Kars signed in 1921) and the Head of the Turkish General Staff General Dogan Gunes on the one hand, and by the Commander-in-Chief of the CIS Joint Armed Forces' High Command, Marshal Yevgeny Shaposhnikov and the Russian Defence Minister General Pavel Grachev on the other hand. See O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

⁸ In early June 2007, it went as far as to threaten (in a statement by President Vladimir Putin) a 'moratorium' on Russia's participation in the Adapted CFE Treaty and subsequent withdrawal from the treaty, as indeed took place in December 2007.

⁹ It was argued that the missile systems, formally designed for defence and having a 150 km range, would provide cover for Greek fighter aircraft stationed in Cyprus pursuant to the Cyprus-Greece joint defence pact signed in 1993, thus allowing them to penetrate a significant part of Turkish airspace with impunity. The thesis proposed by some Turkish commentators, that the crisis was instigated by Russia to cause a Turkish-Greek conflict with the intention of halting NATO enlargement eastwards or frustrating the building of the Baku-Tbilisi-Ceyhan pipeline, is worth a deeper analysis. See O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

¹⁰ A group of Chechens took over the Turkish ferry, demanding that Russia stop the war in Chechnya. The crisis ended in the hijackers' arrest by the Turkish security forces. They were sentenced later. However, Russia claimed that they had been treated too leniently.

¹¹ This opinion is shared among others by O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

¹² In comparison to 1938, the number of ships passing through the Black Sea straits in 1996 had increased by more

than 10 times, and the size of the cargoes they carried had increased by more than 20 times.

¹³ This opinion is quoted among others by O. Tanrisever, Turkey and Russia in Eurasia, in *The Future of Turkish Foreign Policy*, ed. Lenore G. Martin, Dimitris Keridis, London 2004, pp. 127–156.

¹⁴ This stance was taken by the Turkish Prime Minister Bulent Ecevit, among others, during his visit to Moscow in November 1999 (during which he was accompanied by the head of Turkish intelligence). After the visit, when an agreement on joint combating of terrorism was signed, Turkey took actions to curtail the pro-Chechen activity of the Caucasian diaspora in Turkey, and the Russian authorities closed the Kurdish camp near Yaroslavl in 2000.

¹⁵ According to some sources, Ocalan came back to Russia in January 1999, but was forced to leave again. For more information on this case, see O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

¹⁶ Plan deistvy razvitiya sotrudnichestva mezhdru Rossyskoi Federatsiyei i Turetskoi Respublikoi v Yevrazii: ot dvustoronnego sotrudnichestva k mnogoplannomu partnerstvu. For the document text visit www.mid.ru

¹⁷ Its leader, Recep Tayip Erdogan, was received at the Kremlin by President Putin in December 2002 before he became Prime Minister of Turkey, which was an important political gesture on Russia's part.

¹⁸ See Suat Kiniklioglu, *The Anatomy of Turkish-Russian Relations*, The Brookings Institution, Sabanci Universitesi (2006).

¹⁹ This has been emphasised among others by Fiona Hill and Omer Taspinar, *Russia and Turkey in the Caucasus: Moving Together to Preserve the Status Quo?*, *Russie.Nei. Visions* No. 8, IFRI, Paris, January 2006; S. Kiniklioglu, *The Anatomy...*, *op. cit.*; and Ognyan Minchev, *Major Interests and Strategies for the Black Sea Region. Framework Analytical Review* Institute for Regional and International Studies, Sofia, September 2006.

²⁰ The declaration also mentioned such issues as raising mutual relations to the level of a 'developed multidimensional partnership', the activation of political dialogue, the similarity of stances on major international issues, intensification of the joint struggle against terrorism, activating economic co-operation, consultations on the transport of Caspian oil & gas and maritime traffic in the Black Sea straits, and developing regional co-operation in the economy and security fields. *Sovmestnaya deklaratsiya ob uglublenii druzhby i mnogoplanovogo partnerstva mezhdru Rossyskoi Federatsiyei i Turetskoi Respublikoi*. For the text of the document, see www.mid.ru

²¹ See Victor Panin, Henry Paniev, *Turkey and Russia*, in *Turkish Foreign Policy in the Post-Cold War Era*, ed. Idris Bal, Boca Raton 2004, pp. 253–268.

²² Ahmet Davutoglu, a leading representative of the intellectual circles linked to the ruling AKP. He fostered the concept of 'normalising relations with neighbours,' entailing among other things the increasing independence and diversification of the Turkish policy. Cf. S. Kiniklioglu, *The Anatomy...*, *op. cit.*

²³ The Russian and Turkish leaders met up to six times between the end of 2004 and the end of 2005.

²⁴ Theodore George Tsakiris, *The Strategic Framework of the Russian-Turkish Relationship: Geopolitical Rivalries and Geoeconomic Uncertainties*, Hellenic Centre for European Studies, <http://www.ekem.gr/pdf/tsakiris.pdf>

²⁵ It is estimated that at the peak of the trade boom (1993–1994), the number of such individuals reached between two and three million, and the total number of people going on business trips to Turkey was nearly ten million. Data quoted from O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

²⁶ *Ibidem.*

²⁷ According to Russian estimates, Turkey generated nearly US\$4 billion in incomes from Russian 'suitcase trade' in 2004. Information from the Russian Foreign Ministry as of 18 November 2005, available at www.mid.ru

²⁸ The rapid growth in Turkish-Russian trade turnovers (over 30% annually), as is the case with other Russian partners, is largely an effect of rising oil & gas prices, which constitute a major part of imports from Russia.

²⁹ Data quoted from an interview with Mikhail Kamynin, spokesman of the Russian Foreign Ministry for RIA-Novosti news agency, 18 February 2008, available at www.mid.ru

³⁰ *Ibidem.* Data for a period of 10 years. Although co-operation in this field existed even in the Soviet times, the first big contract for Turkish building companies in Russia provided for building 15,000 flats for Russian officers returning from Eastern Germany, which was credited by the government of the Federal Republic of Germany. O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

³¹ Data quoted from O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

³² Data quoted from O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*; information from the Russian Foreign Ministry.

³³ O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*; S. Kiniklioglu, *The Anatomy...*, *op. cit.*; F. Hill, O. Taspinar, *Russia and Turkey...*, *op. cit.*

³⁴ The scandal over bribes taken by representatives of the Turkish authorities from the Russians in connection with the implementation of the project was uncovered years later.

³⁵ Quoted from O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

³⁶ Data quoted from an interview with Mikhail Kamynin, *op. cit.* For more on this subject, see the text by Marcin Piotrowski discussing energy issues.

³⁷ A small part of the contract between Gazprom and Botas was then taken over by the company Bosphorus Gas.

³⁸ According to unofficial information, the main reason behind Moscow's support for the project competitive to the Samsun–Ceyhan pipeline was the Turkish refusal to offer majority stakes in the planned investment to Russian companies.

³⁹ The weapons, worth US\$120 million, were used mainly for clashes with Kurdish separatists between 1992 and 1994. Data quoted from O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*; Cf. James Warhola, William Mitchell, *The Warming of Turkish-Russian Relations: Motives and Implications*, in *Demokratizatsiya*, Winter 2006.

⁴⁰ O. Kolobov, A. Kornilov, F. Ozbay, Cagdas Turk-Rus Iliskileri, *op. cit.*

⁴¹ *Ibidem.*

⁴² Its subsequent stages include the inauguration of the NACC in December 1991 (which was transformed into the EAPC in July 1997), Partnership for Peace (from 1995), the NATO-Russia Permanent Joint Council (PJC, from 1997) and the NATO-Russia Council (NRC from 2002).

⁴³ The agreement, which came into force on 2 November 2003, provided for parties' co-operation in the field of security, including joint exercises, search-and-rescue operations, joint minesweeping, antiterrorist co-operation, preventing proliferation of weapons of mass destruction, illegal migration and organised crime, and counteracting ecological threats.

⁴⁴ Communication from the Russian Foreign Ministry as of 29 December 2006, available at www.mid.ru

⁴⁵ The concept has been fostered since the middle of the first decade of the 21st century by influential US analysts, first of all by Ronald Asmus of the Marshall Fund, and by Romanian authorities. See the text discussing the Black Sea issues by Rafał Sadowski.

⁴⁶ The first consultations were held in 1997 in Ankara, the second in July 2000 in Moscow, and the third in January 2002 in Moscow again. Then the consultations became more regular. Information on Russian-Turkish co-operation in combating terrorism from the Russian Foreign Ministry, 26 September 2003, available at www.mid.ru

⁴⁷ This subject has been discussed more thoroughly among others by S. Kiniklioglu, *The Anatomy...*, *op. cit.*; and F. Hill, *O. Taspinar, Russia and Turkey...*, *op. cit.*

⁴⁸ 40% of stakes are held by the German firm ZMB, which is controlled by Gazprom, and the other 60% belong to Tur Enerji, owned by Ali Haydar Sen, who is openly referred to in the Turkish press as Gazprom's representative in Turkey.

CHAPTER VII

Turkey as the energy bridge between the East and the West

Marcin Andrzej Piotrowski

Theses

1. Turkey does not have any native oil or gas reserves, although it does have a very advantageous geographical situation, as it borders with key or important exporters of the resources. This factor means Turkey is of considerable interest to Russia, the EU and the US.

2. The Turkish ruling classes see their country as a natural bridge between Europe and the Middle East, the Caucasus and Central Asia. This assumption has resulted in the adoption of an energy policy aimed at guaranteeing Turkey the role of a transit country for exporters and importers of hydrocarbons.

3. Another objective of Turkish policy is to use the proximity of natural resource reserves to diversify its own imports.

4. Ankara's ambitions are limited by economic, technological and political barriers which are found in the oil and gas exporters in the regions of the Caspian Sea, the Black Sea and in the Middle East.

1. The main trends in Turkey's energy policy

Turkey's large population and economy, coupled with a lack of its own substantial hydrocarbon reserves, make it an important market for oil and natural gas. In the last few decades, energy consumption on the Turkish market has been growing systematically, on average by 6% a year. In the period from 1990 to 2003, there was a surge in energy use of up to 58%, to 83.7 Mtoe (million tonnes oil equivalent). In that period Turkey's population increased by 26% to nearly 71 million inhabitants. As a result of these trends, the structure of energy consumption in Turkey has gradually changed. Currently it is composed in the following way: 38% of oil, 32% of coal (67 million tonnes a year), 23% of natural gas and 7% of energy generated by hydroelectric plants¹.

Under the rule of the Justice and Development Party (AKP) since 2002, structural changes in the energy sector, which was previously strictly controlled by the state, were accelerated. Now the

sector and its responsibilities are organised as follows: the Ministry of Energy and Natural Resources (ETKB) and its dependent institutions are responsible for elaborating and implementing policy, plans and governmental programmes. The State Planning Organisation (DPT) fulfils an advisory role to the cabinet and the ETKB, which for its part defines and implements the objectives of Turkey's national energy policy, coordinates the private and public sectors, develops and supervises the relevant programmes, guarantees their implementation and oversees the exploitation and development of resources, and the production and distribution of energy². The ministry and DPT elaborate five-year plans for Turkey's economic development. The Development Plan of the Republic of Turkey for the years 2007–2013 has put forward the same objectives as were set in the previous decade. There are three general goals³:

- ensuring sufficient, guaranteed and profitable energy supplies for Turkey's own needs;
- ensuring the security of energy supplies;
- stimulating investments to guarantee that Turkey's energy needs are met.

The Turkish authorities have declared that energy security is a high priority for them, due to Turkey's limited reserves, its increasing energy consumption and its dependence on the import of hydrocarbons. Turkey's dependence on imported resources is constantly growing. As a result of the depletion of domestic reserves, the level of import in terms of total primary energy supply (TPES) has risen from 51% to 72%. The biggest increase was observed in gas imports. Therefore efforts are being made to diversify the structure of energy consumption and the sources of supplies. Governmental projections from 2004 forecast a growth in GDP of 5.5% annually in the years 2005–2010, and 6.4% in the period until 2020. If energy consumption increased annually by 4–6%, that figure would correspond to this level of growth. The policies of successive governments have been dominated by optimistic forecasts for the growth of internal demand for energy generated from natural gas, as well as for Turkey's role as a transit country. Turkey has an extensive energy infrastructure; most of its electricity is generated by fifteen heat and power plants (fuelled by coal and gas) and thirty hydroelectric plants, which altogether have the power to produce 35,000 megawatts

(MW). The legal organisation of the sector is governed by the electrical energy market law of March 2001, which grants regulatory competences to the Energy Market Regulatory Authority (EMRA). The law provides for the de-monopolisation, privatisation and division of the state-owned corporation TEAS, which until recently was solely responsible for the production, transport and distribution of electric energy⁴. The first genuine step towards the de-monopolisation of TEAS was the opening of a power plant with a capacity of 1200 MW in Iskenderun⁵. Turkish power plants still use quite considerable coal reserves which generate 40% of the country's electrical energy, (compared to 40% produced from natural gas). The existing coal reserves are being exploited by the state-owned companies TTK and TKJ. About 20% of energy is produced by the GAP project's hydroelectric plant, as well as the still not fully used potential of the sources of the Tigris and Euphrates rivers in the southeastern part of the country⁶. Assessments by the International Energy Agency highlight the fact that the Turkish authorities have not so far been sufficiently involved in the full use of hydroelectric projects or protecting the environment. Recently the prospect of Turkey developing nuclear energy has been growing. These plans were abandoned in the second half of the 1980s, due to environmental safety reasons (following the disaster in Chernobyl) as well as the general trend common to the majority of the OECD states towards the increased use of natural gas. They are motivated economically but also geopolitically, above all by progress in the nuclearisation of Iran and the proliferation of nuclear technology in the Middle East. In April 2006, the Turkish government and the state Nuclear Energy Agency (TAEK) chose the Black Sea port of Sinop as the possible location for a 1800-MW reactor⁷.

Turkey is an important market for oil. The exploitation of domestic reserves is systematically falling; it is forecast that oil exploitation will drop from the current level of 2.5 million tonnes a year to 1.75 million tonnes in 2010. The remaining identified oil reserves in Turkey are quite small. Geological research into Turkish reserves at the bottom of the Black and Aegean Seas is being conducted. At present, oil consumption in Turkey stands at 30 million tonnes a year, which is 650,000 barrels a day⁸. 92.1% of the oil consumed

is imported, and the Turkish authorities forecast an increase in imports to 96% in 2010. Oil is imported from a diverse range of sources; it comes mainly from Iran (29%), Libya (19%) and Saudi Arabia (16%), the countries that have traditionally been supplying the Turkish market with oil for many years. Other suppliers are Russia (12%), Azerbaijan, Kazakhstan, Iraq, Algeria, Egypt and Tunisia (24%)⁹.

2. The organisation of the Turkish energy sector

Legal regulations on crisis management were introduced recently, in 2003, together with the introduction of the National Oil Reserve System. By virtue of the related legislation the Joint Storage Organisation, dependent on ETKB, was set up. The obligation to store strategic oil reserves was imposed on refineries and oil and petrol distributors. Despite those measures, Turkish companies have problems with maintaining a permanent 90-days' worth of oil reserves. The Turkish oil sector is undergoing transformations following the petroleum market reform bill passed in December 2003 and the lifting of restrictions on oil import from the beginning of 2005. The main actors in the oil sectors are the following companies:

Turkiye Petrolleri Anonim Ortakligi (TPAO) – a fully state-owned company responsible for exploration and exploitation of oil and gas reserves¹⁰;

Turkiye Petrol Rafineleri AS (TUPRAS) – a company with mixed shares (49% shares held by the state, 51% by private shareholders), in charge of processing oil into petrol and other petroleum-based products¹¹;

Boru Hatlari ile Petrol Tasima AS (BOTAS) – a fully state-owned company responsible for transporting oil and gas onto Turkish territory;

Petrol Ofisi AS (POAS) – a recently privatised company distributing and supplying oil and petrol¹².

Turkish refineries can process 27.6 million tonnes annually (613,000 barrels a day in 2005). Major refineries are situated in Izmit (11.5 million tonnes), Izmir (10 million tonnes), Kirikkale (5 million tonnes) and Batman (1.1 million tonnes). These four refineries are owned by TUPRAS. The only private refinery, which belongs to the ATAS

company in Mersin, has the capacity of 4.4 million tonnes; however, it tends to be closed periodically because of profitability and environmental issues¹³. It is planned to increase the capacity of Turkish refineries up to 39.8 million tonnes of oil by 2010 and 58.9 million tonnes by 2020¹⁴. There are as many as 21 companies, Turkish and foreign, dealing with the distribution of oil and petrol on the domestic market, although one-third of the market is in the hands of POAS. Turkey also supplies petrol to some Mediterranean countries. Turkish oil companies are equally active abroad; TPAO is a shareholder (6.75%) in the exploitation of the Azeri–Chirag–Guneshli reserves, and in 2005 it also signed agreements with the Libyan authorities to extract oil from three Libyan reserves (Block 147, 188 and 189), as well as a memorandum with Syria to explore new oil reserves there. TPAO also controls 49% of the shares in a joint venture with the Kazakh Ministry of Geology and Energy in KazakhTurkMunai (KTM), which exploits small reserves in the Aktau and Aktyubinsk regions. BOTAS has shares (9%) in consortiums exploiting the Shah Deniz gas reserves in Azerbaijan, and is building a pipeline to transport the gas from there. TPAO, by virtue of a memorandum of understanding between Turkey and Iran signed at the beginning of July 2007, took over three out of 26 oil fields in the South Pars region. Turkey does not have any natural gas reserves that would be profitable for exploitation¹⁵. Gas consumption started in 1987, together with the exploitation of domestic reserves and supplies from the USSR, which began in 1991. In the period after 1990, consumption grew sevenfold. In the last two decades, Turkey has undergone accelerated gasification due to increased gas consumption by the industry, gas electric plants and individual recipients¹⁶. The Turkish government has declared that the objectives of its gas energy policy are as follows: to stimulate the use of this resource, develop the country's gas network, create a competitive market, diversify gas imports and extending the transit infrastructure. In 2005, natural gas consumption in Turkey reached 27.03 billion m³ a year. It is assumed that by 2010 the share of gas in the structure of energy consumption will have risen from 23% to 32%. In the long term, demand for gas and its use may triple, and could amount to over 50 billion m³ in 2010 and 82 billion m³ in 2020¹⁷.

The consequence of the depletion of Turkey's gas reserves together with its accelerated gasification is a growing share of gas in the structure of energy consumption. So far Ankara has concluded a series of contracts and framework agreements for gas supplies (see Table 1). Experts point out that in its plans Turkey has forgotten about effectiveness of the use of gas and saving of energy. The weakness of Turkey's policy in this area is the fact that, despite diversifying the signed agreements and contracts, the country remains dependent on one supplier – Russia's Gazprom (67% of imports

in 2007). In 2005 the structure of Turkey's gas import was as follows: 17.83 billion m³ transported through pipelines from Russia, 4.32 billion m³ from Iran, the equivalent of 3.85 billion m³ in LNG (liquefied natural gas) from Algeria, and 1.03 billion m³ from Nigeria¹⁸.

Turkey has contracted supplies for a total of up to 51.8 billion m³ of gas in 2010. As a result of the agreements already signed, and the consumption being less than forecast, it may be forced to pay penalties of over US\$1 billion for resources which

Table 1. Supplies of natural gas to Turkey contracted by BOTAS

BOTAS' contracts with:	Date of signing the contract	Planned volume of supplies	Duration of the contract	Comments
Sojuzgazexport/Gazprom (USSR)	14 February 1986	6 billion m ³	25 years, until 2011	Gas delivered through the TransBalkan gas pipeline, the Bulgaria–Istanbul–Ankara section opened in 1992
Sonatrach (Algeria)	14 April 1988	4 billion m ³	20 years, until 2014	LNG supplied to the BOTAS terminal in the port of Marmara
NLNG (Nigeria)	9 November 1995	1,2 billion m ³	22 years, until 2021	LNG supplied to the BOTAS gas-supplied terminal in the port of Marmara
NIGC (Iran)	8 August 1996	10 billion m ³	25 years, until 2026	Gas delivered through the pipeline on the Tebriz–Erzurum route since January 2002; initially at the level of 3 billion m ³ . There are obstacles to increasing its capacity.
Gazprom/Gazexport (Russia)	15 December 1997	16 billion m ³	25 years, until 2026	Gas delivered since 2003 through the Blue Stream gas pipeline; construction of the Blue Stream's second line planned; there are some problems with increasing its capacity.
Gazprom/TuRusGaz (Russia)	18 February 1998	8 billion m ³	23 years, until 2021	Annex to the contract of 1986; up to 14 billion m ³ altogether.
Turkmengaz (Turkmenistan)	18 February 1998	16 billion m ³	30 years, has not come into effect	The framework agreement, supplemented by a declaration in 1999 about the TransCaspian gas pipeline (TCGP). The project has been abandoned by potential investors.
SOCAR (Azerbaijan)	21 May 1999 supplemented by a protocol of 12 March 2001	6,6 billion m ³	15 years, until 2022	Gas supplied through the SCP/BTE gas pipeline, its opening planned in 2007. The additional protocol allows for supplies to increase up to the level of 8 billion m ³ a year.

Sources: BOTAS Annual Report, Ankara 2001 and Energy Policies of IEA Countries: Turkey Review, Paris 2005

were contracted but not collected. Such take-or-pay clauses are typically included in gas agreements. There is a risk that penalties and surpluses of supplies to Turkey could reach 20–25% of the contracted amounts in the years 2010–2020. It is now difficult to judge whether it was expected domestic needs or anticipated EU needs that determined the shape of the contracts; however, many analysts have drawn attention to mistaken projections and the corruption of ETKB officials¹⁹. A solution to the situation would be to reexport the surplus of gas, which is difficult without new agreements with Russia and Iran, and also because there is a lack of suitable warehouses in Turkey. A likely way out of the problem may be to reduce the volume of gas received through the TransBalkan pipeline, and to transit gas from the Blue Stream pipeline to different markets. Increasing the capacity of the East-West Main Trunk Pipeline between Erzurum and Ankara, which currently has a capacity of up to 22 billion m³ a year, will be of key importance to Turkey's internal gas network and transit projects. By around 2020, BOTAS would like to send as much as 100 billion m³ of gas from its surroundings to the EU through this well-developed route (see more in the section 'The gas and oil potential of Turkey's neighbourhood').

The gas sector in Turkey has undergone a transformation following the natural gas market act adopted in May 2001. However, distribution, import, export and transport remain dominated by the state-owned company BOTAS, which is also responsible for building pipelines and the distribution network²⁰. According to plans, BOTAS should be deprived of its current position by the end of 2009, although it does not appear likely that this deadline will be met. The prices and tariffs of gas on the domestic market are determined by the Energy Market Regulatory Authority (EMRA) which also supervises the gradual harmonisation with EU regulations concerning gas and electricity markets. EMRA applies preferential tariffs for individual recipients, and quite regularly increases prices for the industry²¹.

The related legislation stipulates that no gas importer or distributor should have a share of more than 20% in the domestic market. Gas is distributed on the Turkish market by the following com-

panies, dependent on the local authorities: EGO in Ankara, IGDAS in Istanbul, IZGAS in Izmit and the private companies AGDAS in Adapazari, BUR-SAGAZ in Bursa and ESGAZ in Eskisehir. The gas network in Turkey is 6000 km long, and a further 2000 km are under construction²². Because of seasonal fluctuations and penalties for contracted surpluses of gas, there is also an urgent need to build underground gas warehouses²³. Under an act of 2001, importers and distributors are obliged to store 10% of the gas they have purchased. This objective will probably not be achieved by the end of 2009 as planned. TPAO is currently working on the planned construction of such warehouses in Marmara Degirmenkoy, Tuz Golu and Tarsu, with an initial capacity of 1.6 billion m³ annually. Ankara has been granted a US\$325 million loan from the World Bank to this end²⁴.

3. The gas and oil potential of Turkey's neighbourhood

In terms of diversification of supplies and its role as a transit country, Turkey's greatest asset is its decidedly advantageous geographical situation. The 'energy arc' stretches within a 2000-km radius from Turkey's borders, it covers 76.3% of proven oil reserves and 71.3% of the global reserves of natural gas. This area includes North Africa, the Persian Gulf, the Caspian Sea region and Russia²⁵. Turkey imports resources from this 'arc', but its ambition is to become a bridge for other importers. Due to Turkish control over the Black Sea straits, through which at least 40% of Russian oil exports come, Ankara has joined the competition for oil pipeline routes from the Caspian region. Turkey is emerging as a key country for projects to diversify gas imports to the EU. It wants to secure profits from the transit fees, as well as to ensure the participation of Turkish companies in the implementation of particular gas pipeline projects. The authorities in Ankara are convinced that Turkey's transit potential is one of the arguments in favour of the country's quicker integration with the EU²⁶. However, there are many political or economic factors which make it more difficult to take full advantage of Turkey's beneficial geographical situation. Specific suppliers will still have varied shares in meeting the needs of the global economy (see Tables 2 and 3).

The Persian Gulf still has enormous oil reserves, and in the forthcoming decades it will remain the key region for satisfying the growing world's oil consumption. Oil extraction in the region is exceptionally cheap, pays from its own investments, and keeps exports profitable thanks to a well-developed network of oil terminals for huge ocean tankers. The Persian Gulf states, particularly Saudi Arabia and Kuwait, are active OPEC players; thanks to their surpluses of oil, they can jointly fix its price²⁷. Apart from Iran, Qatar and the United Arab Emirates, the region still does not exploit its gas reserves, and can enter markets only after related investments which must cover either the export of LNG or the extension of the Iranian and Arab gas networks to Turkey. However, the Gulf

remains continually unstable. The Kuwait war in 1990 drastically reduced the export of Iraqi oil through Turkey, and since the change of the regime in Baghdad, the level of exploitation from before 2003 is being maintained with difficulty. Iran is quite a special case, as it is a potentially attractive supplier of gas to Turkey and the EU (Iran has the second largest gas reserves after Russia). The sanctions imposed by the US in 1995 (the Iran-Libya Sanctions Act, ILSA) deepened the crisis in the country's oil sector, thus making exploitation of gas more difficult²⁸. Subsequent UN sanctions imposed on Iran since 2006, related to Iran's nuclear programme, have also impeded (if not totally halted) the flow of foreign investments into the export of Iranian gas.

Table 2. Oil reserves and potential of selected countries and suppliers in Turkey's surroundings

Country	Proven oil reserves (percentage of global oil reserves)	Level of exploitation in 2005 (percentage of global exploitation)	Projected export level in 2010	Projected export level in 2020
Saudi Arabia	36.3 billion tonnes (22%)	526 million tonnes (13,5%)	552 million tonnes	702 million tonnes
Iran	18.9 billion tonnes (11.5%)	200 million tonnes (5.1 %)	225 million tonnes	250 million tonnes
Iraq	15.5 billion tonnes (9.6%)	89.5 million tonnes (2.3%)	150 million tonnes	250 million tonnes
Russia	10.2 billion tonnes (6.2%)	470 million tonnes (12.1%)	450 million tonnes	500 million tonnes
Kazakhstan	5.4 billion tonnes (3.3%)	63 million tonnes (1.6%)	93 million tonnes	100 million tonnes
Azerbaijan	1 billion tonnes (0.6%)	22.4 million tonnes (0.6%)	49 million tonnes	66 million tonnes
Algeria	1.5 million tonnes (1%)	86.5 million tonnes (2.2%)	104 million tonnes	143 million tonnes
Libya	5.1 billion tonnes (3.3%)	80.1 million tonnes (2.1%)	116 million tonnes	150 million tonnes

Table 3. Gas reserves and potential of selected countries and suppliers in Turkey's surroundings

Country	Proven gas reserves (percentage of global gas reserves)	Level of exploitation in 2005 (percentage of global exploitation)	Projected export level in 2010	Projected export level in 2020
Russia	47.82 trillion m ³ (26.6%)	598 billion m ³ (21.6%)	185 billion m ³	220 billion m ³
Iran	26.74 trillion m ³ (14.9%)	87 billion m ³ (3.1%)	20 billion m ³	30 billion m ³
Iraq	3.17 trillion m ³ (1.8%)	No data available	10 billion m ³	17 billion m ³
Kazakhstan	3 trillion m ³ (1.7%)	23.5 billion m ³ (0.9%)	20 billion m ³	40 billion m ³
Turkmenistan	2.90 trillion m ³ (1.6%)	58.8 billion m ³ (2.1%)	76 billion m ³	93.4 billion m ³
Uzbekistan	1.85 trillion m ³ (1.1%)	55.7 billion m ³ (2%)	3–5 billion m ³	5 billion m ³
Azerbaijan	1.37 trillion m ³ (0.8%)	5.3 billion m ³ (0.2%)	14 billion m ³	30 billion m ³
Algeria	4.58 trillion m ³ (2.5%)	87.8 billion m ³ (3.2%)	85 billion m ³	120 billion m ³
Egypt	1.89 trillion m ³ (1.1%)	34.7 billion m ³ (1.3%)	26 billion m ³	31 billion m ³
Libya	1.49 trillion m ³ (0.8%)	11.7 billion m ³ (0.4%)	16 billion m ³	35 billion m ³

Source: Data on the proven reserves and exploitation after British Petroleum, BP Statistical Review of World Energy, London June 2006; projections of export during the period 2010–2020 after the Observatoire Méditerranéen de l'Énergie; Medsupply: Final Report, Brussels June 2003, and sources cited in the present text.

Because of the routes tankers take on the Mediterranean Sea, Turkey will not be a transit country for oil from **North Africa**. Taking into account the regional balance of forces, it is worth remembering that Turkey and Israel dominate the eastern part of the Mediterranean Sea. This allows Turkey, as a principal member of NATO, to control and protect marine routes between the oil terminals in this area and tankers circulating through the Turkish Straits and the Suez Canal (heading towards Europe and Gibraltar). As the Middle East is internally and geopolitically unstable, this role of Turkey's is gaining key importance in the region. Turkey's potential as a transit country for North African oil, mainly from Egypt, may appear more profitable; in the coming decade, Egypt has an opportunity of becoming a significant exporter of gas to the EU and an exporter of LNG to other markets. Cairo's decision on the directions its gas export takes will depend on further negotiations with BOTAS and potential gas recipients; it will also be determined by the opening of new connections between networks of Arab countries, Turkey and the EU²⁹.

Potentially the biggest opportunities for Turkey are linked with resources from the **Caspian Sea**. In the last decade, this region has become a new exporter of hydrocarbons, although its reserves have been overestimated. It was expected that the contribution of Caspian oil would make it an alternative to OPEC. Moreover, Caspian reserves require further foreign investments, and options of export routes are quite costly because there is no direct access to open seas. The major reserves of Caspian oil lie in Kazakhstan and Azerbaijan, and key gas reserves can be found in Turkmenistan and Kazakhstan. These countries have the potential for export to Western and possibly Asian markets³⁰. Given both the existing and planned export routes, Turkey is of fundamental importance for routes circumventing Russia and Iran. The implementation of the concept of a 'corridor' from the region, even though this would be more beneficial to Turkey, forces Ankara to consider the decisions of both investors and exporters, as well as the policies of the US, the EU and Russia (and to a lesser extent, the policy of Iran)³¹.

4. Turkey's role in the energy policies of the US, the EU and Russia

US policy towards the Middle East has been perceived since 2003 as complicating Turkey's interests in the Kurdish question, relations with Iraq, Syria and Iran. Ankara is the beneficiary of Washington's strategy for the Caspian Sea region since 1991. The issue of liberating the region's export potential has become an element of the US and Turkey's common interests in this area. Both Clinton administrations declared their wish to secure export of Caspian oil as a vital interest of the US; in the years 1994–1998 the US was involved in promoting routes to bypass both Russia and Iran. That policy clearly encouraged Ankara's ambitions to become a 'bridge' for Azerbaijan and Central Asia, although most of Turkey's projects then did not meet with the understanding of companies which were starting to explore the Caspian reserves. In Afghanistan under the Taliban, the project for pipelines from Central Asia to Southern Asia became unrealistic. In 1999 at the Organisation for Security and Co-operation in Europe (OSCE) summit in Istanbul, the presidents of the US, Turkey, Georgia, Azerbaijan, Kazakhstan and Turkmenistan pledged their support for projects of pipelines going through the 'Caucasian-Turkish corridor'³².

The above-mentioned policy has been continued with more success by the Republican Administration of President George W. Bush. The report prepared by Vice-President Dick Cheney at the beginning of Bush's first term forecast the increased dependence of the US on imported oil up to a level of 70% of projected consumption for 2020. The report recommended, among other points, that the administration should give diplomatic backing to the construction of pipelines crossing the Southern Caucasus, connect the gas networks of Turkey and Greece, and improve the investment climate in the Caspian region³³. The creation in summer 2002 of the consortium for the Main Export Route from Azerbaijan (an oil pipeline from Baku to Ceyhan in Turkey) was a great success for Washington. The implementation of this project would have been difficult without the presence of American military advisors in Georgia

and Azerbaijan. The new situation in the Southern Caucasus allowed Turkey to put forward projects for connections of Caspian oil and gas supplies to Israel³⁴. The passage of time and Moscow's growing assertiveness lead to a rise tension in Russian-American relations in 2006 due to the Russian policy of energy blackmail towards its neighbours. Washington is concerned about the southern European countries and Israel's inclination towards the Russian concept of using transit through Turkish territory³⁵.

Turkey's transit role is even more significant in case of the **EU's policy**, particularly in connection with ensuring the security of gas imports. According to the last European Commission (EC) Green Paper, in the period until 2030 the EU's dependence on imported oil will increase from 82% to 93%, and from 57% to 84% in the case of gas. The EC has called on its member states to coordinate their energy policies, to act in solidarity in relations with exporters, and to open new inter-network connections, gas pipelines and LNG terminals³⁶. Previous documents by the EC and the European Parliament have emphasised the 'axial' nature of Turkey's geographical situation in relation to the Caspian Sea region and the Persian Gulf, and have emphasised the advantages of the projects promoted by BOTAS. Turkey is also seen by the EC as a partner in initiatives aimed at the EU's neighbours, such as the European Neighbourhood Policy, the Euro-Med Energy Forum and the Black Sea Synergy. All these initiatives contain elements of co-operation in increasing competitiveness, security of supply and environmental protection³⁷.

Given the EU's interests, Turkey's adoption of the European Energy Charter Treaty in 2001 and the implementation of the Gas Directive of 2003 is of enormous importance. Brussels has equally emphasised that Turkey must introduce solutions analogous to EU ones for the promotion of saving energy, energy-effectiveness and environmentally friendly use. The process of EU enlargement to the east and south of Europe has enhanced the importance of supplies from Russia, thus highlighting the huge variety of approaches within the EU to diversifying directions of supply. For obvious reasons, the involvement of European importers & companies and the opening of new supply

routes is crucial for Ankara. Turkey sees itself as the 'fourth gas artery' of the EU, after the import routes from Norway, Russia and North Africa. Integration within the framework of the Regional Energy Market for South-East Europe (REMSEE), the regional oil and electricity market, has become an element which fosters Turkey and the EU's common interests³⁸. Thanks to REMSEE, the construction of connections between the networks of Turkey, Greece and Italy, the Turkey-Greece Interconnector and Poseidon, was launched. These connections were named the Trans-European Energy Networks (TEN-E), which are pan-European projects. Thanks to their opening, Caspian and Middle East oil could gain access to EU markets, which would offer an alternative to increasing imports from Russia.

In the last decade, Turkey's role in **Russian policy** grew equally in importance, including in several energy-related aspects. The concept of the 'Caucasian-Turkish corridor' has been a challenge, if not a threat, to Russian economic influences in the countries of the Southern Caucasus and Central Asia from its very beginning. Export plans promoted and implemented by Turkey and the US have gradually undermined the monopoly of Russian companies (Transneft and Gazprom) on control over the directions in which Caspian resources have been exported. Russians have always treated Ankara's arguments about the need to reduce oil transit through the Turkish Straits with mistrust. In order to ease these tensions, Moscow and Ankara are still looking for pragmatic compromises, and are avoiding adding any more fuel to the fire, at least in terms of their rhetoric³⁹. The greatest concession Turkey could agree to is the extension of the 'North-South corridor' for the export of Russian gas. Turkey would thus become the bridge for export of Russian gas to markets other than those in Western Europe, strengthening Russia's position as the main supplier to the Balkan countries and Southern Europe. Russia cannot ignore Turkey's potential as an attractive market for its gas. Paradoxically, as a result of the country's economic problems, Turkey was becoming more dependent on Gazprom supplies while signing successive BOTAS contracts. Further regulation of Russian-Turkish gas contracts will be a strong factor in determining Turkey's prospects of being an 'energy bridge'⁴⁰. This issue may be

closely linked to efforts made by Russian companies to become involved in the privatisation of the Turkish energy sector, following the model of their activities in the new EU member states⁴¹. Further compromises could be difficult, as they would be determined not only by bilateral relations, but also the wider geopolitical situation in Turkey's surroundings. For Ankara, too great concessions to Moscow would imply the weakening competitiveness of Azeri gas, and possibly of gas from Central Asia and the Middle East. Turkey would then lose the opportunity to make huge profits from increased transit and economic & political influence in the region. From the point of view of Turkey's ambitions to control the gas transit, Russia's efforts to deepen co-operation with other suppliers to the EU, for example in the form of a kind of 'gas OPEC', or Moscow's new agreements with the countries of Central Asia⁴², may have a series of negative implications.

5. The operational and planned elements of the East–West and North–South corridors

From the geographical point of view, Turkey can be crossed by routes along the East–West axis, transporting hydrocarbons from the Caspian Sea region, Iran and Iraq. The other axis is constituted by the existing or planned North–South routes (mainly for resources from Russia) and planned South–North routes (for resources from North Africa).

5.1. Transit of oil through the Turkish Straits and the Turkish territory

The Turkish Straits, i.e. the Bosphorus and the Dardanelles, have a special significance in the transit of oil from the ex-USSR area. They constitute a narrow and constantly busy transit point between the Black Sea and the Mediterranean Sea. The Turkish Straits are one of the world's most difficult canals to navigate, with the risk of collision and an environmental threat to the Istanbul area with a population of 12 million people. The use of the Straits to transfer oil has also been complicated by its special international status based on the Montreux Convention of 1936 and

later UN conventions⁴³. Over 50,000 ships sail through the Bosphorus and the Dardanelles annually, 5500 of which are tankers⁴⁴. In order to bring the situation under control, Ankara has modernised the radar and navigation systems used in that region, although this has not eased delays in the maritime transit.

In the last decade, the Turkish Straits have been 'jammed' by the growing export of Russian, Kazakh and Azeri oil from the Black Sea terminals in Novorossiysk, and to a lesser extent from Odesa, Tuapse, Supsa and Batumi. Technical, environmental and legal arguments have provided support for Turkey to promote the concept of bypasses, i.e. oil pipelines bypassing the Straits⁴⁵. The main option for Turkish transit from Azerbaijan was the Baku–Tbilisi–Ceyhan oil pipeline opened in 2006, but Turkey would like to build at least one bypass crossing its territory. Routes circumventing both Turkish territory and the Black Sea straits are an alternative to the Turkish proposals. Meanwhile, the transit through the Turkish Straits rose in the period 2000–2005 from 97 to 150 million tonnes a year. The level of future transit will be determined by the growth of exploitation and exports from Russia and Kazakhstan. According to experts, the high level of the Black Sea transit by means of tankers will be maintained at least until 2015. However, later (2015–2030), a fall in quantities of Russian oil delivered through the Black Sea routes should be expected. The greatest uncertainty surrounds decisions on the export routes of resources from Kazakhstan. When these many factors are taken into account, the peak traffic of tankers is estimated to reach 180 million tonnes in 2015, followed by a gradual decrease to the level of 90 million tonnes in 2030⁴⁶. Undoubtedly, such forecasts have implications for investors regarding the putative construction of another bypass of the Black Sea straits.

The Kirkuk–Ceyhan oil pipeline, opened in 1976, used to be the major export route for oil from Iraq. The pipeline is composed of two parallel lines running from the Kurdistan region of Iraq to the Mediterranean terminal of Ceyhan in Turkey. The operator of the Turkish section of the route (656 km) from Kirkuk is BOTAS. The maximum capacity of both pipelines is up to 70 million tonnes annually. After the Iraqi invasion of

Kuwait and the sanctions imposed by the UN, the route has been blocked many times. This pipeline has never in practice even reached the level of 50 million tonnes, and after numerous acts of sabotage, now does not exceed 25 million tonnes. The US intervention in Iraq has not eliminated problems with its use. In spring 2003, pumping stations along the pipeline were looted. One of the Iraqi sections on the Tigris River was damaged by US air forces, although the greatest destruction was caused by attacks from Iraqi insurgents on 9 and 31 July 2006⁴⁷. This situation has also encouraged Turkey to promote several other routes to Ceyhan, different from those running from Iraq and Azerbaijan.

The Baku–Tbilisi–Ceyhan (BTC) oil pipeline, which is already operating, is the most controversial and difficult in terms of construction route from the Caspian Sea region. The pipeline finally began operations in July 2006 when the first ocean tanker in Ceyhan was filled with oil. The route was exceptionally problematic because of low oil prices in the last decade together with the high project costs. Discussions over the project started in autumn 1994, when the ‘contract of the century’ was signed, and the Azerbaijan International Operating Company (AIOC) consortium was established⁴⁸. These events were accompanied by a series of intergovernmental declarations and agreements. The BTC cost nearly US\$3 billion, of which up to US\$2.3 billion was funded from loans (mainly from the European Bank for Reconstruction & Development and the World Bank)⁴⁹. Turkey’s profits from transit fees, at a maximum capacity of 50 million tonnes annually, can amount to as much as US\$300 million. This corridor is also important because of the operator (BP)’s involvement in the construction of the Baku–Tbilisi–Erzurum gas pipeline⁵⁰. The BTC is of strategic importance to the US and Turkey; by weakening the role of Russia and Iran in the Caspian Sea region, it has become the main export route from Azerbaijan and has reduced the strain placed on the Turkish Straits. This route has equally provided logistical information for the BTE gas pipeline. The BTC oil pipeline can also be used after 2010 to transfer Kazakh oil from the massive Kashagan reserves. However, this depends on the arrangements Kazakhstan makes with Caspian consortiums about implementing one of the pro-

jects for routes bypassing the Turkish Straits. The key to the project’s implementation is the cost of its construction, the competitiveness of expenses, and above all the guarantee of large quantities of resources from Kazakhstan and Russia (compare the listing in the Table 4.). Recently Kazakhstan has been opting for increasingly far-reaching collaboration with Russia in this area.

The TAPCO oil pipeline project (Trans-Anadolu Pipeline Company) could serve as a supplement to the BTC in the section of the route between the oil terminals of Samsun and Ceyhan. The TAPCO pipeline would have a capacity of 55 million tonnes a year; its target capacity is planned at 70 million tonnes. The expected transit would thus reduce the strain on the Turkish Straits by about 50%. The cost of the route is today estimated at US\$1.5 billion. The project has been promoted since 2003 by ENI, which holds shares (18.5%) in the Agip-KCO consortium exploiting the Kazakh reserves in Kashagan⁵¹. In spring 2006, the Turkish government agreed to grant a licence for the newly established TAPCO company to Türkiye Calik Energy⁵² and Italian ENI. TAPCO has invited new shareholders to join it⁵³. In April 2007, TAPCO announced the beginning of the construction work, and during the ceremony with the participation of the Turkish and Italian authorities, the pipeline’s opening in 2011 was announced⁵⁴. The project will only have a chance to be implemented if ENI brings the remaining KCO shareholders round to it. From the point of view of the Turkish authorities and the potential suppliers, the operation’s advantage is that part of the TAPCO route coincides with the BTC route. Without co-operation from Russia, however, it will be impossible to guarantee that oil would be transported through this pipeline.

However, TAPCO and other options bypassing the Black Sea straits have an important rival – the **Trans-Balkan oil pipeline**. This has been promoted by Russia since 1994, and recently the project has made some considerable advances. The pipeline is intended to carry 37 million tonnes annually in its first phase, and its target capacity is planned at 50 million tonnes a year. The cost of the project is estimated at US\$1.2 billion. The route of the Trans-Balkan oil pipeline would run from the Bulgarian terminal of Burgas to Alexan-

Table 4. The already-operating and planned oil pipelines to Turkey, and projects for bypassing the Turkish Straits

Name	Route (length)	Annual capacity	Operator (cost)	Comments on the condition of the pipelines and bypasses
Kirkuk–Ceyhan	Kirkuk–Ceyhan (1876 km)	Realistically up to 25 million tonnes	BOTAS (no available data)	Constant target of sabotage in Iraq, which prevents the maximum capacity of up to 70 million tonnes from running.
BTC	Baku–Tbilisi–Ceyhan (1768 km)	Planned capacity up to 50 million tonnes	Consortium BTC-BP (US\$3 billion)	The largest operating bypass of the Black Sea straits, it supplies Azeri oil; Kazakhstan's contribution is still being considered.
Trans–Balkan	Burgas–Alexandroupolis (279 km)	Planned capacity up to 50 million tonnes	Consortium TBOPC (US\$1.2 billion)	Planned to supply Kazakh oil from CPC and Russia. As a bypass, the most important threat to BTC.
TAPCO	Samsun–Ceyhan (555 km)	Planned 55–70 million tonnes	Company TAPCO (US\$1.5 billion)	Proposal, after an initial feasibility study; will become unrealistic if progress on the TransBalkan route is made.
Kirkoy–Ibrice	Kirkoy–Ibrik-baba (198 km)	Planned up to 70 million tonnes	Andalu–Trans-neft (US\$900 million)	Feasibility study has been concluded; lack of support from the Turkish authorities.
Agva–Izmit	Agva–Izmit (40 km)	Planned 11–12 million tonnes	TUPRAS–Tat-neft (no data available)	An initial project of the route to the refinery in Izmit; it would not considerably reduce traffic in the Straits.
AMBPO	Burgas–Vlore (900 km)	Planned 36 million tonnes	Consortium AMBPO (US\$1.3 billion)	Initial feasibility study has been concluded; unrealistic, given the progress with the TransBalkan line.
PanEuropean	Constanta–Triest (1310 km)	Planned up to 40 million tonnes	Consortium PEOP (US\$2 billion)	Initial feasibility study has been completed; unrealistic, given the progress with the TransBalkan line.
Odessa–Brody	Odessa–Brody (675 km)	Realistically up to 12 million tonnes	UkrTransNafta (US\$500 million)	Used in the 'reverse mode' to Odessa to supply oil from Russia.
OBP	Odessa–Brody–Płock (745 km)	Up to 25 million tonnes planned	UkrTransNafta (US\$450 million)	Searching for project partners for many years. Little chance of Caspian supplies.
Druzba-Adria	Szazhalombatta–Sisak (200 km)	5–15 million tonnes planned	JANAF/MOL (US\$80-300 million)	Feasibility study completed; the 'reverse' project to Adria, to supply oil from Russia
EAP	Eilat–Ashkelon (254 km)	20–55 million tonnes possible	EAPC/TCGP (no data available)	Supplies oil from BTC; intended as a competitor to the transit of oil through the Suez Canal.

Sources: J. Roberts, *Bypassing The Bosphorus*, Platts Oil, London 2005 and materials quoted in the present text

droupolis in Greece. This option was studied from 2002, the governments of Russia, Bulgaria and Greece held negotiations as of 2005 in order to reach a transit agreement. On 15 March 2007, the intergovernmental agreement was signed, and the TBOPC consortium (with the majority of shares held by a Russian company, BAPC) was set up⁵⁵. In May 2007, an agreement was concluded between Russia and Kazakhstan to increase the export of Kazakh oil to the terminal in Novoros-

siysk from the current level of 23 to 40 million a year. In such a situation, the Trans-Balkan oil pipeline would receive oil from the CPC route (Tengiz–Novorossiysk), and challenge the rationale of implementing other projects⁵⁶.

Since May 2006, the Turkish ETKB and the Israeli Ministry of Infrastructure have been declaring their willingness to implement projects for submarine connections for the transit of oil, gas,

electricity and potable water to Haifa. One element of such a corridor would be the use of the Israeli route between the Mediterranean Sea and the Red Sea. The existing **Eilat–Ashkelon Pipeline (EAP)** can carry 55 million tonnes annually, but its current capacity does not exceed 20 million tonnes⁵⁷. The EAP mainly serves to import Russian and Azeri oil to Israel. It could also be used to transfer oil to Asian markets. Israel is ready to introduce a fee for using EAP at a rate which will compete with the tariffs set for tankers sailing through the Suez Canal and loaded in Ceyhan. The terminal in Ashkelon would service smaller tankers from Ceyhan, and the EAP oil pipeline would be used to load large ocean tankers in Eilat⁵⁸. The European Investment Bank has declared that it would finance the feasibility study of the EAP and other-than BTC-EAP connections between Turkey and Israel; the Turkiye Calik Group has strongly committed itself to the promotion of this corridor⁵⁹.

5.2. The transit routes of gas to Turkey and to other markets

The extensive network of export gas pipelines running from and to Turkey (the LNG terminal services the domestic network) is crucial to Turkey's plans of increasing its role in transit to the EU. Currently there are two connections from Russia and one from Iran; the opening of the route from Azerbaijan and the route to Greece is imminent. The Nabucco project and the plans for connections with Iran, Syria, Iraq and Turkmenistan are at various stages of advancement. Equally, there are offers of extending gas pipelines which would transport Russian gas to Israel and South Europe. Some of these projects may be mutually exclusive, and it remains in Turkey's optimal interest to implement most of these projects (see the listing in Table 5.).

The Trans-Balkan gas pipeline started operating in the years 1987–1988. The route was constructed on the basis of agreements by BOTAS with the Soviet Soyuzgazexport in 1986, and crosses Bulgaria to get to Malkoclar⁶⁰. In fact, it is an extension of the network of gas pipelines going through Ukraine and Romania to Bulgaria. It carries Russian gas to Turkey, and deliveries are carried out by TuRusGas⁶¹. Between 1992–1999, the

trans-Balkan gas pipeline had the capacity of 6 billion m³ annually. Then, as a result of agreements concluded between BOTAS and Gazprom in 1997–1998, together with modernisation work, the pipeline's capacity increased to 20 billion m³ annually, 14 billion m³ of which now goes to the Turkish market. However, this required modernisation of the Ukrainian section, which was used to transport 24 billion m³ of gas to the Balkans and Turkey⁶².

The Iranpipe gas pipeline started operations in January 2002. Its route runs between Tabriz in Iran and the Erzurum junction, and currently delivers 4 billion m³ a year. The construction of the pipeline was initiated by agreements in August 1996 between the governments of Turkey and Iran. It is operated by BOTAS and the Iranian state-owned company NIGC; the investments were made despite initial opposition from the US. As in the case of the Blue Stream line, the opening of this route was delayed due to Turkey's problems with receiving the contracted quantities of gas. Iran obviously did not want to lose its presence on the Turkish market. It is also interested in delivering its resources to EU markets through Iranpipe. According to the contract with BOTAS, the gas pipeline is intended to have a target capacity of 10 billion m³ in 2010, and up to 20 billion m³ when contracts with EU countries are signed. NIGC is aiming to deliver its gas to Greece. If Iranian gas enters EU markets, both the state authorities and BOTAS & NIGC have declared that they would like to further develop the Iranpipe's capacity up to 30-40 billion m³ by 2020. However, this depends on the situation in Iran's surroundings, the increased capacity of the Turkish network, and the implementation of the TGI projects Poseidon and Nabucco.

The Blue Stream Gas Pipeline was built by the Blue Stream BV Pipeline Company, set up in 1999. The basis for the project was an agreement in December 1997 between the governments of Russia and Turkey as well as between BOTAS and Gazprom⁶³. The cost of the construction amounted to nearly US\$2 billion, and its delayed opening took place in 2003. The Blue Stream pipeline is one of the more technologically challenging submarine connections, as a 390-km section of it runs underneath the Black Sea, linking the Russian port of

Table 5. Operating and planned gas pipelines to Turkey and the EU

Name	Route (length)	Annual capacity	Operator (cost)	Comments on the condition
Trans-Balkan Gaspipeline	Bulgarian network Makoclar–Istanbul (842 km)	14 billion m ³	TuRusGas (no data available)	Built in 1987–1988; opened in 1992.
Iranpipe	Tabriz–Erzurum (2577 km)	4 billion m ³ ; possible capacity of up to 10 billion m ³	NIGC/BOTAS (no data available)	Opened in 2002; Iran would like to increase its capacity to 20 billion m ³ .
Blue Stream-1	Dzhubga–Black Sea–Samsun (1217 km)	1.3 billion m ³ ; planned capacity of up to 16 billion m ³	Gazexport (US\$2 billion)	Opened in 2003; Gazprom aims for its development and transit to the EU.
SCP/BTE	Baku–Tbilisi–Erzurum (1010 km)	Planned 7 billion m ³ ; the final target is 16 billion m ³	Consortium SCP (US\$953 million)	Opened in summer 2007. Plans to increase capacity to 22–30 billion m ³ .
TGI	Karacabey–Komitini (286 km)	Planned 3 billion m ³ ; the final target – 12 billion m ³	BOTAS/DEPA (US\$300 million)	Opened in autumn 2007; will serve as an extension of the SCP route.
Poseidon	Stavrilimenas–Ionian Sea–Otranto (280 km)	8–10 billion m ³	Poseidon Co. (US\$1.3 billion)	Implementation planned by 2012 as an extension of SCP and TGI.
Nabucco	Turkey–Bulgaria–Romania–Hungary–Austria (3282 km)	25–31 billion m ³	Consortium Nabucco (US\$5.8 billion)	Feasibility study and negotiations with banks underway. Implementation planned by 2015.
Two gas pipelines from Iran and Turkmenistan, through Iran linked with Nabucco (no name)	The first – Turkmenistan–Iran–Turkey (approx. 2000 km); the second one from Iran (Persian Gulf)–Turkey	Both gas pipelines intended to transport about 50 billion m ³	Iranian-Turkish consortium	The memorandum of understanding between Iran and Turkey signed at the beginning of July 2007; very initial stage. The US's approach is decidedly negative.
TCGP	Turkmenbashi–Caspian Sea–Baku (230 km)	16–20 billion m ³	No operator (US\$2.5 billion)	Not very realistic project, without intergovernmental agreements or consortium.
TransArab (Turkish section)	Aleppo–Iskenderun (200 km)	Planned 4-6 billion m ³ , the final target 18 billion m ³	BOTAS project	An extension of the networks of Arab countries to Turkey and the EU.
Iraqpipe	Iraqi reserves–Erzurum	10 billion m ³	BOTAS project	Not very realistic with Iraq's destabilisation.
South Stream	Russia (across the Black Sea)–Bulgaria (two extensions) a) Serbia–Hungary to Austria or Slovenia–Italy b) Greece (across the Ionian Sea) to Italy	30 billion m ³	Gazprom and ENI project	The project is in competition with the Nabucco route; estimated costs of realisation from 7 to 30 US\$ billion.
Blue Stream-2 (Israel option)	Samsun–Ceyhan–Haifa	7–8 billion m ³	Gazprom project	The project would be an extension of Blue Stream; less realistic than SEGP.

Sources: Materials cited in the present text

Dzhubga with the Turkish city of Samsun. In the years 2003–2006, the pipeline delivered 1.3 billion m³ gas annually to Turkey, whereas its target capacity is intended to be 16 billion m³ after 2010. The transported gas is then sold on the Turkish market by Gazexport⁶⁴. Gazprom is continuing its efforts to extend the Blue Stream with the aim of reaching Hungary and the EU markets or/and Israel with the transported gas. Towards the end of 2006, Gazprom completed a feasibility study for a second line of the Blue Stream as well as the option of extending the pipeline beyond Turkey (see below). An increase in the pipeline's capacity itself would require an additional investment estimated at no less than US\$1.3 billion⁶⁵.

The Southern Caucasus Baku–Tbilisi–Erzurum Gas Pipeline (SCP/BTE) officially began operations in December 2006, but supplies to Turkey actually started in June 2007. The pipeline runs through Azerbaijan and Georgia to Erzurum; the Turkish section is 318-km long⁶⁶. From October 2000, negotiations were held about possible markets in Georgia and Turkey. The plan is to exploit and export 16 billion m³ annually. In the period from 2001 to 2002, intergovernmental agreements were signed between Azerbaijan, Georgia and Turkey. Simultaneously, BOTAS contracted supplies of 6.6 billion m³ annually for 15 years from the Azeri state-owned company SOCAR. During the negotiations, it was also decided that SCP would guarantee 0.4–0.5 billion m³ of gas annually for Georgia at a preferential price. In December 2004, the SCP consortium was established, and it completed the construction of the pipeline for US\$953 million⁶⁷. The construction process was quite fast, as it was made easier by the fact that the BTC infrastructure had already been built, not to mention BP's commitment. Depending on further decisions and investments, the pipeline's capacity could be enhanced from 7–8 billion m³ to 22 billion m³ in 2015, and even up to 30 billion m³ in the longer term.

The Turkey-Greece Interconnector gas pipeline (TGI) linking Karacabey (Turkey) with Komitini (Greece) was opened in November 2007, and is currently under construction. Its intended capacity in the first phase is 0.75 billion m³, and then 3 billion m³; its target capacity for 2012 is 12 billion m³. In February 2003, the governments of

the two countries signed the agreement to build the pipeline; BOTAS and the Greek company DEPA concluded the relevant agreement in December 2003. The TGI project was backed by the EU from the very beginning, as the EU sees in it a mechanism for diversifying supplies in the south of the continent, as well as an instrument for building trust between Turkey and Greece. The cost of constructing this submarine connection between Turkish and Greek gas networks will reach about US\$300 million⁶⁸.

The project of the **Poseidon gas pipeline**, previously called the Greece-Italy Interconnector, is an extension of the TGI. In October 2006, DEPA and the Italian Edison-Gas SpA signed the agreement to construct the pipeline; it was supplemented in January 2007 by agreements between the governments of Greece and Italy and the agreements establishing Poseidon Company. The route of the gas pipeline runs underneath the Ionian Sea between Stavrilimenas (Greece) and Otranto (Italy). The cost of the project is estimated at US\$1.3 billion; after 2012 it would have the capacity of 8–10 billion m³⁶⁹. The implementation of both projects would imply the possibility of Turkey sending resources to a much larger market than the Greek one.

The planned Nabucco gas pipeline will supply gas from the Caspian Sea region and Iran, and possibly from Egypt and Iraq. Compared to the routes of the TGI and Poseidon, Nabucco is intended to secure supplies to Austria, Hungary, Bulgaria and Romania⁷⁰. This project, promoted by the Austrian OMV Gas company, has enjoyed EU support since 2003⁷¹. In the first stage, its intended capacity would be 15.5 billion m³ annually, at the second stage 25.5 billion m³, and as a target in the third phase, 31 billion m³ (after 2020). The cost of the project (the Turkish section, 1999 km) is estimated at US\$5.8 billion. In June 2005, BOTAS, Bulgargaz, Transgaz, MOL and OMV Gas set up Nabucco Gas Pipeline International Ltd.⁷². The new company has already devised a feasibility study, and is set to present a proposal for funding the project. By 2007, engineering studies had been conducted along the Nabucco route. Under the Austrian presidency of the EU, a proposal for the European Investment Bank to finance 30% of the project's costs was put forward. Also in June

2006, the European Commission and the energy ministers of Austria, Hungary, Romania, Bulgaria and Turkey committed to accelerating work on Nabucco. However, additional investors are still being sought, so that construction could begin in 2009, and the first supply of gas would be carried through Nabucco in 2012⁷³. However, the project has met with effective counter-measures from Gazprom, as well as the opposition from the US, which is against using the pipeline to import gas from Iran. At the beginning of July 2007, in order to ensure the supply of gas to the Nabucco gas pipeline, Turkey signed a memorandum of understanding with Iran to build **two new gas pipelines** for US\$2 billion, running from the border of Turkmenistan through Iran to Turkey (1500 km) and from the South Pars reserves to Turkey (2000 km). These pipelines would be linked with the Nabucco infrastructure. One of them would carry Turkmen gas, although Turkmenistan is not a party to this agreement. The conclusion of the agreement was met with criticism from the US and Russia⁷⁴.

The reactivation of the plan for **the Trans-Caspian Gas Pipeline (TCGP)** linking Turkmenistan with the Caucasus still appears quite problematic. In October 1998, BOTAS signed an outline agreement with the authorities in Ashkhabad about receiving Turkmen gas through the Trans-Caspian pipeline with a capacity of 16–20 billion m³. The initial costs of the TCGP construction underneath the Caspian Sea between the ports of Turkmenbashi and Baku is estimated at approximately US\$2.5 billion. After the completion of the gas pipeline and an increase in exports, a capacity of up to 30 billion m³ could be achieved⁷⁵. Turks and potential investors assumed that the TCGP route would be linked with the SCP/BTE gas pipeline which was planned at that time. General Electrics, Bechtel Group and RD Shell were interested in the construction of the trans-Caspian route, but in May 2001 they eventually withdrew from talks with Turkmenistan about the establishment of the PSG International consortium⁷⁶. One of the legal barriers for this submarine project was a lack of a definite delimitation of the Caspian Sea sectors of Turkmenistan and Azerbaijan. Under the presidency of Saparmurat Niyazov (Turkmenistan) and Geidar Aliev (Azerbaijan), the countries could not reach agreement over the size of their shares of

resources in transit to Turkey. In Ankara's opinion, the construction of the TCGP combined with that of the SCP and Nabucco would be an optimal solution to the problems of diversifying EU supplies⁷⁷.

Talks about Turkey's participation in **the project of the Trans-Arab Gas Pipeline**, linking Mediterranean Arab countries, are underway. The putative Turkish section of the trans-Arab gas pipeline would have the capacity of 4–6 billion m³ annually. BOTAS became involved in the feasibility study of gas supplies from Egypt by signing the related protocol in February 2000. In January 2004, the authorities of Egypt, Jordan, Syria and Lebanon concluded the agreement about the second phase of the project⁷⁸. The third stage of the project would be the construction of the connection between Aleppo in Syria and Iskenderun; this is initially planned for 2008. Gazprom is interested in modernising and extending the Syrian network. In March 2004, the Turkish Ministry of Energy and Natural Resources (ETKB) and the Egyptian Ministry of Petroleum signed an outline agreement to transit Egyptian gas through Turkey to the EU⁷⁹. BOTAS assumes that, in the case of agreements between exporters and recipients in the EU, it would be possible to reach the target capacity of 18 billion m³ of Egyptian gas in 2020 (and possibly also Iraqi gas). Gas from the trans-Arab pipeline would then be supplied to EU markets through the TGI, Poseidon and Nabucco pipelines.

The other idea of the Turkish companies, **the project of the Iraq pipe gas pipeline** mentioned in the outline agreement of 1996 and with the capacity of 10 billion m³, is also quite unlikely because of the situation in Iraq. The route of the pipeline would run along the yet unexploited reserves of northern Iraq to the transportation junction in Erzurum, partly along the oil pipeline from Kirkuk⁸⁰. This concept has not gone beyond the declaration stage, and the companies initially interested in it have not undertaken to prepare a feasibility study. The major problem is constituted by the gas infrastructure in northern Iraq, which has been damaged during the Iraqi-Iranian war, and prevents exploitation of the gas reserves in the provinces of Kirkuk and Mijala from being launched. Due to constant trouble with the transit of oil along the Kirkuk–Ceyhan

route, it is difficult to consider the Iraqpipe pipeline as a realistic project before 2015. Since autumn 2004, post-Saddam Iraq has been declaring its willingness to participate in the trans-Arab project, which seems more feasible than the Iraqpipe⁸¹.

Russia has proposed the extension of the Blue Stream pipeline from Turkey, **the South European Gas Pipeline project (SEGP)**. This gas pipeline would run from Turkey through Bulgaria, Serbia and Croatia to Hungary, which plays a key role in preventing Caspian and Middle East gas from entering the EU. Whereas the target market and distribution platform for Nabucco would be Austria, in the SEGP project this function would be fulfilled by Hungary⁸². The project has been promoted by Gazprom and the Hungarian MOL since June 2006; its initial costs are estimated at US\$4 billion. In comparison with Nabucco, the SEGP would not have problems with resource supply, which in this case would certainly be taken from Russia. The main arguments in favour of this route are as follows: developing Hungarian gas warehouses to 10 billion m³ in capacity, the fact that Hungary alone imports 9 billion m³ of gas annually, and that MOL holds shares in gas companies in Croatia, Slovakia and Bosnia-Herzegovina. The Hungarian authorities and MOL have suggested the possibility of combining the SEGP and Nabucco projects in one route to Hungary to their potential partners⁸³.

In Moscow, the Italian energy company Eni signed an agreement to establish a joint company which will commission marketing and technical feasibility studies for the project. In 2007, Russia withdrew from plans to build the second leg of Blue Stream, and presented a new project called South Stream. The 900-kilometre-long offshore section of South Stream would start from the Beregovaya compressor station on Russia's Black Sea coast, and would run across the Black Sea to Varna in Bulgaria. From Varna, the south-western route would continue through Greece and the Ionian Sea to southern Italy, and the north-western route would go through Serbia and Hungary, and then on to either Austria or Italy across Slovenia. The South Stream pipeline project was announced in Rome on 23 June 2007, when Eni and Russia's Gazprom signed a memorandum of understanding. On 22 November 2007,

Gazprom and Eni signed an agreement in Moscow to establish a joint company which will commission marketing and technical feasibility studies for the project.

There are also discussions over **the extension of the Blue Stream to Israel**. In this project, it is planned firstly to build a gas pipeline with the capacity of 12 billion m³ from Samsun to Ceyhan. Then two options of its extension have been considered: the construction of a submarine gas pipeline from Ceyhan to the port in Haifa, or the construction of an installation to liquefy or re-gasify LNG in these two terminals. The outline agreement of February 2006 signed by Gazprom and BOTAS suggests that the preferred option is that of the gas pipeline with a capacity of 7–8 billion m³ annually, which corresponds to half of Israel's projected demand in 2010⁸⁴. The Russian and Israeli authorities should settle the issue of a potential contract for supplies from the Blue Stream within 2007⁸⁵. Regarding these plans, the Iranian authorities have warned Ankara and Moscow that the planned connection could not be used to re-export gas sent through the Iranpipe to Israel⁸⁶. Given the importance of EU markets to Gazprom, it seems that the SEGP/Blue Stream to Hungary has a better chance of being implemented.

6. Conclusions and forecasts

Turkey has been seeking for over a decade to become the 'bridge' between Europe and the neighbouring exporters of hydrocarbons. As it does not have its own gas and oil reserves, Turkey is an attractive market for them. Turkey's diplomatic and economic activity has allowed a substantial diversification of oil imports. The country's accelerated gasification, combined with the economic crises of the 1990s and its high dependence on Russian gas, have made the diversification of gas supplies impossible. Reviewed forecasts for domestic gas demand, the full implementation of EU standards in the areas of energy security, and the protection of the environment will be of great importance to the success of Turkey's energy policy.

In the light of the situation described above, Turkey is faced with the necessity of accelerating the

construction (with potential partners) of new routes to the country allowing for the re-export and transit of gas onto EU markets. Even if only part of the projects is implemented, Turkey will be one of the major arteries of gas supply to the EU, thus reducing volumes of transit through Ukraine and Belarus. Ankara's ambitions are limited by economic, technological and political barriers arising with the oil and gas exporters in the Caspian Sea & Black Sea regions and the Middle East. The possibilities of overcoming these limitations hinge on a series of agreements among state authorities, investors and lenders. Turkey's calculations will still be largely influenced by the politics and strategic interests of the US, the EU and Russia.

In the future Turkey will be an important transit country for oil from Russia, Kazakhstan, Azerbaijan and Iraq. Between 2010 and 2015, the rivalry between pipelines bypassing the Turkish Straits and carrying oil from Kazakhstan and Russia is likely to be settled. Currently, the construction of the pipeline from Burgas to Alexandroupolis, circumventing Turkey and posing a real threat to the BTC, is more probable. The future and volume of gas transit to the EU is also unclear, although its significance for the EU's security and Turkey's regional position is undisputed. By 2015, gas pipelines from Russia and Azerbaijan, together with Turkey's connections with EU markets, should be operating at full capacity. Financial and political obstacles may present a serious difficulty for the transit of gas from Egypt, Iraq and Iran through Turkey to the EU. These stumbling blocks could be overcome thanks to a liberalisation of Iran's political system, an improvement in Tehran's relations with the US, and a stabilisation of the situation in Iraq. If reforms in Iran do not arise, the EU's approach to its collaboration with Tehran, despite opposition from the US, will be vital to the further development of the situation.

Marcin Andrzej Piotrowski

¹ The data on trends on the Turkish energy market and its organisation come from the International Energy Agency, Energy Policies of IEA Countries: Turkey Review, IEA/OECD Publications, Paris 2005 and the Energy Information Administration, Country Analysis Brief: Turkey, U.S. Department of Energy, Washington DC, October 2006.

² Because of the lesser or insignificant importance of the electricity sector for foreign policy and Turkey's international position, the present text focuses on oil and gas sectors.

³ A. Kubeli, The Strategic Implications Of Our Energy Needs, *Turkish Daily News*, 21 May 2007.

⁴ In March 2003, two companies responsible for energy production (EUAS) and energy distribution (TETAS) were isolated from TEAS. The process of liberalising the electric energy market was however slowed down in 2004.

⁵ The plant was built by the German company STEAG for US\$1.5 billion.

⁶ GAP is the project that has been being implemented since the 1970s; it is aimed to construct 22 dams and 19 hydroelectric plants; its full completion by 2010 will cost US\$23 billion.

⁷ The cost of the first reactor is estimated at US\$2.7 billion. The possibility of extending the nuclear plant with another three reactors (up to 5,000 MW) is also considered. Currently in Turkey there is only one 250 kW research reactor in the Istanbul ITI institute. See more: W. Broad, D. Singer, With Eye On Iran, Rivals Also Want Nuclear Power, *New York Times*, 15.04.2007 and Caught In The Fray: Turkey Enters Debate On Iran's Nuclear Program, *Christian Science Monitor*, 2.02.2006.

⁸ The data on oil and gas consumption in 2005 quoted after: British Petroleum, BP Statistical Review of World Energy, London, June 2006.

⁹ Nearly analogous proportions apply to Turkish imports of petroleum-based products.

¹⁰ In recent years, TPAO has established companies with RD Shell, BP-Amoco, Chevron and ExxonMobil to explore submarine reserves. See: <http://www.tpao.gov.tr>.

¹¹ Since September 2005 shares in TUPRAS have been held by Koc-Shell JV Group, the investor of US\$4.1 billion. The company DITAS, which is responsible for supplying oil to refineries, is part of the company. See: <http://www.tupras.com.tr>.

¹² Since May 2007, 35.3% of shares in POAS have been held by the Austrian OMV, 47% by the Turkish private company Dogan Petrol Yatirimlari, and the remainder by maller investors and the ETKB.

¹³ Shareholders in ATAS are Exxon-Mobil (51%), RD Shell (27%), BP Amoco (17%) and the Turkish Marmara Petrol (5%).

¹⁴ The possible new refineries will however be built by private investors, not by the state-owned TUPRAS. The Indian Oil Company and POAS are potentially interested in constructing new refineries in Ceyhan; the Russian company Lukoil is interested in building refineries in Samsun or Zonguldak.

¹⁵ Domestic reserves are estimated at 8 billion m³ and exploited at the rate of 0.4–0.6 billion m³ a year. The reserves are exploited by TPAO in the region of Gelibolu and the southern part of the Black Sea. The latter are being exploited with the help of BP Amoco and Chevron.

¹⁶ Over 60% of Turkish households have access to gas.

¹⁷ See more about trends and the government's projections until 2020 in O. Yilmaz, T. Usulu, *Energy Policies of Turkey during the period 1923-2003*, Energy Policy, Volume 37, No. 1, 2007, p. 258–264.

¹⁸ The LNG terminal in Marmara, Ereğlisi, began operations in August 1994; like the network of domestic gas pipelines it belongs to BOTAS, and it has a maximum capacity of 5.2 billion m³ a year.

¹⁹ See more: A. Hakan, *Energy Decision-Making: The Turkish Case, Perceptions*, Volume 5, No. 3, 2000, p. 170–179.

²⁰ The natural gas market act allows for the full privatisation and liberalisation of the sector, increased foreign investments in infrastructure, and the harmonisation of the gas policy with EU standards.

²¹ The Turkish VAT rate on natural gas and petroleum products is 18%.

²² Within 5–10 years of the opening of the planned gas pipelines, the total length of the Turkish gas network may amount to over 10,000 km. See: <http://www.botas.gov.tr>

²³ Gas is mainly consumed (70%) in the winter season, between December and March.

²⁴ World Bank, *Recent Gas Dispute Stresses Importance Of Gas Storage In Turkey*, Ankara 2006.

²⁵ Key oil reserves lie in the countries of the Persian Gulf (up to 61% of global reserves), North Africa (4.4%), Russia (6.2%) and the Caspian Sea region (4%). Reserves of natural gas in Russia and the Persian Gulf are also very substantial (26.1% and 40.1% respectively); gas reserves in North Africa (4.4 % of global reserves) and the Caspian Sea (5.2%) are comparable.

²⁶ Compare I. Cem, *Turkey In the New Century*, Rustem Publisher, Ankara 2001, p. 67–97.

²⁷ Saudi Arabia has the biggest reserves in the world and surpluses of capacity and export, which makes it the swing producer of the oil market. From time to time, the approach of Saudi Arabia and the Gulf Arab states to the price policy is subject to disputes with Iran. Riyadh is a traditional political partner of Ankara in the region, and a key supplier of oil to the Turkish market.

²⁸ See A. H. Cordesman, K. R. Al-Rodhan, *Iranian Nuclear Weapons? The Options If Diplomacy Fails*, p. 13–29, CSIS, Washington DC 2006.

²⁹ The foreseen export through gas pipelines or export of LNG from Libya and Algeria will directly go to markets of South Europe, mainly to Spain and Italy. See: *Observatoire Mediteraneen de l'Energie, Medsupply: Final Report*, Brussels, June 2003, p. 2–15.

³⁰ With the present gas consumption in Uzbekistan alone and lack of investments, its bigger export is quite unrealistic. Also limited oil reserves in Uzbekistan and Turkmenistan will be used mainly for the countries' own needs. Compare: *Kłopotliwe bogactwo: Sytuacja i perspektywy sektorów ropy i gazu na obszarze byłego ZSRR [Embarrassing richness: Situation and Prospects for Oil and Gas Sectors in the area of the former USSR]*, Prace OSW, No. 12, Warsaw, December 2003 and International Crisis Group, *Central Asia's Energy Risks*, Brussels, May 2007, p. 6–19.

³¹ Iran suggested swap operations to some consortiums; for example, in exchange for supplies of Azeri and Kazakh oil it would give the recipient the same quantities of its resources

in the Persian Gulf terminals. Swap operations would be cheaper than using pipelines, but political reasons make it impossible to use swap operations more widely. Iran also has connections with Turkmenistan's gas network and receives 3–5 billion m³ of gas annually to meet the needs of its northern provinces. However, Iran wants to prevent the transit of gas at competitive prices from Turkmenistan to the EU.

³² The sign of the Caspian issue's growing importance for the US was the appointment of a special coordinator for the region in the Democratic administration [the White House's Ombudsman for Energy and Commercial Relations with the New Independent States], a position then held by Ambassador Jan Kalicki (1997–2000).

³³ R.B. Cheney and the National Energy Policy Development Group, *National Energy Policy: Reliable, Affordable and Environmentally Sound Energy for America's Future*, White House-GPO, Washington DC, May 2001, p. 61–68.

³⁴ AP, *Turkey Plans To Extend Gas, Oil And Water Pipelines To Israel*, *Haaretz*, 16 January 2007.

³⁵ Compare Cheney Rebukes Putin on Democracy, Energy Blackmail, *Financial Times*, 4 May 2006 and Rice To Pressure Greece To Reject Gazprom Proposal, *Financial Times*, 24 April 2006.

³⁶ European Commission, *Green Paper On Secure, Competitive and Sustainable Energy For Europe*, Brussels March 2006, p. 3; also compare the report of several research institutes for the European Commission, *European Energy and Transport: Trends To 2030*, Luxembourg 2006, p. 25–27.

³⁷ The EU institutions also stress the importance of environmental issues in the EU-Turkey partnership. Compare the European Commission, *Issues Arising From Turkey's Membership Perspective*, Brussels, October 2004, p. 25; K. Mecklenburg, *EU-Turkey Relations In The Field Of Energy*, Policy Department of European Parliament, April 2006, p. 3, and the European Commission, *Black Sea Synergy*, Brussels, April 2007, p. 5.

³⁸ The integration of Turkey and the Balkans within REMSEE started in 2003 and should have been completed in 2007.

³⁹ One element of this policy was the Eurasia Partnership Action Plan memorandum signed in 2002 by the Russian and Turkish Ministries of Foreign Affairs.

⁴⁰ Following the financial crisis of 2001, Ankara could not collect the contracted supplies of gas in 2002, when the Blue Stream route was practically ready for use. In 2003 Gazprom took this case to the International Arbitration Court in Stockholm. As a result of the settlement between the two parties, the route was eventually opened. In the aftermath of this conflict, renegotiations of the earlier contracts are still in progress, including the claim to standardise prices of gas transported through the two routes by Gazprom subsidiaries.

⁴¹ See more about Gazprom's strategy for the EU states and candidate states: E. Paszyc, *Gazprom w Europie 2006: przyspieszenie ekspansji [Gazprom in Europe 2006: accelerated expansion]*, Centre for Eastern Studies, Warsaw, February 2007.

⁴² Compare: E. Paszyc, *Gazowy OPEC czy gazowy straszak? [Gas OPEC or gas bogey?]*, *Tydzień na Wschodzie*, No. 6, 12.04.2007 and A. Jarosiewicz, *Wizyta prezydenta Putina*

w Azji Centralnej: sukces propagandowy [President Putin's visit to Central Asia: propaganda success], *Tydzien na Wschodzie*, No. 10, 16.05.2007.

⁴³ The Montreux Convention introduced freedom of sailing through the Turkish Straits; however, consistently with the law of the sea the water region of the Sea of Marmara is under Turkey's sovereign jurisdiction, which guarantees Turkey the right to control ships. See more: Y. Inan, *The Turkish Straits*, in: A. L. Karaosmanoglu, S. T. Syfi (ed.), *The Europeanization of Turkey's Security Policy: Prospects and Pitfalls*, Bilkent University Press, Ankara brw, p. 159–177.

⁴⁴ The Dardanelles has the length of 70 km long and the width of 1,300–2,000; the Bosphorus in its narrowest point has the width of only 700 m. The navigation of large ships is exacerbated by frequent fog, even in case of the limited transit. Ship owners' reluctance to employ Turkish pilots has contributed to more frequent accidents in this water region. In 1994, a minor collision of the Cypriot tanker *Nassia* took place. According to Ankara's statistics, in the years 1996–2003 the number of ships with dangerous cargoes increased from 5,657 to 8,114; see the constantly updated material of the Turkish Ministry of Foreign Affairs Turkish Straits: <http://www.mfa.gov.tr/grupa/ad/adb/default.htm>

⁴⁵ See more about problems connected to using the Turkish Straits in the 1990s: International Energy Agency, *Black Sea Energy Survey*, IEA-OECD Publications, Paris 2000, p. 133–144.

⁴⁶ Based on calculations in the paper by J. Nanay, *Black Sea Crude and Oil Products*, PFC Energy, Washington DC, October 2006, p. 1–13.

⁴⁷ Compare the Energy Information Administration, *Iraq Country Analysis Brief*, Washington DC, June 2006, p. 6.

⁴⁸ AIOC was set up mainly to exploit oil and gas from the Azeri Chirag/Guneshli oil reserves; it is intended to reach its maximum production level in 2009. The reserves contain about 5.4 billion barrels of oil and 180 billion m³ of gas. Currently, the consortium is made up as follows: BP (34.13%), SOCAR (10%), Unocal (10.2%), LUKoil (10%), Statoil (8.56%), Exxon-Mobil (8%), TPAO (6.75%), Devon (5.62%), Itochu (3.92%) and AmeradaHess (2.72%).

⁴⁹ The route crosses Azerbaijan (443 km), Georgia (249 km) and Turkey (1076 km). The investments in the Turkish section reached US\$1.4 billion. See <http://www.btc.com.tr/eng/project.html> and <http://www.btcinvestment.com>

⁵⁰ The consortium was established by the following shareholders: BP (30.1%, the project's operator), SOCAR (25%), Unocal (8.9%), Statoil (8.71%), TPAO (6.53%), ENI (5%), Total (5%), Itochu (3.4%), Inpex (2.5%), ConocoPhillips (2.5%) and AmeradaHess (2.36 %).

⁵¹ The shareholders in the Agip-KCO consortium are ENI-Agip (operator) 16.67%, British Gas (16.67%), ExxonMobil (16.67%), TotalFinaElf (16.67%), RD Shell (16.67%), Inpex (8.33%) and Conoco Phillips (8.33%).

⁵² The president of this company is Ahmet Calik, who has close connections with the ruling Justice and Development Party (AKP).

⁵³ The TAPCO feasibility study was published in March 2006; the engineering study was set to be completed by spring 2007. Quoted from the TCE/ENI paper *Trans-Anatolia Pipeline Project*, Istanbul, December 2006.

⁵⁴ C. Watson, TAPCO begins construction of Samsun–Ceyhan oil pipeline, *Energy Business Review*, 25 April 2007, and the paper by C. Dima, *Bapline: Why the Burgas–Alexandroupolis Pipeline?*, Vienna, November 2005.

⁵⁵ BAPC is a company whose shares are held by Transneft, Rosneft and Gazpromneft. Apart from them (51% in total), the remaining shareholders in TBOPC are the Bulgarian companies Bulgargas and TransExportStroi (24.5%) and the Greek Hellenic Petroleum & others (24.5%).

⁵⁶ Russia has manipulated the capacity of 1510 km of the CPC oil pipeline from Tengiz to Novorossiysk by releasing up to 28 million tonnes. The development of its capacity evidently depended on Astana's agreement to ensure parallel oil contribution to the Trans-Balkan pipeline. Compare E. Watkins, *Kazakhstan, Russia Join In Oil Pipeline Project*, *Oil & Gas Journal*, 14 May 2007.

⁵⁷ EAP can also be used again in 'reverse mode' to carry oil from Eilat to Ashkelon. See papers on the EAPC website: <http://www.eapc.co.il/about.html>

⁵⁸ See more in J. Nanay, *Azerbaijan: Israel Focuses On Pipelines*, PFC Energy Memo, 19 June 2006.

⁵⁹ Compare E. Lefkovits, *Israel And Turkey Plan Energy Pipeline*, *Jerusalem Post*, 11 May 2006 and Turkey, Israel Agree On Pipeline Linking Black Sea And Red Sea, *Haaretz*, 15 December 2006.

⁶⁰ The gas pipeline was built by the Transbalkan AS company, established by Sojuzgazexport and BOTAS.

⁶¹ The shareholders in TuRusGas are Gazprom (45%), BOTAS (35%) and the Turkish company Gamma AS (20%).

⁶² To this end, the consortium Gaztranzyt was set up in 1997; its shareholders are Gazprom (37%), Naftohaz (37%) from Ukraine, TuRusGas (18%) and Transbalkan AS (8%).

⁶³ The Blue Stream BV Pipeline Company is a subsidiary of Gazprom and Italian ENI, registered in the Netherlands. It has provided suitable technologies and is responsible for the project logistics. See more about the technical parameters of Blue Stream on: <http://www.gazprom.com/eng/articles/article8895.shtml>

⁶⁴ Gazexport is obviously part of Gazprom.

⁶⁵ Gazprom to Study Blue Stream-2 Pipeline By Year-End, *Turkish Daily News*, 16 September 2006.

⁶⁶ This is where the original name of the pipeline Baku–Tbilisi–Erzurum (BTE) comes from. SCP services run exports from the Azeri gas reserves of Shah Deniz, which are estimated at about 625 billion m³.

⁶⁷ The SPC gas pipeline's operators are BP–Amoco and Statoil (each holds 25% of shares), the remaining shareholders are TPAO, SOCAR, Total, LUKoil and NICO (each has 9–10%). The structure of shares in the SCP consortium is identical to that of the consortium exploiting the Shah Deniz reserves.

⁶⁸ The submarine section of the TGI would be only 17 km long. See also the papers of the Turkey-Greece Natural Gas Pipeline Project on the BOTAS website: <http://www.botas.gov.tr/eng/projects/allprojects/greece.asp>.

⁶⁹ See also the paper 'Energy Affairs' from the Greek Ministry of Foreign Affairs, available at <http://www.mfa.gr/www.mfa.gr/en-US/Economic+Diplomacy/Energy+Affairs>.

⁷⁰ A substantial part of the gas carried through Nabucco (10 billion m³ annually) is intended to be delivered to the

gas transportation junction in Baumgarten in Austria; the rest would be supplied to Hungary, Romania and Bulgaria.

⁷¹ UE popiera gazociąg Nabucco z Kaukazu do Austrii [EU supports Nabucco gas pipeline from Caucasus to Austria], *Gazeta Wyborcza*, 26 June 2006.

⁷² A joint venture of five companies replaced the Nabucco Company Pipeline Study Gmb, founded a year earlier.

⁷³ See <http://www.nabucco-pipeline.com>

⁷⁴ Iran gazi tartismasi sertlesiyor, *Milliyet*, 19 July 2007, <http://www.milliyet.com/2007/07/18/ekonomi/axeko02.html>

⁷⁵ Delivering gas exported from Kazakhstan through the TCGP was considered.

⁷⁶ See Turkmenistan-Turkey-Europe Natural Gas Pipeline Project on the BOTAS website: <http://www.botas.gov.tr/eng/projects/allprojects/trans.asp>

⁷⁷ M. Hasano, EU's Nabucco Project, Which Is Definitely Not A Dream, *Turkish Weekly*, 30 April 2007.

⁷⁸ In July 2003 the first part of the gas pipeline between Egypt and Jordan was opened; it will then be extended to Lebanon and Syria. Compare G. Butt, Will Mideast Gas Pipeline Spur Cooperation?, *Daily Star*, 20 July 2004.

⁷⁹ See also Egypt-Turkey Natural Gas Pipeline Project, available on the BOTAS website: <http://www.botas.gov.tr/eng/projects/allprojects/egypt.asp>

⁸⁰ On the Turkish side, the project has been promoted by BOTAS, TPAO and Tekfen. ENI–Agip (a possible operator of the reserves in Iraq) and Gas de France (a possible project coordinator) were also interested in it. See also Iraq–Turkey Natural Gas Pipeline Project at <http://www.botas.gov.tr/eng/projects/allprojects/iraq.asp>

⁸¹ Energy Information Administration, Iraq Country Analysis Brief, Washington DC, June 2006, p. 10–11.

⁸² Rosyjska odpowiedź na projekt Nabucco [Russian response to the Nabucco project], *Tydzień na Wschodzie*, No. 33, 16 March 2006.

⁸³ See J. Dempsey, Largest Energy Company In Hungary Takes Practical Approach To Russia, *International Herald Tribune*, 28 March 2007.

⁸⁴ L. Ohrstrom, Turkey-Russia Seal Gas-Pipeline Deal, *Daily Star*, 3 March 2006.

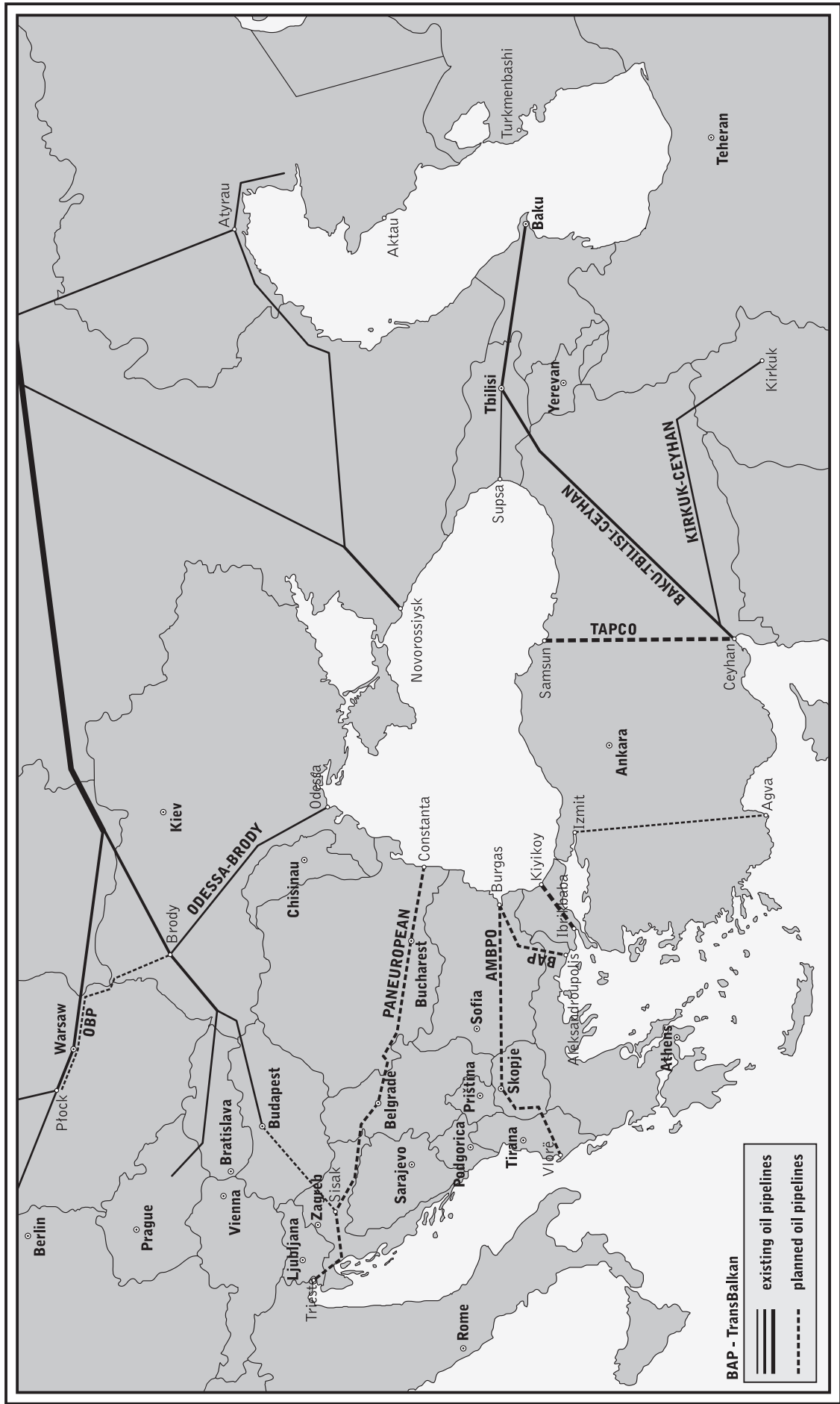
⁸⁵ W ciągu roku Izrael podpisze z Gazpromem umowę o dostawach gazu [Within one year Israel will sign gas supply agreement with Gazprom], *Gazeta Wyborcza*, 20 March 2006.

⁸⁶ Tehran Fears Turkey Could Reexport Iranian Gas To Israel, *New Anatolia*, 26 December 2006, s. 6–19.

Map 1. Northern and Southern Caucasus



Map 2. Existing and planned oil pipelines



Map 3. Existing and planned gas pipelines

