

# Turkey



## Transatlantic Relations



Sasha Toperich and Aylin Ünver Noi, Editors



# Turkey and Transatlantic Relations

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## Preface

Turkey's place in the NATO alliance and Western institutions dates back to the years following World War II, when in 1947 U.S. President Harry S. Truman announced that the United States would provide political, military and economic assistance to all democratic nations under threat from external or internal authoritarian forces. Truman's doctrine informed U.S. Marshall Plan support for Turkey and facilitated Turkey's membership in most Western institutions formed over the course of the Cold War, including the OECD, NATO, the Council of Europe and the OSCE. Turkey also developed its relations with the member states of the European Union, building a Custom Union and launching its candidacy for membership.

Today, many foundational elements linking Turkey to its Western allies and partners are being questioned. Dynamics across Turkey's neighborhood—including the rise and fall of the co-called Islamic State, waves of migrants, or Russia's efforts to project power and influence—are generating new uncertainties and tensions with regard to Turkey's role, its relationships and allegiances.

With these challenges in mind, we asked a number of eminent authors to address a broad set of issues related to Turkey and its role in transatlantic relations, ranging from historical and institutional relations to Turkey's multi-vector foreign policy and its impact on contemporary relations across the North Atlantic. The result is this comprehensive volume. I am particularly pleased that our authors have not limited themselves to description, but are also bold enough to move to prescription. Many propose creative ways to rebuild and strengthen the alliance between Turkey and its transatlantic partners. At this time of fundamental and often disorienting changes, their ideas add value to our debates.

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The opinions expressed in the following chapters are the authors' alone, and do not necessarily reflect the views of any government or institution, or those of their fellow contributors.

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## List of Abbreviations

|             |  |
|-------------|--|
| ACG         | Azeri-Chirag-Deepwater Gunashli                                    |
| AIB         | Asian Infrastructure and Investment Bank                           |
| AIOC        | Azerbaijan International Operating Company                         |
| AK Party    | Adalet ve Kalkinma Partisi (Justice and Development Party)         |
| ANAP        | Anavatan Partisi (Motherland Party)                                |
| ATC         | American-Turkish Council   |
| A2/AD       | Anti-Access/Area Denial  |
| BCG         | Boston Consulting Group  |
| Bcm         | Billion cubic meters   |
| BIT         | Bilateral Investment Treaty  |
| BLACKSEAFOR | Black Sea Naval Cooperation Task Group                             |
| BRI         | The Belt and Road Initiative                                       |
| BRICS       | Brazil, Russia, India, China and South Africa                      |
| BSEC        | Black Sea Economic Cooperation                                     |
| BSS         | Black Sea Synergy  |
| BTC         | Baku-Tbilisi-Ceyhan  |
| BTE         | Baku-Tbilisi-Erzurum   |
| BTK         | Baku-Tbilisi-Kars  |
| CAP         | Common Agriculture Policy  |
| CEE         | Central and East European  |
| CENTO       | Central Treaty Organization  |
| CEPR        | Centre for Economic Policy Research                                |
| CFE         | Treaty on Conventional Armed Forces in Europe                      |
| CICA        | Conference on Interaction and Confidence Building Measures in Asia |
| CoE         | Council of Europe  |
| CoMENA      | Council of Middle East and North Africa                            |
| CPEC        | China-Pakistan Economic Corridor                                   |
| CPMIEC      | China Precision Machinery Import-Export Corporation                |
| CSCE        | Conference on Security and Cooperation in Europe                   |
| CSCP        | Caucasus Stability and Cooperation Pact                            |
| DCFTA       | Deep and Comprehensive Free Trade Agreement                        |
| DEİK        | Foreign Economic Relations Board of Turkey                         |
| DESA        | Department of Economic and Social Affairs                          |
| DHKP-C      | Revolutionary People's Liberation Party/Front                      |

|         |   |
|---------|---|
| DP      | Demokrat Parti (Democrat Party)                             |
| DPT     | State Planning Organization                                 |
| EAEU    | Eurasian Economic Union                                     |
| EaP     | Eastern Partnership   |
| EC      | European Community  |
| ECHR    | European Convention on Human Rights                         |
| ECO     | Economic Cooperation Organization                           |
| EEC     | European Economic Community                                 |
| EEZ     | Exclusive Economic Zone                                     |
| EFTA    | European Free Trade Area                                    |
| ENP     | European Neighborhood Policy                                |
| EOKA    | National Organization of Cypriot Fighters                   |
| ESDP    | European Security and Defense Policy                        |
| ETIM    | East Turkestan Islamic Movement                             |
| EU      | European Union  |
| EUFOR   | European Union Force Althea                                 |
| FATF    | Financial Action Task Force on Money Laundering             |
| FDI     | Foreign Direct Investment                                   |
| FETÖ    | Fetullah Terrorist Organization                             |
| FIU     | Financial Intelligence Unit                                 |
| FRONTEX | Frontières Extérieures                                      |
| FTA     | Free Trade Agreement  |
| FTF     | Foreign Terrorist Fighter                                   |
| FSA     | Free Syrian Army  |
| FSECC   | Framework for Strategic Economic and Commercial Cooperation |
| GCTF    | Global Counterterrorism Forum                               |
| GDP     | Gross Domestic Product                                      |
| GMO     | Genetically Modified Organisms                              |
| GNA     | Government of National Accord                               |
| GSP     | Generalized System of Preferences                           |
| GVCs    | Global Value Chains   |
| IDP     | Internally Displaced Person                                 |
| IEA     | International Energy Agency                                 |
| IGEC    | Israel-Gulf Economic Corridor                               |
| IKV     | Economic Development Foundation (İktisadi Kalkınma Vakfı)   |
| IMF     | International Monetary Fund                                 |
| IPR     | Intellectual Property Rights                                |

|       |   |
|-------|---|
| IRS   | Internal Revenue Service                              |
| ISIS  | Islamic State of Iraq and Syria                       |
| KFOR  | Kosovo Force  |
| LNG   | Liquid Natural Gas                                    |
| MASAK | Turkey's Financial Intelligence Unit                  |
| MENA  | Middle East and North Africa                          |
| MOU   | Memorandum of Understanding                           |
| NATO  | North Atlantic Treaty Organization                    |
| NEI   | National Export Initiative                            |
| NGO   | Non-Governmental Organization                         |
| NPPs  | Nuclear power plants                                  |
| NTBs  | Non-Tariff Barriers                                   |
| OBOR  | One Belt One Road (The Belt and Road Initiative-BRI)  |
| ODIHR | Office for Democratic Institutions and Human Rights   |
| OECD  | Organization for Economic Cooperation and Development |
| OEEC  | Organization for European Economic Cooperation        |
| OPIC  | Overseas Private Investment Corporation               |
| OSCE  | Organization for Security and Cooperation in Europe   |
| PACE  | Parliamentary Assembly of the Council of Europe       |
| PISA  | Program for International Student Assessment          |
| PKK   | Kurdistan Workers' Party                              |
| PTA   | Preferential Trade Agreement                          |
| PYD   | Democratic Union Party                                |
| RAU   | Risk Analysis Units                                   |
| RFOM  | OSCE Representative on Freedom of the Media           |
| R&D   | Research and Development                              |
| SAA   | Stabilization and Association Agreement               |
| SCO   | Shanghai Cooperation Organization                     |
| SCP   | South Caucasus Pipeline                               |
| SDA   | Party of Democratic Action                            |
| SDF   | Syrian Democratic Forces                              |
| SEECF | Southeast European Cooperation Process                |
| SGC   | Southern Gas Corridor                                 |
| SME   | Small and Medium-sized Enterprise                     |
| SNPTC | State Nuclear Power Technology Corporation            |
| SOCAR | The State Oil Company of Azerbaijan Republic          |
| SOEs  | State-Owned-Enterprises                               |
| SOWG  | Senior Officials Working Group                        |
| SPS   | Sanitary and Phytosanitary Standards                  |

|        |   |
|--------|---|
| TAP    | Trans-Adriatic Pipeline                           |
| TABD   | Transatlantic Business Dialogue                   |
| TACCI  | Turkish American Chamber of Commerce and Industry |
| TANAP  | Trans-Anatolia Natural Gas Pipeline               |
| TEC    | Transatlantic Economic Council                    |
| TIFA   | Trade and Investment Framework Agreement          |
| TIP    | Turkistan Islamic Party                           |
| TİKA   | Turkish Cooperation and Development Agency        |
| TİSA   | Trade in Services Agreement                       |
| TOBB   | Turkish Union of Chambers and Commodity Exchange  |
| TPAO   | Turkish Petroleum Corporation                     |
| TPP    | Trans-Pacific Partnership                         |
| TRNC   | Turkish Republic of Northern Cyprus               |
| TTIP   | Transatlantic Trade and Investment Partnership    |
| TUFTA  | Turkey-U.S. Free Trade Agreement                  |
| TUSIAD | Turkish Industry and Business Association         |
| UAV    | Unmanned Aerial Vehicles                          |
| UFT    | Under-secretariat for Foreign Trade               |
| UK     | United Kingdom                                    |
| UN     | United Nations                                    |
| UNCCT  | UN Counter Terrorism Center                       |
| UNCLOS | UN Convention on the Law of the Sea               |
| UNHCR  | United Nations High Commissioner for Refugees     |
| UNSC   | United Nations Security Council                   |
| U.S.   | United States                                     |
| USSR   | Union of Soviet Socialist Republics               |
| USTR   | U.S. Trade Representative                         |
| VLD    | Visa Liberalization Dialogue                      |
| WEU    | Western European Union                            |
| WTO    | World Trade Organization                          |
| WWI    | First World War                                   |
| WWII   | Second World War                                  |
| YPG    | People's Protection Unit                          |

# Introduction

*Sasha Toperich and Aylin Ünver Noi*

When in March of 1947, the U.S. President Harry Truman decided to implement doctrine aimed to “assist and support free people who are resisting attempted subjugation by armed minorities or outside pressures,” he also planted the seeds of Turkey and Transatlantic relations.<sup>1</sup> A few months later, in June 1947, U.S. Secretary of State George C. Marshall proposed a European recovery program, now widely known as the “Marshall Plan,” establishing the roots of the Transatlantic alliance. The Plan required the war-torn countries of Europe to act in partnership and develop guidelines for their own reconstruction. Through the Marshall Plan, the U.S. provided immense humanitarian and economic aid to rebuild Western Europe. Seventeen European countries, including Turkey, received benefits. By mid-1948, the Marshall Plan helped restore most of Europe into or above pre-war industrial levels.

The Marshall Plan did not only contribute to ending the conflict, integration, and peace, but has also brought the U.S. and Europe closer together, shaping Transatlantic relations and establishing a liberal international order based on economic openness, cooperative security, democratic solidarity, and multilateral institutions.<sup>2</sup> These principles paved the way to the establishment of IMF, World Bank, and NATO.

Along with cooperative security that contributed the European economic integration process and Transatlantic alliance, over 70 years of peace in Europe is a remarkable achievement of the U.S. Foreign policy. It was based on the notion that “the U.S. needs a strong partner in Europe”. Although the Truman Doctrine lost its viability after the Soviet Union collapse in 1991, fragments of the strategy were still shaping U.S. thinking. No U.S. administration came up with any other comprehensive plan to replace it until a major reassessment of the U.S. global role has prompted

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<sup>1</sup> Kaine, Tim, “A New Truman Doctrine: Grand Strategy in a Hyperconnected World,” *Foreign Affairs*, Vol. 96, No. 4, p. 38.

<sup>2</sup> Ikenberry, G. John, “The Plot Against American Foreign Policy: Can the Liberal Order Survive?” *Foreign Affairs*, Vol. 96, No. 3, May/June 2017, p. 3.

with the recent discussions began on the future of the international order and the U.S. leading global role.<sup>3</sup> Although the new Marshall Plans elsewhere emerged (China-led Belt and Road Initiative (BRI), also known as “modern Silk Road”) with potential to boost trade and stimulate economic growth across Asia and beyond, in the West, arguments questioning the legacy of Marshall Plan, Truman Doctrine and the future of the Transatlantic alliance were raised.

As a result of globalization, the world we knew for the last 70 years came to an end. Globalization accelerated but also shrank the world to unprecedented levels accepted by the most people today.<sup>4</sup> Transatlantic values –democracy, free enterprise- are still as essentials in addressing today’s challenges as they were in 1947. In this transitional period, the need for U.S. support and more solidarity to its Transatlantic allies in finding remedies for increasing complex transnational problems of our century is needed now as it was 70 years ago. As Madeleine Albright, former U.S. Secretary of State, said on June 5, 2017 at the Marshall Plan anniversary celebration (held at the Marshall house in Leesburg, Virginia), “the U.S. will be stronger if the U.S. has strong allies”.

In 70 years of Transatlantic alliance, crisis and divergent views led to tensions from both sides of the Atlantic but these temporary crises never turned into a structural, profound one. American impatience over unfair burden sharing is not a new issue. The challenge U.S. faced in searching ways to sustain international economic growth without creating as many losers as winners emerged as a topic in the U.S. What role in globalized world the state should play in regulating the winners and caring for losers were among the topics discussed. To further convince the U.S. that Transatlantic relations are mutually beneficial, underlining understanding of need for allies to accept more burden, was always present.<sup>5</sup>

Today, the U.S. and Europe face mounting challenges, including security in the region, an erosion of public confidence in institutions, and instability on Europe’s periphery. There are many questions waiting to be answered. How can the United States and Europe adapt to these growing

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<sup>3</sup> Ibid, p.37.

<sup>4</sup> Renard, Thomas and Biscop, Sven, Introduction in Thomas Renard and Sven Biscop (eds.) *The European Union and Emerging powers in the 21<sup>st</sup> Century: How Europe Can Shape a New Global Order*, Farnham: Ashgate, 2012, p. xv.

<sup>5</sup> Gompert, David C., America as Partner, in David C. Gompert and F. Stephen Larrabee (eds.) *America and Europe: A Partnership for a New Era*, Cambridge: Cambridge University Press, 1998, pp. 143-144.

complexities and strengthen transatlantic security? How can the United States and Europe reinvest in their shared values and tackle shared challenges?<sup>6</sup> The new developments also raise questions whether the Transatlantic partners are still “two halves of the same walnut,” (as U.S. President Harry S. Truman referred to Marshall Plan and NATO, in respect to help maintaining a secure environment for the development of democracy in Europe).<sup>7</sup> It also raises question whether “the United States and Europe were supposed to stand shoulder to shoulder to protect the gains reaped from 70 years of cooperation.”<sup>8</sup>

While these debates are continuing, this volume intends to assess the Turkey’s place in the Transatlantic alliance dating back from 1950s. In fact, already from the late Ottoman period, and more profoundly from 1923, Turkey’s western orientation and affiliation has been a major feature of Turkish foreign policy. Despite Turkey’s long-standing place in the Transatlantic alliance, recent developments, (in particular different perceptions, divergent interests, and approaches) raised questions on Turkey’s future in the Transatlantic alliance. In the past, such differences led to rifts that sometimes-loosened Transatlantic solidarity. Relationships were restored by paving new ways that revived it again. With this in mind, the authors of this volume do not only address the problems, they offer possible remedies that could help improve ties and foster stronger Turkey-Transatlantic relations. Our intention in this comprehensive book, first and foremost, was to provide background on a range of topics, to seek solutions and ways forward, particularly from Turkish perspective as well as American and European perspective, amid complex set of issues both sides of the Atlantic are facing today.

The first part is dedicated to historical and institutional aspects of Turkey and Transatlantic relations. Here, the authors examine Turkey’s place in the western alliance, focusing primarily on the western institutions that Turkey has been part of since their foundation. The first chapter, written by Filiz Cicioğlu and Şükrü Cicioğlu, walks us through the OECD’s dynamic history, beginning with the signing of the European Economic Cooperation Agreement on April 16, 1948, and the establishment of the

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<sup>6</sup> Donfried, Karen, “The Marshall Plan at 70: What We Must Remember and What We Must Do for the Future,” May 18, 2017, <http://www.gmfus.org/videos/marshall-plan-70-what-we-must-remember-and-what-we-must-do-future>

<sup>7</sup> [http://www.nato.int/nato\\_static/assets/pdf/pdf\\_publications/1303-nato\\_in\\_focus-en.pdf](http://www.nato.int/nato_static/assets/pdf/pdf_publications/1303-nato_in_focus-en.pdf).

<sup>8</sup> Ikenberry, G. John, “The Plot Against American Foreign Policy: Can the Liberal Order Survive?” *Foreign Affairs*, Vol. 96, No. 3, May/June 2017.

Organization for European Economic Cooperation and Development (OEEC) to coordinate the Marshall Plan, trade liberalization, and development between European countries. The authors evaluate the organization's relationship with Turkey, one of the 20 founding OECD members.

In her chapter, Aylin Ünver Noi identifies Turkey's place in the European international community with historical references to Turkey's transformation, and particular focus on the country's modernization, westernization, and Europeanization. The author evaluates the relationship between the Council of Europe and Turkey since the beginning of its membership up to the present day, focusing on directions of democratic change in the country. Ünver Noi analyzes recent external and internal developments and their impacts on Turkey in context of security versus freedom dilemma, the reactions of the Council of Europe, and the prospects of further cooperation.

İsmail Çağlar and Hülya Kevser Akdemir in their chapter evaluate relations between Turkey and the North Atlantic Treaty Organization (NATO), focusing on changes in global strategies, policies, and interests that led to a shift from the protection against war to borderless humanitarian intervention and peacekeeping methods. Authors explains long history of NATO with three-phase, providing an overview of Turkey's priorities, interests, concerns, and contributions to NATO.

In the chapter "Relations Between Turkey and the European Economic Community: An Association Having Full Membership Objective," Yonca Özer provides an analysis to the characteristics and objectives of the association agreement signed between Turkey and the European Economic Community (EEC), and its implementation up until Turkey's membership application in 1987. Since the 1999 declaration of Turkey's candidacy for full EU membership, and the launch of accession negotiations in 2005, relations have proceeded on two parallel paths. Both the association and accession "paths," had full membership as their objective. The author made assessments and recommendations based on this objective.

Münever Cebeci evaluates Turkey-OSCE relations. She begins her chapter with the OSCE's role in world politics, later focusing on Turkey-OSCE relations from a comprehensive security and multilateralism. She emphasizes the systemic transition and its impact on the organization: "the OSCE itself is also in transition, trying to figure out its new role in the world, as it is no longer possible to function solely with concepts, structures, and tools created to deal with the challenges of 1990s." Cebeci

addresses Turkey's challenges how to position itself in the OSCE's transformation debates. She concludes arguing that Turkey's contributions to cooperative security in Europe within the OSCE framework is part of Turkey's multilateral approach to world politics and its comprehensive approach to security.

The second part of this volume focuses specifically on Turkey-U.S. and Turkey-EU relations. Kılıç Buğra Kanat raises the question the U.S. foreign policy clarity towards its traditional allies, that under the President Obama created skepticism among its allies. He argues such questions were raised in Poland (due to the missile defense system withdrawal in 2009), in Japan (due to the questions about U.S. commitment to Japanese security over the Senkaku Island crisis with China), in Saudi Arabia, the Gulf countries, and Israel (due to the nuclear deal with the Iran), and in Turkey (due to U.S. reluctance to deal with the crisis in Syria). Kanat suggests allies should receive a clear roadmap from the Trump administration for the future foreign policy goals, with strengthening of NATO alliance, security framework, and counter terrorism cooperation between the U.S. and Turkey as of one of the important positive space to build on. The author argues that the Turkish-American relationship is in the most complicated period in its history. He also elaborates on third-country impacts on U.S.–Turkey relations, providing suggestions how to strengthen U.S.–Turkey relations.

Beril Dedeoğlu walks us through history of complex dynamics between Turkey and the EU from 1959 to 2005. These include milestones when Turkey requested partner status in the European Economic Community, when Turkey officially became EU candidate country, and when the EU accession talks with Turkey began. Dedeoğlu argues that even if Turkey were to complete negotiations with the EU on all 35 chapters, it would still wait before obtaining full EU membership, as Turkey's accession would be put to a referendum vote in certain EU countries. The author presents us with three possible outcomes of the currently-stalled Turkey-EU negotiations, including what each scenario would entail for both sides.

Part III of this volume analyzes the Transatlantic partners' foreign policy on current issues and crises in the wider Black Sea, the Middle East, North Africa, and the Balkans. Authors attempt to find answers to whether the Transatlantic partners' foreign policies in these regions are divergent or coordinated. Enes Bayraklı shows the complexities and ever-changing dynamics in the wider Black Sea region from Turkish perspective. He emphasizes Russia's actions in the last decade, spanning from a 2008 inva-

sion of South Ossetia in Georgia to Ukraine, that constitutes the most serious challenge to the European post-Cold War order. Bayraklı tells us that Turkey's common history and culture, but most importantly, its strong economic relations with the countries of Black Sea region, are forcing Turkey to remain involved. Turkey is historically sensitive to Russian expansion towards the south, once a serious threat to the Ottoman Empire. The author makes parallels to World War II (WWII), when Russia and the West were fighting the same enemy, but ended up with the Soviet Union taking control over half of Europe. Today, the transatlantic alliance and Russia are fighting terrorism as a common enemy, yet Russia is misusing the transatlantic partners' focus on fighting terrorism to further its own agenda and to increase its sphere of influence.

Nona Mikhelidze examines Turkish strategic objectives and priorities in the Black Sea region with particular attention to security, trade, and energy issues. She examines whether Ankara's policymaking has been driven by strategic partnerships with neighboring countries or by a pragmatism that has been often perceived as opportunism. Russian assertiveness in the Black Sea region, the ensuing Russian recognition of South Ossetia and Abkhazia, along with the Russian annexation of Crimea have posed new challenges for both European and American foreign policy in the Black Sea region. Mikhelidze sees an opportunity for Turkey, as a regional power with close ties to major players in the region, to be a broker in providing energy security, and to mediate in conflict resolution in and beyond the region.

Eduard Soler Lecha and Melike Janine Sökmen show us ways in which both the EU and Turkey responded to various recent crises in the wider Mediterranean region, highlighting complexities involved in each case along with various layers where interest coincide, partially coincide, or are confrontational. The authors argue both Turkey and the EU have interest for this region to become more stable and prosperous, yet not necessarily agreeing on how to achieve this goal. Although the EU's financial and institutional resources, and Turkey's cultural proximity and popularity among the Arab people, could pave the way for complementary policies in the region, both Turkey and the EU failed in their respective efforts to transform the region. Turkey feels abandoned by the EU, and Europeans no longer see Turkey as a model or as a source of inspiration for the region. In recent years, both sides have antagonized each other and recalibrated whether alternative ways could be explored. The authors conclude with the assessment that Turkey and the EU are bound to work

together—if for nothing else, because they have a common (and complicated) neighbors.

Mehmet Uğur Ekinci evaluates Turkey's intensified political dialogue, economic relations, public diplomacy, and cultural activities with the Western Balkans, emphasizing that in the late 2000s, Ankara began to play an active role in its regional politics launching few important initiatives towards regional cooperation and mediation. Since peace and stability in the Western Balkans is a common interest for the EU and Turkey, Turkey's involvement in the region should be regarded favorably, and even encouraged by the EU, especially at a time when the EU is no longer the only political power in the Western Balkans. He also states that following the Arab Spring, the emergence of new security risks and instabilities, caused Turkey to concentrate primarily on the Middle East slowing down political initiatives elsewhere, including in the Western Balkans. Turkey still has a potential to contribute to regional peace and stability while the geopolitical dynamics in the Western Balkans are worryingly volatile.

In chapter 12, “Turkey in the Western Balkans: A Waning Interest,” Alida Vračić, Edward Joseph, and Tea Ivanovic first evaluate a brief history of Turkey's cooperation with its Transatlantic partners in the Western Balkans with a particular focus on Bosnia and Herzegovina, Kosovo, and Macedonia – in respect to possible membership of these countries to the European Union (EU) and the North Atlantic Treaty Organization (NATO). Later, authors assess the views of Balkan countries on Turkey's activism in the region, changes in post Davutoğlu Turkey approach to the region, and finally the prospects of Turkey-EU relations and its possible impact on the Western Balkan countries paths towards the EU.

In part IV, authors analyze Turkey's multi-vector foreign policy,<sup>9</sup> particularly focusing on Russia and China and its impacts on Turkey's Transatlantic relations. Emre Erşen evaluates Turkey-Russia relations and its impacts on Transatlantic alliance, noting that the corner stone of a Turkey-Russian rapprochement began with Turkish frustration over EU decision at the Luxembourg Summit in 1997 to deny Turkey's accession and with Moscow's alarm over the NATO plans to expand towards Central and

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<sup>9</sup> Multi-vector foreign policy course of Turkey in which the U.S., the EU, Russia, China, and various other regions are equally valuable for it to have the freedom of maneuver for promoting interests in an uncertain and dynamic period. Özkan, Güner, *The War in Georgia and Turkish Foreign Policy toward the South Caucasus*, in Osman Bahadır Dinçer, Habibe Özdal and Hacı Necetoğlu (eds.) *Yeni Dönemde Türk Dış Politikası: Uluslararası IV. Türk Dış Politikası Sempozyumu Tebliğleri*, (Ankara: USAK Yayınları, 2010), p. 316.

Eastern Europe. Turkish-Russian relations continued to evolve under the strong influence of the two countries' bilateral ties with the U.S. and the EU. All major tilts towards Russia took place during periods when Ankara had sharp disagreements with its Transatlantic partners. The same can also be said about Russia, as Moscow tended to prioritize its ties with Ankara when its relations with the U.S. and the EU were deteriorating. The author elaborates reasons behind Turkey's rapprochement towards Russia. He points out that there are still significant differences between Turkey and Russia on various issues, particularly in the Middle East, the Caucasus, and the Black Sea region, to most likely urge Ankara to strengthen its strategic dialogue with NATO and its transatlantic partners.

In a chapter that analyzes the Turkey-Russia rapprochement from an American perspective, Donald Jensen focuses on overlapping interests and conflicting areas between Turkey and Russia. He lists the benefits of this rapprochement for both Turkey and Russia sides. Jensen argues that the United States sees its allies as partners, whereas Russia sees them as client states. He concludes his chapter with ideas that might help improve ties and help eliminate factors causing severe strains in Turkey-U.S. relations.

Altay Atlı reminds us that in today's globalized world no country should have to choose between the West or East. Atlı provides us with important insight in Turkey's increasing relations with China, expanding intergovernmental dialogue and boosting cooperation in trade, energy, defense, and infrastructure. And while the West will remain Turkey's major economic partner for the foreseeable future, a growing relationship with China complements Turkey's economic needs, diversifying its portfolio. Atlı argues that Turkey can be an asset to transatlantic relationships, a chance to link the two regions together, creating a bridge between the continents. He uses example of China's Belt and Road Initiative (BRI) that could be a useful instrument to foster trans-regional linkages between Europe and China, with Turkey as a connector and facilitator between the two.

In her chapter dedicated to Turkey - China relations, Christina Lin states that China is entering Turkey's strategic calculus due to the rise of China in the Euro-Mediterranean region, driven by a need for energy and market access and protection of its expanding assets and citizens overseas. She believes that the growing Sino-Turkish partnership should be of no major concern to the Transatlantic allegiance and that Turkey's multi-vector policy should not be interpreted as quest for an alternative to the West. Lin also addresses that Turkey, (excluded from the EU and TTIP, the

Transatlantic Trade and Investment Partnership) sees benefit in cooperating with China for much-needed economic growth. In the longer term, if Turkey becomes more dependent to Chinese trade and investment, this might broaden foreign policy options that may not always support Transatlantic interests. Lin suggest that the OSCE is a good platform to mitigate through dialogue and confidence-building to any possible major risks of disruption to the regional security relations between the EU, U.S., Russia, Turkey, and China.

In Part V, authors focus on expectations and highlights areas that are in need to further cooperation and understanding in effort to help revive Transatlantic solidarity, facilitate greater Transatlantic cooperation and lessen the effects of divergence on some issues. In her chapter on potential through a new modernized Customs Union agreement between the EU and Turkey, Çiğdem Nas briefly reminds us of the history of Turkey-U.S. and Turkey-EU economic relations evaluating expectations and challenges. She also assesses TTIP negotiations that initially created a push factor for the modernization of the EU-Turkey Customs Union. In conclusion to her chapter, Nas provides valuable suggestions for strengthening economic and commercial cooperation between Turkey and Transatlantic partners that might help recalibrate their relations.

Serdar Altay discusses challenges and opportunities for deeper economic cooperation between the United States and Turkey. He highlights lack of diversity in relations, the inability of the U.S. and Turkey to build stronger connections on a societal level, especially in the economic domain. The U.S.—Turkey economic relations and its institutional framework has been historically underdeveloped, despite talks of strategic partnership, especially when contrasted to Turkey’s articulation with Europe, or if compared to the U.S.’ ties with Mexico, Israel, and even India. He argues that Turkey and the U.S. should overcome the domination of security-oriented mindset. Two countries should work on constructing a new institutional framework for policy that allows development of strategic ideas about mutual economic interests, diverse needs, and industrial priorities, where the author provides suggestions how to move forward.

Jennifer Miel focuses on consensus reached by presidents Trump and Erdoğan during their meetings, to enhance the underdeveloped economic and commercial relations between the United States and Turkey in her “Commercial Relations Present Landmark Opportunity for Presidents Trump and Erdoğan” chapter. She assesses promising sectors of interests, to include digital economy, aviation & defense, energy, healthcare, and

finance. She highlights Turkey's dynamic, entrepreneurial and well-connected young population along Turkey's strong consumer base that would benefit from working with U.S. companies and investors. She concludes arguing that a high-level strategic commercial dialogue will pave the way for new opportunities.

In her chapter, Aslı Şirin Öner evaluates the Migration Deal reached on March 18, 2016, seen as a major factor that facilitated the revitalization of EU-Turkey relations. Her chapter is composed of two parts: In the first, she focuses on the Migration Deal itself. In the second, she elaborates on the visa liberalization dialogue and the roadmap achievements. She encourages Turkey and the EU to continue trust building efforts and cooperation through "1:1 mechanism", pointing out that the interdependence through migration management could help this effort.

Nicolò Sartori reminds us of energy projects landmarks that have (and still are) significantly shaping regional geopolitical dynamics. He commences with the Turkey's importance as energy bridge between the East and West what became clear (across the entire transatlantic community) with rapid emergence of energy security concerns in the European Union at the beginning of the 2000s. Energy security interests have been a powerful driver for the strengthening of Turkey's Transatlantic ties. Turkey's rapid economic growth led to an impressive increase in domestic energy demand, forcing Ankara to expand its gas imports from abroad, particularly from Russia. He argues that despite the ups and downs, Turkish policymakers are keeping energy cooperation with the West alive, in large part to counterbalance its dependence on potentially unreliable energy partners elsewhere.

In presenting his views on Turkey's energy security cooperation, Erdal Tanas Karagöl points out that Turkey is the world's 18<sup>th</sup> largest economy, a bridge between the West and East, and a center for the oil and gas industry. Karagöl tells us that energy cooperation between the U.S. and Turkey improved, largely through international organizations such as the International Energy Agency (IEA), the Energy Charter, and the UN-Energy (formed after the 1970's oil crises). However, he emphasizes the absence of U.S. Turkey bilateral cooperation on energy issues addressing the necessity to intensify cooperation that could serve both countries' interests. He also states that the EU needs Turkey to diversify its natural gas supplies through alternative projects, but that Turkey also needs the EU to strengthen its position between energy importers and exporters.

In their chapter “Cooperation or Confrontation in the Fight Against Terrorism: Turkey and the Transatlantic Alliance,” Merve Seren and Murat Yerlitaş discuss the cooperation and dynamics in Turkey’s contribution to the Transatlantic community in the fight against international terrorism. They analyze the contextual aspect of the common threat perception between Turkey and the Transatlantic alliance vis-à-vis terrorism. Also, they focus on the question how and to what extent Turkey contributes (on a regional and international level) to the strengthening of institutional mechanisms in preventing radical violent extremism and terrorist mobilization in the context of the foreign terrorist fighter (FTF) phenomenon. Lastly, they evaluate the policy-oriented level that includes intelligence sharing, common security measures, and police facilities necessary in preventing potential terrorist activities. The authors conclude their chapter with the assessment that Turkey and its Transatlantic partners should create a common agenda that could simultaneously combine normative, institutional, and policy-oriented levels, to overcome the global terrorism issue.

As we have discussed in several chapters, recent developments and contradiction in interests, reluctance to fulfill commitments, elections and domestic policies among others, led to negative rhetoric between Turkey and its Transatlantic partners. Softening the rhetoric, establishing mutual understanding for social sensibilities, focusing on technical achievements, re-enacting gentlemen’s agreements, are among the suggestions that might help partnership works.<sup>10</sup> The new global state of affairs is characterized by conditions that are more complex than in the past.<sup>11</sup> Ries describes the world as more “volatile and highly unpredictable” due to combination of factors making world smaller, denser, and less secure. In this globalized world, the system can be defined as one of interconnectedness and interdependence that makes threats “ricochet, cascade, multiplied, and mutated with great speed.”<sup>12</sup> To address these threats, actors must think long-

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<sup>10</sup> Ceran, Ahmet, April 14, 2017, *Euractive* Turkey-EU Relations Deteriorate from Gentleman’s Agreement to Sanctions Rhetoric, <https://www.euractiv.com/section/europe-s-east/opinion/turkey-eu-relations-deteriorate-from-gentlemans-agreement-to-sanctions-rhetoric/>. A Gentleman’s Agreement is an informal and legally non-binding agreement between two or more parties.

<sup>11</sup> Struye de Swielande, Tanguy, From Emerging Power to Superpower: A Long Way to Go?, in Thomas Renard and Sven Biscop (eds.) *The European Union and Emerging powers in the 21<sup>st</sup> Century: How Europe Can Shape a New Global Order*, Farnham: Ashgate, 2012, p. 3.

<sup>12</sup> Renard, Thomas and Biscop, Sven, Conclusion: From Global Disorder to an Effective Multilateral order: An Agenda for the EU, in Thomas Renard and Sven Biscop (eds.) *The European Union and Emerging powers in the 21<sup>st</sup> Century: How Europe Can Shape a New Global Order*, Farnham: Ashgate, 2012, p. 186.

term. The international environment is multipolar, multilateral, volatile, interconnected, and unequal, which leads to the inadequacy of zero-sum thinking to tackle contemporary challenges and calls for a renewed reflection on the international order.<sup>13</sup> Building bridges is always harder than burning them. We are living in a transitional period, where new global order has not yet settled in. In such international environment, partners must understand each other's fears, hopes, strengths, flaws, and agendas, current and future. Each side should offer suggestions to make partnership work.<sup>14</sup> This volume offers several concrete policy recommendations to the Transatlantic partners: Turkey, the U.S., and the EU with goal to foster stronger Turkey-Transatlantic relations in this transition period and beyond.

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<sup>13</sup> Renard, Thomas and Biscop, Sven, Conclusion: From Global Disorder to an Effective Multilateral order: An Agenda for the EU, in Thomas Renard and Sven Biscop (eds.) *The European Union and Emerging powers in the 21<sup>st</sup> Century: How Europe Can Shape a New Global Order*, Farnham: Ashgate, 2012, pp. 186-187.

<sup>14</sup> Gomper, David C., Introduction: A Partner for America, in David C. Gompert and F. Stephen Larrabee (eds.), *America and Europe: A Partnership for a New Era*, Cambridge: Cambridge University Press, 1998, p. 17.

*Part I*

**Turkey in the Western Alliance:  
History and Institutions**



## *Chapter One*

# **Relations between Turkey and the Organization for Economic Cooperation and Development<sup>1</sup>**

*Filiz Ciciođlu and Őukrü Ciciođlu*

Following World War II (WWII), the main driving force behind the birth of international organizations was an urgency to cooperate among countries that had experienced two great wars in such short intervals. Over time, international organizations established to serve economic, political, and military purpose, increased in both number and quality. Influenced by the diminishing effectiveness of globalization and the weakening of the nation-state concept, international organizations, non-governmental organizations, and multinational corporations emerged as new actors on the international stage. In such an environment, countries targeting economic cooperation also made an effort to strengthen their common interests.

Organizations established in this framework aimed to contribute to the economic development of their member countries. In this context, the Organization for Economic Cooperation and Development (OECD) is one of the most important global organizations, aiming to provide support to its members. Although its work persists with a technical identity which appears to be distinct from political issues; there is no doubt that this organization is a remarkable establishment in the international system. OECD countries control 60 percent of the world's national income, 76 percent of the world trade, 19 percent of the world population, and 95 percent of world development aid. This makes the OECD worth examining in terms of its domain and its activities.<sup>2</sup> As one of the founding members, Turkey has been actively involved in activities within this organization as a result of its integration with the western world.

This chapter will first examine the OECD's historical development and institutional structure, and will subsequently focus on Turkey's position within the organization. Lastly, we will examine Turkish-OECD relations.

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<sup>1</sup> The authors would like to thank to Ahmet Üçağaç and Gloria Shkurti for their contributions to this paper.

<sup>2</sup> Attila, Acar İbrahim. "Gelişmiş Ülkeler Arasında İşbirliği ve Dünya Ekonomik Forumları." *Ekonomik Entegrasyon Küresel ve Bölgesel Yaklaşım*, Osman Küçükahmetođlu vd. (ed.), Bursa: Ekin Kitabevi, 2013, p. 291.

## History of the OECD

WWII caused a great deal of economic destruction for developed European countries. After the war, the European Economic Cooperation Agreement was signed on April 16, 1948 (following the Paris Conference held in 1947 for the coordination of the Marshall Plan and the liberalization and development of trade between European countries) in the framework of the Truman Doctrine. As a result, the Organization for European Economic Cooperation and Development (OEEC) was established in 1948. After only ten years, the organization was losing its effectiveness as European economies began recovering with the help of the Marshall Plan, and certain OEEC members were forming the European Economic Community (EEC). The changing world conditions increased unity and solidarity among Western countries. Thus, even though it had completed its mission, the OEEC was not dissolved, but instead enlarged with the admission of the United States and Canada. In this notion, the OECD emerged as an organization uniting the western industrial countries on both sides of the Atlantic.<sup>3</sup>

The conference aiming to reform the OEEC was held on May 24-25, 1960. The OECD was formally established<sup>4</sup> in Paris on December 14, 1960, under President T. Kristensen, with the signing of the “Convention on the Organization for Economic Co-operation and Development” by 20 founding members, 18 of which were European,<sup>5</sup> and the two other members were the U.S. and Canada. Other countries soon joined the organization: Japan in 1964, Finland in 1969, Australia in 1971, and New Zealand in 1973. In the post-Cold War period, the OECD received requests for full membership by several post-Communist states. Within this scope, the Czech Republic (1995), Poland and Hungary (1996) were admitted to the organization. Following the membership of countries like Mexico in 1994 and South Korea in 1996, Slovakia became a member in 2000. In 2010, Chile, Estonia, Slovenia, and Israel gained full membership. Eventually, with Latvia, which became a member in 2016, the organization now totals 35 full member countries.

<sup>3</sup> OECD, *Better Policies for Better Lives: The OECD at 50 and Beyond*, 2011. <http://www.oecd.org/about/47747755.pdf>. Also see: Engin Öztürk M. Büşra, *Uluslararası Ekonomik Entegrasyonlar ve Kuruluşlar*; Bursa: Ekin Kitabevi, 2016, p. 79.

<sup>4</sup> “About the OECD: Who does what.” OECD. Accessed March 17, 2017. <http://www.oecd.org/about/whodoeswhat/>.

<sup>5</sup> Austria, Belgium, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and the U.K.

In addition to its full members, the “Non-Member Countries Cooperation Center” within the organization has worked with many non-member countries and regions. Initiatives such as the Chinese Program, Asia Program, Eurasia Program, Russia Program, South-East Europe Program, Latin America Program, and Brazil Program have constituted important activities of the OECD and non-member countries.

The most important OECD membership requirement is the acceptance of the values and principles of a pluralistic democracy and free market economy based on human rights. In the last years, the general approach of OECD members was to develop framework programs for non-member countries, rather than to accept new members.<sup>6</sup>

During the Cold War period, Mediterranean countries such as Greece, Turkey, Spain, and Portugal, whose economies were largely based on agriculture, seem to have had less economic development compared to other Western industrialized countries.<sup>7</sup> Despite differences in their economic development, three of these countries, (with the exception of Turkey), have been granted full membership to the EU for the same reason.<sup>8</sup> This situation brings up the question whether OECD membership is more political in nature. When looking at OECD membership in the post-Cold War era, the membership of former Soviet countries is particularly noteworthy; states that declared independence after the dissolution of the Soviet Union considered accession to the OECD very important for their domestic development.

## The Objectives and Activities of the Organization

The mission of the OECD is to promote policies that will improve the economic and social well-being of people around the world. Today, OECD helps governments around the world to:

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<sup>6</sup> Akbulut Hakan, “Ekonomik Kalkınma ve İşbirliği Teşkilatı,” *Uluslararası Ekonomik Sorunlar Dergisi*, Sayı:5, <http://www.mfa.gov.tr/ekonomik-isbirligi-ve-kalkinma-teskilati.tr.mfa>.

<sup>7</sup> Because of the Cold War, statistics show that Greece, Portugal, and Spain have an average per capita GDP that is about 1.5-2 times lower than Germany’s GDP per capita. For more information on these statistics, see: <https://data.oecd.org/gdp/gross-domestic-product-gdp.htm>

<sup>8</sup> Karluk Rıdvan, *Uluslararası Ekonomik ve Mali Kuruluşlar*, Ankara: Turhan Kitabevi, 1998, p. 31.

- Restore confidence in markets and the institutions that make them function;
- Re-establish healthy public finances as a basis for future sustainable economic growth;
- Foster and support new sources of growth through innovation, environmentally friendly “green growth” strategies and the development of emerging economies;
- Ensure that people of all ages can develop the skills to work productively and satisfyingly in the jobs of tomorrow.<sup>9</sup>

In line with these objectives, the activities of the OECD differed according to changes in international economic policies. For example, while monetary policy had occupied the OECD’s agenda in the 1960s, the energy crisis brought about by the oil crisis and the demolition of the Bretton Woods system were at the forefront of the OECD’s attention in the 1970s. This was followed by the creation of world-wide information gathering and rules on environmental and investment policy issues, high unemployment in the 1980s, and the collapse of the Eastern Bloc in the 1990s.<sup>10</sup>

The OECD provides a platform for member countries to coordinate their national and international policies, giving them the ability to compare policy experiences, seek solutions for their common problems and identifying the best legislation and implementation methods through the sharing of best practices. Aside from macroeconomic review and analyses, the OECD contributes to the development of both member and the non-member countries in structural areas such as education, population aging, retirement and insurance systems, migration, environment, climate change, sustainable development, and development aid. While these recommendations and studies are not legally binding, the “peer pressure” to support reform processes makes the OECD’s work important for its members.<sup>11</sup>

The OECD’s main field of work remains economic analysis. However, comparative analyses of economic factors in fields such as education, population aging, retirement and insurance systems, migration, environmental and water issues, climate change, sustainable development, and develop-

<sup>9</sup> “About the OECD” OECD. Accessed March 17, 2017. <http://www.oecd.org/about/>.

<sup>10</sup> Karagül Mehmet, *Uluslararası İktisadi Örgütler ve Az Gelişmiş Ülkeler*, İstanbul: Nobel Yayıncılık, 2014, p. 137.

<sup>11</sup> OECD Türkiye Daimi Temsilciliği, İktisadi İşbirliği ve Kalkınma Teşkilatı ve Türkiye, [http://oecd.dt.mfa.gov.tr/images/localCache/1/frqd4xyo3pags3ruhkwu34nb/Turkey%20brochure\\_Turc\\_visa3.pdf](http://oecd.dt.mfa.gov.tr/images/localCache/1/frqd4xyo3pags3ruhkwu34nb/Turkey%20brochure_Turc_visa3.pdf).

ment assistance also constitute important data sources for both member and non-member countries.

## **Structure of the Organization**

The OECD is not an international entrusted authority such as the International Monetary Fund (IMF) or the World Trade Organization (WTO). It is a permanent forum for harmonious negotiation and coordination of economic, social, and financial practices of member countries, and acts as a platform for determining rules that need to be followed for the resolution of common problems. Every year, OECD members review developments in the world and local economies during framework meetings, whose results the OECD subsequently publishes.<sup>12</sup>

The OECD has three main bodies: The Council, the Committees, and the Secretariat. The Council, the highest decision-making body, is made up of member-state representatives and the European Commission. The Council convenes once a year for two-day meetings under a rotating presidency of member countries. Decisions are taken with consensus and shared with the public through press releases.<sup>13</sup>

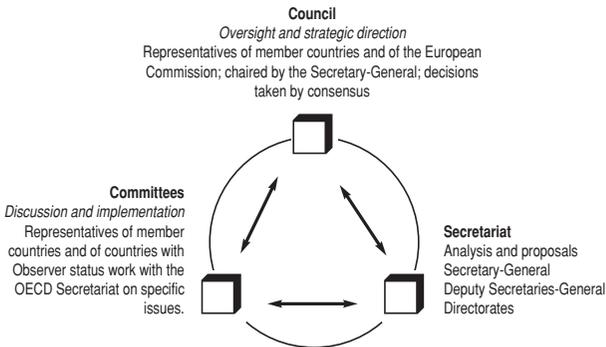
The Committee counts representatives of all 35 OECD member countries who meet in specialized committees to advance ideas and review progress in specific policy areas, such as economics, trade, science, employment, education, and financial markets.

The third body is the Secretariat. Angel Gurría currently heads the OECD Secretariat and is assisted by one or more deputies. Gurría also chairs the Council, providing a link between national delegations and the Secretariat. The Secretariat, located in Paris, is made up of 2,500 employees who support the activities of the committees, and carry out the work in response to priorities decided by the OECD Council. The staff includes economists, lawyers, scientists, and other professionals. Most staff members are based in Paris but some work at OECD centers in other countries.

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<sup>12</sup> OECD, *Better Policies for Better Lives: The OECD at 50 and Beyond*, 2011. <http://www.oecd.org/about/47747755.pdf>. Also see: Uysal Doğan, “OECD: Ekonomik İşbirliği ve Kalkınma Örgütü”, *Uluslararası Örgütler ve Türkiye*, Şaban Çalış vd. (ed.), Konya: Çizgi Kitabevi, 2006, p. 156

<sup>13</sup> “About the OECD: Who does what.” OECD. Accessed March 17, 2017. <http://www.oecd.org/about/whodoeswhat/>.

**Figure 1.1 Who Drives the OECD's Work?**

Source: "About the OECD: Who does what." OECD. Accessed March 17, 2017. <http://www.oecd.org/about/whodoeswhat/>.

## OECD–Turkey Relations

Turkey became a founding member of the OECD in an effort to integrate with the Western world after World War II. Along with becoming a NATO member in 1952, Turkey was eager to align itself with non-security focused international organizations established by Western countries. In this context, following its founding membership in the Council of Europe in 1949, Turkey was also a founding member of the OECD.<sup>14</sup> These affiliations aided Turkey's quest for EEC membership and proved allegiance to the Western bloc in a bipolar world system.<sup>15</sup> Especially until the 2000s, mostly through the OECD, Turkey achieved macroeconomic stability, improved the quality of its social services, and protected the weak members of the society. These contributions facilitated Turkey's access to global markets and supported Turkey's market competitiveness.<sup>16</sup>

<sup>14</sup> Turkey's OECD membership can be attributed to Marshall Plan benefits. Marshall aid, offered to European countries in June 1947, was rooted in American interests to revive the European economy and help it establish itself as a strong trading partner, and also to strengthen Europe politically against further Soviet expansion. Turkey's inclusion under the Marshall Aid program and subsequently its participation in the European Recovery Program (ERP) raises questions about Turkey's eligibility for Marshall aid, and Turkey's role and achievements under the ERP. See: Üstün, Senem. *Turkey and the Marshall Plan: Strive For Aid*. University College London: M.A. Thesis, 1997. <http://dergiler.ankara.edu.tr/dergiler/44/1569/17035.pdf>

<sup>15</sup> Altunışık Benli, Meliha and Özlem Tür, *Turkey: Challenges of Continuity and Change*. New York: Routledge, 2005, p.105.

<sup>16</sup> Nadolski, Dora J. *The Etatist Turkish Republic and Its Political and Socio-Economic Performance from 1980-1999*. United Kingdom: University Press of America, 2008, p. 8.

One of the institutional structures showing cooperation between Turkey and OECD is the OECD Istanbul Private Sector Development Center, which was established with the decision of the OECD Council in 1994 for countries in Turkey's geographical proximity.<sup>17</sup> The other body is the OECD Multilateral Tax Center (OECD Ankara Multinational Tax Center), which organizes tax seminars for experts from countries in the Balkans, the Middle East, Central Asia, and Russia.

From 1986, Turkey became part of the OECD Capital Movements and Liberalization Codes of Invisible Current Transactions and from 1976, part of the International Investment and Multinational Enterprises Declaration, with commitment to comply with the provisions of these OECD regulations.<sup>18</sup> In this context, the Turkish lira (TL) is convertible both within the country and abroad, through legislation established in 1989. The Turkish lira became a foreign currency and the obstacles for the entry and exit of financial capital into and from Turkey were removed. In 2003, the Foreign Direct Investment Law was adopted by the Turkish Grand National Assembly, making foreign investors subject to equal conditions as domestic investors. In this framework, concerns about foreign investors' profit transfer and the right of ownership were removed.

In the next section, we will elaborate on three separate periods in the relations between Turkey and the OECD.

### ***1962–1978 Period***

“Turkey's Long-Term Development Issues Working Group,” which played an important role in Turkey-OECD relations, was established on July 10, 1962. Along with 19 member states, representatives from the EU Commission, the European Investment Bank, the IMF, and the World Bank, the work of this group was headed by the OECD Secretary General. The task of the group was to investigate opportunities to provide flow of foreign capital in order to examine Turkey's medium-term economic policies. Another task of this working group was to elect the Chairman of the “Aid Consortium for Turkey,” created on July 12, 1962.<sup>19</sup>

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<sup>17</sup> Countries: Turkey. OECD. Accessed March 13, 2017. <https://www.oecd.org/turkey/>.

<sup>18</sup> Countries: Turkey. OECD. Accessed March 13, 2017. <https://www.oecd.org/turkey/>.

<sup>19</sup> Karluk, Ridvan, *Uluslararası Ekonomik ve Mali Kuruluşlar*; Ankara: Turhan Kitabevi, 1998, pp. 48-49.

This Consortium consisted of 15 OECD members, and representatives from the IMF, World Bank, the EU, and the European Investment Bank, as observers, aiming to harmonize cooperation and aid policies of the OECD countries that wished to provide development loans to Turkey. Turkey's economic and fiscal policies, and amount of aid required and available were monitored on an annual basis. Exact amounts of aid, classified as program credit, project credit, and debt postponement credit, were determined through bilateral agreements with donor countries following the meetings. The loan maturities were at most 25 years after a 7-year grace period.<sup>20</sup>

In the 1960s, when Turkey entered the planned development period, it needed to increase its resources to 3 percent in order to finance its share of foreign debt in the Gross National Product (GNP). The OECD, through the Consortium, received most of the foreign debts. In January 1962, before the Consortium was established, the OECD provided 50 million dollars to support the financing of the First Five-Year Development Plan, planned to be implemented in 1963.<sup>21</sup> Between 1962 and 1971, Turkey asked for 2.878 billion dollars, and the Consortium committed 2.555 billion dollars, with 2.311 billion dollars that were in fact allocated.<sup>22</sup> In September 1962, the EEC countries provided Turkey with about 300 million dollars' worth of financial aid within the OECD framework. In 1965, the OECD countries issued 70 million dollars in March, 335 million dollars in May, and 400 million dollars in June. This credit was to be used in the financing of foreign debt and development plans. The "very excellent" evaluation of the prepared Development Plans was justification for this aid. In 1969, the Dutch government provided a 3.5 million loan guilder (approximately 2 million dollars) within the framework of the OECD.<sup>23</sup>

### **1978–2000 Period**

The Military Memorandum of March 12, 1971, the political turmoil (frequently changing administrations, terrorist activities, increased tension

<sup>20</sup> Özerdem, M. İzzet, *Yatırımlar ve Yatırımları Gerçekleştirmek İçin Kredi Veren Kuruluşlar*, [http://www.maden.org.tr/resimler/ekler/18ef6127e442148\\_ek.pdf](http://www.maden.org.tr/resimler/ekler/18ef6127e442148_ek.pdf).

<sup>21</sup> The main contract was an agreement of 83.5 million dollars, or the total foreign deficit of Turkey. Of this sum, 50 million dollars were provided by the IMF.

<sup>22</sup> Zerenler, Muammer, "Devletin Dış Borçlanmasının Türkiye Ekonomisine Etkileri," *Seçuk Üniversitesi, Sosyal ve Ekonomik Araştırmalar Dergisi*, Sayı: 5, 2003, p. 206.

<sup>23</sup> Fenmen, Nermin, "Kuruluşundan 12 Eylül'e Yakın Tarihimize Yakın Bir Bakış", *ODTÜ Bülteni*, Eylül 2005 Sayısı Eki, Ankara, pp. 12-23.

in universities), and economic instability (oil shocks, large defense spending due to the Cyprus Peace Operation, increased cost of imports) led to a spike in the country's foreign debt levels. In addition to the Consortium, on May 17, 1978, the "Turkey's Working Group on Foreign Debt" was established within the OECD. Members of this group, (same as in the Consortium), worked to resolve Turkey's foreign debt problem. In this framework, approximately 1.2 billion dollars of state-guaranteed commercial debt, (to expire after July 1, 1979), was postponed through the signing of the Record of the Consolidation of Turkey's Trade Debts. Protocols related to the postponing of Turkey's 3 billion-dollar debt for the years 1980-1982, (including those procured from OECD members in 1978-1979), were signed on July 23, 1980, with a provision that the three-year stand-by arrangement with the IMF was maintained.<sup>24</sup> In 1980, a second aid package of 1.2 million dollars was issued and after three months, the Working Group approved export loans worth 3 billion dollars to Turkey.<sup>25</sup>

During the early 1980s, loans from official and international institutions constituted a significant part of Turkey's external debt. This was due to various stabilization programs especially due to loans provided through the OECD Turkey Consortium. However, in 1982, this situation began to change, and especially after 1983, the majority of debt was owed to national commercial banks instead of international institutions.<sup>26</sup> When compared to other financing sources, low-cost and long-term credits from OECD countries often led to short-term and more costly resources in this process.<sup>27</sup> Turkey's borrowing can be explained by the increasing need for external sources and global cyclical fluctuations (such as the Latin American and Mexican crisis), rather than preference.

By the 1990s, the share of debts from international bond markets increased.<sup>28</sup> These changes in debt structure and the end of the mission

<sup>24</sup> Aba, S. "Türkiye'de Cumhuriyet Dönemi Dış Borçlanma", *Türkiye İktisat Dergisi*, Haziran, 1989, p. 240.

<sup>25</sup> Acar İbrahim Atilla, "Gelişmiş Ülkeleri Arasında İşbirliği ve Dünya Ekonomik Forumları", *Ekonomik Entegrasyon Küresel ve Bölgesel Yaklaşım*, Osman Küçükahmetoğlu vd. (ed.), Bursa: Ekin Kitabevi, 2013, p. 306.

<sup>26</sup> Sarı, Müslim, "Dış Borç yönetimi ve Türkiye Uygulamaları", *Merkez Bankası Dışilişkiler Genel Müdürlüğü Uzmanlık Yeterlilik Tezi*, 2004, p. 51.

<sup>27</sup> Kılıçbay, Ahmet, *Türkiye Ekonomisi*, Ankara: Türkiye İşbankası Yayınları, 1984, p. 153.

<sup>28</sup> The share of loans in Turkey's external debt portfolio decreased steadily between 1989 and 2008, excluding in 2002, and fell to its lowest level in 2008 with 44.2 percent. The share of international institutions owning Turkey's debt fell from 16.8 percent in 1989 to 12.3 percent in 2000. After 2000, debt levels began to rise again, and foreign debt increased to 36.5 percent in 2002, but then dropped to 14.3 percent in 2016. The share of bond debts

of the Aid Consortium and the Working Group in 1993<sup>29</sup> led to a weakening of relations between Turkey and the OECD between the mid-1980s until 2000. On the other hand, institutional reforms such as the External Debt Strategy Detection Group established in 1988 and the Foreign Debt Usage Monitoring Committee established in 1998 raised three key issues as a result of reforms in many OECD countries (and some developing countries) in debt management: Ensuring that debt management is not exposed to political repression, technical maintenance of debt management personnel, and technical infrastructure.<sup>30</sup>

### *The Post-2000 Period*

Since the 2000s, there has been a revival in relations with the OECD in connection with the national reform process. In this context, after 26 years, Turkey has chaired the Council of Ministers of the OECD in 2012. Turkey also hosted important OECD meetings in 2013, such as the meeting of Ministers of Education, the Ministerial Conference on Universal Health Inclusiveness, and the Global Forum on Knowledge Economy. In addition, Turkey also chaired the 2013 Ministerial Meeting of the International Energy Agency, which is operated under the OECD framework. Turkey has been in close cooperation with the OECD during the G20 Presidency in 2015.<sup>31</sup>

Since 1998, the OECD initiated the “Reform in Regulations of Voluntary Country Investigations.” The office of the Turkish Prime Minister has undertaken several actions to include Turkey in this framework and in 2001 Turkey was included in the list of countries to be investigated (in economic and social areas), along with Canada, the United Kingdom, and Poland.

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in foreign debt increased steadily in the period between 1989 and 2008, except for 2002. In 1989, the weight of the bonds was 6.7 percent and in 2006 it reached 55.8 percent. Loans in Turkey’s foreign debt portfolio are declining, but loans are increasing towards the compound market. In other words, the lending to international institutions and government institutions is decreasing, but the weight of the market within the lending is increasing. See: Koçak, Aysun, “Küresel Dönemde Türkiye’nin Borç Yapısındaki Dönüşüm,” *Maliye Dergisi*, Sayı:157, Temmuz-Aralık 2009, p. 79.

<sup>29</sup> The duration of the Consortium is fixed, meaning that it is possible to establish additional Stand-by Agreements (SBA) with the IMF to resolve Turkey’s instability and to increase the levels of financial integration as well as to obtain funding from international financial markets.

<sup>30</sup> Ateş, G. *Borç Yönetim Ofisi ve Türkiye Uygulaması Üzerine Bir Çalışma*, Hazine Müsteşarlığı İnceleme Dizisi, Ankara, 2002, p. 7.

<sup>31</sup> [http://www.mfa.gov.tr/iktisadi-isbirligi\\_ve-gelisme-teskilati-\\_oecd\\_tr.mfa](http://www.mfa.gov.tr/iktisadi-isbirligi_ve-gelisme-teskilati-_oecd_tr.mfa).

Reports published on Turkey<sup>32</sup> in the 2000s were completed simultaneously with domestic changes and the transformation of the Turkish economy. After the economic crisis of 2002, which was one of the most severe crises in Turkey's history, the country quickly recovered and recorded one of the highest economic growths of all OECD members. The report emphasized that the rate of economic growth, standing at 8 percent in 2002 and at 6 percent in 2003, would exceed the government's target. While it is stated that Turkey has "three traps"<sup>33</sup> which caused the crises and contributed to instability in its economic growth, the new monetary and fiscal policies adopted in close cooperation with the IMF and the World Bank had opened up the opportunity to overcome these difficulties.

The report published in 2006 was much more positive than the one in the previous year. OECD Secretary General Jose Angel Gurría, (who made a speech on this report), congratulated Turkey for its outstanding economic performance. According to the report, Turkey following the economic reforms and programs it has implemented, had become one of the fastest growing countries in the OECD. He also emphasized that living standards in Turkey had reached average OECD-levels. Underlining that Turkey should not miss this economic growth opportunity, Gurría advised that the credibility of the Central Bank should be strengthened and that interest rates should be lowered by monitoring the current account deficit, encouraging foreign direct investment (FDI), decreasing the informal economy, increasing employment, and aligning the education system with the job market.<sup>34</sup>

In the 2008 Report, the OECD made four recommendations:

1. Increase transparency of the public financial system, with the goal of creating a macroeconomic framework independent from political conditions;
2. The Central Bank, which keeps interest rates high in order to reduce inflation to single-digit figures, needs to be supported;
3. Guarantees that the underground economy was being eradicated is on Turkey's main microeconomic agenda;
4. Increased investment in education.<sup>35</sup>

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<sup>32</sup> Trade policy peer reviews in the fields of education, environment, corporate governance, agriculture, local development, investment, science and technology, and anti-corruption.

<sup>33</sup> These traps were identified as: "low confidence, poor governance, and the size of the informal sector." See: <http://www.oecd.org/turkey/economicsurvey-turkey2004.htm>.

<sup>34</sup> "2006-10-18 Oecd Türkiye Raporu." Türkiye Cumhuriyeti Avrupa Birliği Bakanlığı. 4 Temmuz 2007. <http://www.ab.gov.tr/39507.html>.

<sup>35</sup> "OECD Türkiye Raporu: Güçlü YTL ekonomide sorun yarattı", *Milliyet*, 17 Temmuz

The 2010 report stated that the ongoing economic recovery provided a favorable environment for structural reforms, and that stronger growth, higher income and savings, and social and political stability could be achieved with wide-ranging reforms. However, the report also pointed to two fundamental structural weaknesses, which threatened the sustainability of long-term performance. Firstly, international price competition had worsened during the period of economic recovery and this had increased the current deficit. Secondly, the need for the training of the young and dynamic population, and a labor force with adequate technical and professional equipment needed by the market.<sup>36</sup>

The main developments that stood out in the report in 2012 were reflections on the ongoing economic crisis in Europe and the forecasts of Turkey's growth rate. Turkey's economic growth rates recorded in 2012 were expected to gradually improve as confidence and international conditions improved. The report stated that if uncertainties deepened in the Eurozone, if oil prices rose more rapidly than expected, or if the investor's worries arose from imbalances, risk premiums could increase, foreign financing could become difficult to find, and growth could become lower. On the other hand, growth could become stronger if the international environment was more moderate than anticipated.<sup>37</sup>

According to the 2014 report, Turkey's economy was expected to grow in the years to come. But the internal consumption (funded by external financing) has been expected to remain overly dependent. Turkey was advised to rebalance its growth, inflation, exchange rates, and credit levels through sustainable monetary and financial policies. Although indicators of income inequality, poverty, and material deprivation in Turkey had decreased; education levels, work/life balance, environmental quality, and subjective well-being were all below the OECD average. Part of this gap was explained by the absence of the required humanitarian capital and the extent of the informal sector. In addition, the report concluded by drawing attention to the steps Turkey needed to take in the area of environmental

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2008, <http://www.milliyet.com.tr/oced-turkiye-raporu—guclu-ytl-ekonomide-sorun-yaratti-ekonomi-894489/>.

<sup>36</sup> "Ekonomik İşbirliği ve Kalkınma Örgütü—OECD - 2010 Türkiye Raporu Yayınlandı", *İktisadi Kalkınma Vakfı*, [http://www.ikv.org.tr/images/upload/data/files/ekonomik\\_isbirligi\\_ve\\_kalkinma\\_orgutu\\_%E2%80%93\\_2010\\_turkiye\\_raporu\\_yayimlandi.pdf](http://www.ikv.org.tr/images/upload/data/files/ekonomik_isbirligi_ve_kalkinma_orgutu_%E2%80%93_2010_turkiye_raporu_yayimlandi.pdf).

<sup>37</sup> "OECD: Türkiye bu yıl yüzde 3.3 seneye 4.6 büyür", *Hürriyet*, 23 Mayıs 2012, <http://www.hurriyet.com.tr/oced-turkiye-bu-yil-yuzde-3-3-seneye-4-6-buyur-20608787>

policy. Following this, Turkey signed the Kyoto Protocol in 2009, but was late to determine a national target for greenhouse gas emissions.<sup>38</sup>

According to the 2016 report, new reforms should aim to strengthen economic resilience and social cohesion, improve the business environment, and increase the capacity of Turkish companies to participate in global value chains. Even though Turkish policymakers passed through a difficult period, conflicts continue on Turkey's southern border. Despite tensions in the eastern regions of the country, trade restrictions with Russia, and the influx of millions of refugees into the country, Turkey's economy was expected to grow at around 4 percent in 2016. The report recommended Turkey to continue following macroeconomic policies aimed at reducing inflation, increasing domestic savings, improving women's participation in the labor force, and increasing FDI.<sup>39</sup>

Upon request from Ankara, (in addition to reports published by the OECD every two years), the OECD recently began to conduct specific ad hoc studies. These field studies were classified as reviews of regulatory reform, such as reforms of Small and Medium Sized Enterprises (SMEs), basic education, institutional governance, pilot work, e-government, Istanbul metropolitan area surveys, environmental, health, innovation, and agriculture.

In recent years, the OECD stepped up its Turkey focus through education, environment, corporate governance, agriculture, local development, investment, science and technology, anti-corruption, and trade policy peer reviews—all of which are relevant to the EU accession process.<sup>40</sup>

## Conclusion and Recommendations

Turkey identified the Westernization perspective as its foreign policy parameter since the late Ottoman period, and has continued its Western commitment during the establishment of the Turkish Republic. Since WWII, Turkey has taken a place in the Western bloc by becoming a member of many international organizations. While it did not become a NATO member until 1952, Turkey was a founding member of the Council of

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<sup>38</sup> Aydın Anzak, Gülçin, "OECD Ekonomik Araştırmalar: Türkiye 2014", *Anabtar Dergisi*, Eylül 2014, Sayı: 309.

<sup>39</sup> <http://www.oecd.org/turkey/economic-survey-turkey.htm>.

<sup>40</sup> Öğütçü, Mehmet, "International Organizations in Transformation: Why Does the OECD Matter for Turkey," *Turkish Policy Quarterly*, Volume: 6, Number: 4, Winter 2007/2008, p. 32.

Europe and the OEEC (later the OECD). Turkey's OECD membership is an important part of its economic partnership with both the Western European states and the global powers on the other side of the Atlantic. During the Cold War period, Turkey had a debtor-creditor relationship with the OECD, similarly to other Mediterranean countries such as Greece, Spain, and Portugal. The West was willing to act as a creditor because at the time, there was a critical need for a reliable partner in the Eastern Mediterranean.

The periods when Turkey partially moved away from the Western bloc coincided with the weakening of the creditor-debtor relationship with the OECD. This resulted in Turkey's struggle to improve its economic development. The promotion of institutional reforms in the 2000s resulted in improved relations with the OECD. At the same time, it also revitalized Turkey's relations with international financial institutions. Turkey's main goal was to accelerate the integration process towards a free market and competitiveness. In addition, OECD membership plays a useful role in upgrading Turkey's technical and governance standards and promoting regional integration, which in turn enhance the EU accession process already underway on a separate track.

OECD membership is expected to contribute greatly to Turkey's efforts to integrate with the world economy in the 2000s. Turkey has become a donor country to the World Bank<sup>41</sup> and has repaid its debts to the IMF,<sup>42</sup> but should take the OECD special reviews and country reports into account in order to rank higher in the world economy and to adjust its economic policies in the accordance to these criticisms. As a medium-size power, Turkey can multiply its impact in the global system through enhanced and focused engagement with international organizations, including the OECD. Turkey's contribution to the OECD will undoubtedly remain important. It would be appropriate to realize this increase in the form of funding specific projects in line with determined priorities, and Turkey should maintain its dialogue with economic institutions. Thanks to these steps taken by Ankara, OECD membership is believed to enable Turkey to establish a stronger position in both the development of its economic policies and its international relations.

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<sup>41</sup> "Contributor Countries." IDA. <http://ida.worldbank.org/about/contributor-countries>.

<sup>42</sup> "Turkey pays off the last installment of its debt to IMF." <http://aa.com.tr/en/turkey/turkey-pays-off-the-last-installment-of-its-debt-to-imf/246440>

## *Chapter Two*

# **Turkey and the Council of Europe**

*Aylin Ünver Noi*

As a result of its western alignment during the 1940s Turkey established formal links with the Western community becoming a member of several western organizations. Turkey, which introduced a multiparty system and a democracy in 1946, became a founding member of the Council of Europe (1949), an organization that serves as the guardian of democracy and human rights.

This study will first attempt to identify Turkey's place in the European international community with historical references to Turkey's transformation, particularly focusing on the country's modernization, westernization, and Europeanization. The paper will then evaluate the relationship between the Council of Europe and Turkey since the beginning of its membership up to the present day, focusing on directions of democratic change in the country. Within this context, the study will draw upon recent external and internal developments and their impacts on Turkey focusing on the security versus freedom dilemma and reactions from the Council of Europe to assess prospects of further cooperation. Finally, the chapter will have recommendations for both sides that might contribute to foster cooperation not only between them but also with their neighborhood and other regions.

## **A Brief History of Turkey's Place in the European Community**

Turkey's place in the European community dates back to 19<sup>th</sup> century, when the Ottoman Empire signed the Treaty of Paris in 1856 after the Crimean War.<sup>1</sup> In fact, the Ottoman Empire became a *de facto* part of the

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<sup>1</sup> The English School of international relations invented the concept "international community." The emergence of a European international community dates back to the Vienna Congress of 1815, which formed the basis of common values and common interests. It also formed the basis of regional and international institutions and organizations starting the establishment of organization that regulates passage of vessels at the European rivers and most importantly established the European "balance of power" (the Concert of Europe) that lasted between 1815 and 1914.

European system, enjoying the balance of power when it formed an alliance with Russia against Britain in the 1830s, and an alliance with Britain and France against Russia in the 1850s.

As a result of the rise of positivism in European international law, the previous history of legal interactions between European and Ottoman powers was erased and Ottoman membership in the international community became contested.<sup>2</sup> The shift from naturalism to positivism redefined the types of interactions and brought the burden of communal bonds between their respective states and the international community of civilized states. States had to be linked through commercial, cultural, religious, or political ties, in order to belong to the “family of civilized nations” governed by law.<sup>3</sup>

The West European model has influenced modernization<sup>4</sup> and nation-building processes in several South European states since the 19th century. The West European norms and values deeply influenced Ottoman–Turkish intellectuals and the direction of modernization from the late 19th century onwards.<sup>5</sup> The ruling Ottoman elites thus pushed forward modernization that ensures its legal participation in the Concert of Europe and led to the Ottoman Empire bound to Europe for centuries through a series of treaties and the law of nations.<sup>6</sup>

Hence, modernization, interchangeably used to describe westernization, was also adopted by the Ottoman Empire, for example by granting increased individual rights, modeled after the Western state system and individual rights. Between 1839 and 1876, educational, political, and economic reforms aimed at modernizing the Ottoman Empire were introduced. The 1876 Tanzimat reforms intended to preserve the weakening Ottoman Empire, and included the 1839 Hatt-ı Şerif of Gülhane reforms (Noble Edict of the Rose Chamber), which guaranteed life and property rights, instituted tax regulations, outlawed execution without trial, and

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<sup>2</sup> Lorca, Arnulf Becker “Mestizo International Law: A Global Intellectual History 1842–1933,” *Cambridge Studies in International and Comparative Law*, (2015), p. 119.

<sup>3</sup> Ibid.

<sup>4</sup> Modernization refers to a transformation, which began at the end of the Middle Ages., Dankwart, Rustow A. and Ward, Robert E., Introduction in Robert E. Ward & Rustow A. Dankwart (eds.) *Political Modernization in Japan and Turkey*, (New Jersey: Princeton University Press, 1964), p. 3.

<sup>5</sup> Kaliber, Alper, “Europeanization in Turkey: In Search of a New Paradigm of Modernization,” *Journal of Balkan and Near Eastern Studies*, vol. 16, no. 1, 2014, pp. 30–46.

<sup>6</sup> Lorca, Arnulf Becker, p. 120.

other liberal reforms, recalled the French Declaration of the Rights of Man and the Citizen (1789), and the 1856 Hatt-ı Hümayun (Imperial Edict), which asserted the equality of Muslim and non-Muslim Ottoman subjects. The Tanzimat reforms, which transformed life in the Ottoman Empire, were based on European state models and were aimed at showing Europe that the Ottoman Empire belonged among European nations.<sup>7</sup>

As long as the international community was composed of peoples belonging to the European civilization, new states had to incorporate fundamental elements of Western culture for the international community to progress. The adoption of this standard of civilization as a yardstick for the recognition of statehood presented the Ottoman elites with an opportunity to justify the process of modernization and Westernization.<sup>8</sup>

Seeking ways to belong to the “family of civilized nations” governed by law continued throughout the Westernization of the Turkish system following the establishment of the Republic of Turkey and Mustafa Kemal Atatürk’s reforms. In 1923, the Republic of Turkey was established as a constitutional parliamentary democracy,<sup>9</sup> and became one of the first countries to grant women the right to vote and to be elected. In the municipal elections of 3 April 1930, women were given the right to vote, and four years later, women gained the right to both vote and be elected in national elections, much earlier than their counterparts in many contemporary democracies in the West.<sup>10</sup> In the general elections held on February 8, 1935, 17 women deputies entered the Turkish Grand National Assembly. In 1946, the first multi-party elections were held and marked a turning point Turkey’s internal politics.<sup>11</sup> Four years later, the peaceful transition of power from one party to another following democratic election realized.<sup>12</sup>

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<sup>7</sup> See: <http://rlp.hds.harvard.edu/faq/tanzimat-reforms>.

<sup>8</sup> Lorca, Arnulf Becker, pp. 120, 127.

<sup>9</sup> Esmer, Yılmaz, Introduction in *Politics, Parties, and Elections in Turkey*, Sabri Sayari & Yılmaz Esmer (eds.) (Boulder and London: Lynne Rienner Publishers, 2002), p. 2.

<sup>10</sup> Davidson, Marilyn J. and Burke, Ronald J., *Women in Management Worldwide: Progress and Prospects*, (Surrey, U.K.: Gower Publishing, 2011), p. 329.

<sup>11</sup> Dankwart, Rustow, A. and Ward, Robert E., Introduction in Robert E. Ward & Rustow A. Dankwart (eds.) *Political Modernization in Japan and Turkey*, (New Jersey: Princeton University Press, 1964), p. 3.

<sup>12</sup> Yılmaz Esmer, Introduction in Sabri Sayari & Yılmaz Esmer (eds.) *Politics, Parties, and Elections in Turkey* (Boulder and London: Lynne Rienner Publishers, 2002), p. 2.

Since the foundation of the Republic, Turkey's orientation and affiliation with the West through modernization (Westernization) became major feature of Turkish foreign policy. Westernization, defined as part of Turkey's identity as a result of adopted norms and values, also shaped the foreign policy interests of Turkey and led it to become part of several western organizations. Its association with the West was realized through the Truman Doctrine of 1947, paving way for its membership to the Organization for European Economic Cooperation (OEEC) in 1948 to utilize the Marshall Plan, and continued membership to the Council of Europe in 1949 and its admission to the North Atlantic Treaty Organization (NATO) in 1952 after Turkey's participation in the Korean War of 1950. This trend continued with Turkey's membership to the Organization for Economic Cooperation and Development (OECD) in 1961 and Organization for Security and Cooperation in Europe (OSCE) in 1975. Most of these institutions are composed of countries committed to democracy, human rights, and the rule of law. The OECD is a forum for countries describing themselves as committed to democracy and the market economy; the OSCE is an organization of countries declaring their commitment to democracy based on human rights and fundamental freedoms; NATO's charter stipulates that the signatories "are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law"; and finally, the Council of Europe was established to promote democracy and to protect human rights and the rule of law.

Although democracy in Turkey has been interrupted by military intervention (1960), the "half coup" (1971), the military takeover (1980), and the "postmodern *coup d'état*" (1997), the country has achieved significant progress in cooperation with the Council of Europe (CoE), particularly in the early 2000s. These were manifest in areas such as the abolition of the death penalty, the fight against torture, the reform of prisons and detention centers, freedom of thought and expression, freedom of association and reunion, freedom of religion, the functioning of the judiciary, civil-military relations, economic, cultural and social rights, and the fight against corruption. The credible European Union membership perspective attained at the 1999 Helsinki Summit, (when Turkey was declared a candidate state), served to accelerate the reform processes that were already underway in Turkey.<sup>13</sup>

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<sup>13</sup> Ünver Noi, Aylin, "Challenges of Democracy in Turkey: Europeanization, Modernization and Securization Revisited," in Aylin Ünver Noi and Sasha Toperich (eds.) *Challenges of*

In fact, Turkey's relationship with the European Community (EC) dates back to 1959, when it applied for association with the EEC. This relationship continued with an association agreement—the Ankara Agreement—signed in 1963, and an Additional Protocol signed in 1970. As foreseen in the 1963 Ankara Agreement, the Customs Union decision was taken by the Turkey-EU Association Council in 1995. At the Copenhagen summit of 1993, the EU set out economic and political criteria that raised the bar for membership requiring candidate states to meet a number of political criteria, including the stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities. It also set out certain economic criteria, including the maintenance of a functioning market economy, and the capacity to cope with competitive pressure and market forces within the Union.<sup>14</sup>

In October 2001, the Turkish Parliament passed 34 constitutional amendments expanding democratic rights and liberties. In December of 2002, the Copenhagen European Council clearly linked the EU's prospective decision to open accession talks with Turkey with the performance of the government to democratize state–society relations in Turkey. Then, Turkey witnessed a sweeping wave of reform processes where several legal “harmonization packages” and a further set of constitutional amendments were passed, particularly in 2003 and 2004. The adoption of successive reform packages by the Turkish Grand National Assembly to meet the Copenhagen Criteria has placed the EU at the forefront of the democratization agenda in Turkey. Among these radical reforms are the abolition of State Security Courts, the narrowing of the jurisdiction of military courts over civilians, the abolition of the death penalty, enhancing the exercise of the right of freedom, expression and assembly, and the abolition of the ban on broadcasting and teaching in languages other than Turkish.<sup>15</sup>

Europeanization, (which corresponds to a quest for a new paradigm of political modernity), has turned out to be the main normative and political context of the democratic transformation of the state-centered nature of Turkish political modernity. Europeanization constituted the main normative/political context for the modernizing elite to define and justify their vision of state and society. Europeanization as a pathway leading

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*Democracy in the European Union and Its Neighbors* (Washington D.C.: Center for Transatlantic Relations, 2016).

<sup>14</sup> Ibid.

<sup>15</sup> Kaliber, Alper, “Europeanization in Turkey: In Search of a New Paradigm of Modernization,” *Journal of Balkan and Near Eastern Studies*, vol. 16, no. 1, 2014, pp. 30-46.

societies to the end-stage of modernization, implies that once European-wide norms, rules, and procedures get diffused and the institutional and policy misfit between the domestic and EU level is eliminated, these countries will have completed their process of modernization.<sup>16</sup> Large segments of society tended to see Europeanization as “synonymous to democratization or pressure to enhance and deepen liberal democracy, and to activate appropriate citizenship rights.”<sup>17</sup> Europeanization helped Turkey to achieve a decrease in number of cases in the Council of Europe. Some reforms helped Turkey to improve its place in this institution.

### **The Council of Europe: Guardian of Human Rights and Democracy**

The idea of human rights, which underlay the 1776 American Declaration of Independence and the 1789 French Declaration of the Rights of Man and of the Citizens, re-emerged and developed after World War II (WWII) following the experiences of Nazism and Fascism.<sup>18</sup> The calls for human rights standards to protect citizens from abuses by their governments gained enormous importance. The International Bill of Human Rights: the 1948 Universal Declaration of Human Rights and the two international covenants, (on Civil and Political Rights and on Economic, Social and Cultural Rights) are basic international framework for the protection of human rights declared after WWII. The Genocide Convention and the Convention against Torture are other important treaties in terms of human rights. Yet, committees monitoring their implementation cannot force a state to comply.<sup>19</sup>

The idea of founding the CoE was first voiced by Winston Churchill, the Prime Minister of the United Kingdom, on a radio broadcast during WWII. Churchill repeated his view on the establishment of a United States of Europe in a speech he made at Zurich University in 1946. The idea was

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<sup>16</sup> Ibid. Europeanization and modernization are used here as synonymous terms and at times even interchangeably.

<sup>17</sup> Kaliber, Alper, “Europeanization in Turkey: In Search of a New Paradigm of Modernization,” *Journal of Balkan and Near Eastern Studies*, vol. 16, no. 1, 2014, pp. 30-46.

<sup>18</sup> The Declaration of the Rights of Man (1789) was established to grant individuals natural, sacred, and inalienable human rights—freedom, property, safety, and the right to resist oppression. See: Yale Law School. *Declaration of the Rights of Men-1789, The Avalon Project Documents in Law, History and Diplomacy*, 2008.

<sup>19</sup> E. Karen, *European Union Foreign Policy in a Changing World*, (Cambridge: Polity, 2003) p. 98.

to provide reconciliation among the people of Europe that would prevent the re-emergence of a conflict, as well as to protect individuals in the continent by establishing common institutions, standards, and agreements.<sup>20</sup>

The London Agreement, (which formally established the CoE), was signed on May 5, 1949 by 10 European countries. The European Convention on Human Rights (ECHR), a backbone to the CoE with the aim of developing democratic principles, was signed on November 4, 1950 in Rome. The CoE also contains more than 200 conventions and protocols on the protection of individuals throughout Europe. The CoE achieved a greater unity and collaboration in Europe on the basis of common European values, standards, and institutions. The CoE has monitoring mechanisms such as the European Court of Human Rights to which all member states have accepted the right to individual application.<sup>21</sup>

The ECHR lays down a number of civil and political rights, including freedom from torture and slavery to freedom of religion and expression. Under the ECHR, an individual can file a complaint against his or her own country alleging violations of the convention. Contrary to other international treaties on human rights, the judgment of the ECHR is legally binding. All EU member states that ratify the ECHR indicate their willingness to protect human rights. This reflects the need for making human rights issues that happen within state boundaries subject to international scrutiny.<sup>22</sup>

The democratization process accelerated at the end of the Cold War, which highlighted the political and legal effectiveness of the CoE. With the membership of Central and Eastern European countries in democratic transition, the CoE expanded rapidly.<sup>23</sup> Today, the CoE has 47 members.

Since the 2000s, there have been calls for reforms in the CoE. After the 2009 election of former Norwegian Prime Minister Thorbjorn Jagland as the Secretary General, a comprehensive reform process has been put into practice with the aim to increasing the benefits of the work and con-

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<sup>20</sup> Ünver Noi, Aylin, "An Alternative for Improving Human Security in the Middle East and North Africa" in Sasha Toperich and Andy Mullins (eds.) *A New paradigm: Perspectives on the Changing Mediterranean*, (Washington D.C.: Center for Transatlantic Relations, 2014) p. 30.

<sup>21</sup> Council of Europe: History, Republic of Turkey, Ministry of Foreign Affairs, 2011, <http://www.mfa.gov.tr/council-of-europe.en.mfa>.

<sup>22</sup> Smith, op. cit., p. 99.

<sup>23</sup> Council of Europe: History, op. cit.

tributions of the CoE, as well as to strengthen the CoE's political role and visibility both at the regional and the international level. Moreover, the CoE has initiated a number of activities for North Africa and the Middle East to share its experience on human rights, democratization, and the rule of law norms and standards.<sup>24</sup>

## The Council of Europe and Turkey

Turkey's first institutional ties with Europe after WWII were established with the CoE, following the organization's invitation to Turkey (along with Iceland and Greece) as a founding member, in 1949. Thus, Turkey contributed to joint efforts in transitioning Europe away from the post-war psychology and achieving unification through supporting the accession of the Federal Republic of Germany and Austria to the CoE. Since the establishment of the Parliamentary Assembly of the Council of Europe (PACE), Turkey has supported the common European vision and the idea of European integration, and Turkish parliamentarians have actively participated in PACE. Turkey was one of the democratic countries in the Council when the CoE only had a limited number of democracies in the 1950s. In 1954, Turkey ratified the ECHR, which rules on individual or state allegations of civil and political rights.<sup>25</sup>

The reform process in Turkey was stepped up through a credible European Union membership perspective, which was attained at the end of the 1990s and significantly enhanced Turkey's relations with the CoE. In this context, substantial progress was achieved in the abolition of the death penalty, opposition against torture, reform of prisons and detention houses, freedom of religion, functioning of the judiciary, civil-military relations, freedom of thought and expression, freedom of association, economic, social and cultural rights, and the fight against corruption. All these progresses were realized in the early 2000s and strengthened Turkey's position in the CoE, which led to PACE's decision in 2004 to close the monitoring procedure on Turkey.<sup>26</sup>

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<sup>24</sup> Ibid.

<sup>25</sup> Ünver Noi, Aylin, "Turkey's Increasing Presence in the Council of Europe: What Should be the Next Step?" *Huffington Post*, 2015, [http://www.huffingtonpost.com/aylin-unver-noi/turkeys-increasing-presen\\_b\\_7415638.html](http://www.huffingtonpost.com/aylin-unver-noi/turkeys-increasing-presen_b_7415638.html).

<sup>26</sup> Council of Europe: History, op. cit.

Turkey had sufficiently fulfilled the Copenhagen political criteria to open accession negotiations with the EU on October 3, 2005. Since then, however, the speed of reforms has slowed in parallel to the increasingly dim perspective of membership after the EU's Turko-skeptic leaders offered Turkey a "special relationship," based on "privileged partnership" rather than "full EU membership," vetoing the opening of several chapters in Turkey's EU accession talks. The post-2005 period was marked by the retreat of Europeanization as a normative/political context affecting Turkish politics and policy. This retreat was described by the European Commission as a "significant slowdown in the reform agenda."<sup>27</sup> Human rights activists in Turkey underline that "in parallel to the deterioration of EU-Turkey relations, there has been a decrease in human rights standards and a sharp increase in human rights violations, which has crippled their effectiveness and ability to influence policy."<sup>28</sup>

The slowdown in the EU-required reform process cast a shadow over the prospects of grounding Turkish political modernization on a more pluralist, participatory, and emancipatory basis.<sup>29</sup> Nevertheless, the adoption and implementation of certain domestic reforms continued after 2005. The Ankara criteria replaced the Copenhagen criteria. This preference of the government has been described by Tanja Börzel as "Europeanization à la carte,"<sup>30</sup> in other words, picking and choosing from EU policies.<sup>31</sup>

Despite the slowdown in the reform agenda, since 2005, Turkey's relations with the CoE have nevertheless advanced. In line with Turkey's objective to strengthen its role and visibility on international platforms, in 2006 Turkey became a major contributor to the CoE's budget.<sup>32</sup> Turkey's contribution to strengthening its political role, visibility, and relevance of the CoE were undeniable since Foreign Minister Mevlüt Çavuşoğlu was

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<sup>27</sup> Keyman, Fuat and Gümüüşçü, Şebnem, *Democracy, Identity and Foreign Policy in Turkey: Hegemony through Transformation*, (Hampshire and New York: Palgrave Macmillan, 2014) pp. 48, 50.

<sup>28</sup> Kaliber, Alper and Tocci, Nathalie, "Civil Society and the Transformation of Turkey's Kurdish Question," *Security Dialogue*, vol. 41, no. 2, 2010, p. 203.

<sup>29</sup> Kaliber, Alper, "Europeanization in Turkey: In Search of a New Paradigm of Modernization," *Journal of Balkan and Near Eastern Studies*, vol. 16, no. 1, 2014, pp. 30-46.

<sup>30</sup> Börzel, Tanja A. and Soyaltın, Didem "Europeanization in Turkey: Stretching a Concept to Its Limits?" Working Paper Freie Universität Berlin-KFG *The Transformative Power of Europe*, no. 36, (February 2012), p. 16.

<sup>31</sup> Börzel and Soyaltın, op. cit., p. 16.

<sup>32</sup> Council of Europe: History, op. cit.

elected as President of the Parliamentary Assembly in 2010 (for two years) and Turkey assumed Chairmanship of the Committee of Ministers of the CoE between November 2010 and May 2011. During the Turkey's Chairmanship of the Committee of Ministers, the CoE Convention on Preventing and Combating Violence Against Women and Domestic Violence, (known as the Istanbul Convention), was opened to signature on May 11, 2011. The Convention to which Turkey became the first signatory provides for the highest standards in combatting violence against women and taking necessary measures for its prevention, protection, and prosecution. Aside from the Istanbul Convention, the Neighboring Policy of the CoE was initiated during Turkey's Chairmanship of the Committee of Ministers.<sup>33</sup>

During the Turkish Chairmanship, priorities were also given to reforming the CoE, securing long-term effectiveness of the European Court of Human Rights, strengthening the independent monitoring mechanism of the CoE, facilitating EU's accession to the ECHR, and addressing the challenges of multicultural European societies. Moreover, Turkey's chairmanship offered assistance to countries in the Middle East and North Africa (MENA) in establishing a democratic transition process in the post-Arab Spring era. In this framework, the Turkish Minister of Foreign Affairs of the time, Ahmet Davutoğlu, as Chairperson of the Committee of Ministers, visited Tunisia in February 2011, along with Thorbjorn Jagland, Secretary General of the CoE.<sup>34</sup>

On January 7, 2015 Mevlüt Çavuşoğlu, Turkey's Foreign Minister, signaled the country's continuous support to the CoE by expressing a desire to become the sixth largest contributor to the CoE by increasing its annual contribution to the CoE from 13 million euros to 33 million euros. The Turkish delegation requested to introduce Turkish as a working language in the Assembly, in addition to Italian, Russian and German, and the official languages of English and French. As Europe's third-largest population, the Turkish parliamentary delegation requested an increase in the number of seats in the Assembly. The allocation of seats in the Assembly, based on population size, has not been adjusted since 1977.<sup>35</sup>

The Committee welcomed Turkey's decision to become a major contributor to the CoE's budget from 2016 onwards, and it accepted the request to introduce Turkish as a working language in Assembly. Also, the

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<sup>33</sup> Council of Europe: History, op. cit.

<sup>34</sup> Ünver Noi, 2015, op. cit.

<sup>35</sup> Ünver Noi, 2015, op. cit.

Committee agreed to increase the number of Turkish parliamentarians from 12 to 18 within PACE. Thus, Turkey now had the same number of seats in the Assembly as France, Germany, Italy, the Russian Federation, and the UK.<sup>36</sup>

In addition to Turkey's efforts to support the strengthening of the CoE, Turkey continues to provide voluntary contribution to the work of the CoE in areas such as the policy towards neighboring regions, Prevention of Violence Against Women, CoE's Action Plan in Ukraine, the ongoing process with Kosovo, and the reform of the European Court of Human Rights. Turkey also maintains close cooperation with the monitoring bodies of the CoE in the fight against racism and discrimination, the prevention of torture and ill-treatment, and initiatives against corruption, money-laundering, and counter-terrorism.<sup>37</sup> Moreover, Turkey is party to almost half of the 219 CoE Conventions and protocols. The ratification process of the signed Conventions has been accelerated. Awareness and training activities are given to students, civil society, and public officials in cooperation with the CoE.<sup>38</sup>

## **Post-Coup Developments and Their Impact on Turkey-CoE Relations**

On July 15, 2016, a fraction within the Turkish Armed Forces directed by FETÖ, the Fethullah Terrorist Organization (a group classified as a terrorist organization within the Turkish National Security Policy) loyal to Turkish-Muslim cleric Fethullah Gülen, had attempted to perform a *coup d'état*. This bloody coup attempt resulted in 265 civilian deaths and 1,440 injured. Following the attempt, tens of thousands of employees who had infiltrated the state institutions were removed from military and government positions. Turkey temporarily suspended the ECHR and implemented a state of emergency to eradicate this organization. Since then, Turkish authorities have arrested more than 47,155 people accused of having links to FETÖ.<sup>39</sup>

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<sup>36</sup> Ibid.

<sup>37</sup> Council of Europe: History, op. cit.

<sup>38</sup> Council of Europe: History, op. cit.

<sup>39</sup> Hürriyet Daily News, "47,155 People Arrested in Gülen Probe Since Coup Attempt: Interior Minister," March 4, 2017. <http://www.hurriyetdailynews.com/47155-arrested-in-gulen-probe-since-coup-attempt-interior-minister.aspx?pageID=238&nID=111530&News-CatID=509>.

A study conducted by the CoE stated that over 125,000 people across Turkish society had been dismissed from their jobs as of December 9, 2016. The study also listed the arrest of 140 journalists, the closure of 177 media outlets (11 of those were subsequently reopened) and the shutdown of more than 2,000 schools, universities, and dormitories. A report released by Nils Muiznieks, CoE's Commissioner for Human Rights, accused the Turkish government of adopting state decrees granting it almost unlimited powers, which led to human right abuses. The study also emphasized "the dismissal of a number of members of the Turkish forces resulted in a decrease, (by one third), of military personnel."<sup>40</sup>

Turkish officials said the military had become more loyal and effective with the removal of rogue officers, some of which commandeered tanks, jets, and helicopters in their attempt to seize power on July 15.<sup>41</sup> Mevlüt Çavuşoğlu, Minister of Foreign Affairs, defended the purge of public officials to the CoE claiming that terrorist organizations had infiltrated Turkish state organizations for the past 15 years and that the government "simply had no other choice." Çavuşoğlu also claimed that France had adopted similar state emergency measures following the November 2016 terror attacks in Paris. He added that the state of emergency would be lifted once the situation was back under full control.<sup>42</sup> Along with the coup attempt, Turkey has suffered a series of devastating terror attacks by the Islamic State of Iraq and Syria (ISIS) and the Kurdistan Worker's Party (PKK).

While condemning the coup, several EU officials expressed alarm over the scope of the arrests. Thorbjorn Jagland, the General Secretary of the CoE, who was one of the most senior European officials to visit Turkey after the coup attempt, said that there had been insufficient understanding in Europe about the challenges this has caused to the democratic state institutions in Turkey, (referring to FETÖ). He accepted the need for a crackdown and taking on those who were behind this coup and this secret network that contrasted with the tone of European officials. The Turkish

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<sup>40</sup> Deutsche Welle, "Turkey Defends Purge of Government Officials to Council of Europe," October 12, 2016. <http://www.dw.com/en/turkey-defends-purge-of-government-officials-to-council-of-europe/a-36025826>.

<sup>41</sup> Reuters, "Turkey's Purge Cuts Military by a Third: Council of Europe," December 19, 2016. <http://www.reuters.com/article/us-turkey-security-rights-idUSKBN1481H2>.

<sup>42</sup> The government extended the state of emergency for another three months at the beginning of October. Deuschewelle, "Turkey Defends Purge of Government Officials to Council of Europe," October 12, 2016. <http://www.dw.com/en/turkey-defends-purge-of-government-officials-to-council-of-europe/a-36025826>.

Minister of Foreign Affairs, Çavuşoğlu, said he hoped the solidarity of the CoE General Secretary would set an example for other European allies.<sup>43</sup> He emphasized that “Europe should also realize how it moves away from its own values as it excludes Turkey.”<sup>44</sup> The CoE Secretary General said he would continue to strengthen cooperation between Turkey and the CoE. The CoE was working with Turkey on post-coup prosecutions and address cases where the court had found violations of European rights to freedom of expression due to the application of Turkey’s laws, and in some cases even the laws themselves. These discussions were aimed at helping Ankara better understand which laws need to be revised, but were nevertheless separate from Turkey’s visa liberalization talks with the EU.<sup>45</sup>

In the post-coup era, the debate on the reinstatement of the death penalty became an important issue. On October 30, 2016, the CoE warned Turkey against the reinstatement of the death penalty, saying that reinstating the death penalty would be incompatible with membership to the CoE. Each country that ratified the ECHR in 1983 excluded capital punishment, except in time of war or imminent threat of war.<sup>46</sup> The other issue on the agenda in the post-coup era was the declared state of emergency. The CoE’s Venice Commission<sup>47</sup>, described as an advisory body and a human rights watchdog, told Turkey it was abusing the state of emergency laws in its wider effort to purge state *saboteurs*.<sup>48</sup>

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<sup>43</sup> Anadolu Agency, “Turkish PM Thanks Council of Europe for Coup Solidarity,” November 11, 2016. <http://aa.com.tr/en/politics/turkish-pm-thanks-council-of-europe-for-coup-solidarity/683102>.

<sup>44</sup> Euractive, “Council of Europe Chief Backs Turkey ‘Clean-Up’ After Coup,” August 3, 2016. <http://www.euractiv.com/section/justice-home-affairs/news/council-of-europe-chief-backs-turkey-clean-up-after-coup/>.

<sup>45</sup> Euractive, “Turkey Working with Council of Europe on Post-Coup Prosecutions,” September 7, 2016. <https://www.euractiv.com/section/justice-home-affairs/news/turkey-working-with-council-of-europe-on-post-coup-prosecutions/>.

<sup>46</sup> Turkey’s 2002 protocol ended the time of war provision. Hürriyet Daily News, “Council of Europe Warns Turkey over Death Penalty Plans,” October 30, 2016. <http://www.hurriyetdailynews.com/council-of-europe-warns-turkey-over-death-penalty-plans-.aspx?PageID=238&NID=105539&NewsCatID=351>.

<sup>47</sup> The Action of the Venice Commission is based on the principles of democracy, human rights, and rule of law. Its key areas of action are democratic institutions and fundamental rights; constitutional justice and ordinary justice; and elections, referendums and political parties. Commission produces reports on topical issues providing states with legal advice in the form of “legal opinions” on draft legislation or legislation already in force which is submitted to it for examination.

<sup>48</sup> Euobserver, Council of Europe Critical of Turkey Emergency Laws, December 9, 2016. <https://euobserver.com/tickers/136221>.

Turkey's decision to change its constitution that would turn the political system from a parliamentarian to a presidential system represented another significant issue between Turkey and CoE. This constitutional change, which would abolish the office of the prime minister and consolidate the power of the president, was criticized by the organization for the lack of necessary checks and balances and separation of powers, which are described as the *sine qua non* of a well-functioning democracy. The February 22, 2017 Venice Commission's report issued on constitutional amendments described the situation as a road to autocracy, and a dramatic decline in the country's democratic order, criticizing Ankara's decision to push through constitutional changes during a state of emergency. Mevlüt Çavuşoğlu (Foreign Minister) responded to the Venice Commission's criticism by saying, "France has a state of emergency, too. France can elect the president under a state of emergency, but when it comes to Turkey, it is a crisis. This is [a] double standard and hypocrisy." Ankara rejected the report of the Venice Commission saying that report was politicized.<sup>49</sup>

Although the technical aspects of the process were well administered, lack of equal opportunities, one-sided media coverage, and limitations on fundamental freedoms created unlevel playing field in Turkey's constitutional referendum, international observers concluded in a statement released on April 17, 2017. Cezar Florin Preda, the CoE's Head of the Delegation from the Parliamentary Assembly said "in general, the referendum did not live up to the CoE standards. The legal framework was inadequate for the holding a genuinely democratic process."<sup>50</sup>

Thorbon Jagland, (CoE Secretary General), made the following statement on Turkish Constitutional referendum:

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<sup>49</sup> Hürriyet Daily News, "Turkey Says Venice Commission's Report on Charter Changes 'Not Acceptable,'" March 10, 2017. <http://www.hurriyetdailynews.com/turkey-says-venice-commissions-report-on-charter-changes-not-acceptable-.aspx?pageID=238&nID=110645&NewsCatID=510>.

<sup>50</sup> Turkey has been an electoral democracy since 1950, and international observers have praised the fairness and freedom of Turkish elections. Most recently, the general elections in 2015 were observed by the OSCE and Council of Europe (CoE), with the organization saying, "Turkey's well-managed, democratic elections demonstrated pluralism." <https://www.dailysabah.com/eu-affairs/2017/04/25/council-of-europe-assembly-to-reopen-monitoring-process-against-turkey>. Also see: OSCE, Lack of Equal Opportunities, one-sided media, coverage and limitations on fundamental freedoms created unlevel playing field in Turkey's Constitutional Referendum," and: International Observers, 17 April 2017, <http://www.osce.org/odihr/elections/turkey/311726>.

The Turkish electorate has voted on the amendments to the Constitution. In view of the close result the Turkish leadership should consider the next steps carefully. It is of utmost importance to secure the independence of the judiciary in line with the principle of rule of law enshrined in the ECHR. The Council of Europe, of which Turkey is a full member, stands ready to support the country in this process.<sup>51</sup>

PACE discussed a report titled “the Functioning of democratic institution in Turkey” and decided to reopen a political monitoring process against Turkey following the April 16 referendum on constitutional reform. With this decision, Turkey became the only country ever to first be cleared from initial monitoring, but then to return to monitoring status.

## Conclusion

“If you want total security, go to [the] prison, there you are fed, clothed, given medical care, and so on. The only thing lacking...is freedom!” These words by U.S. President Dwight D. Eisenhower best describe the security versus freedom dilemma, one of the most difficult challenges facing many states in the world today. The rising security concerns, largely due to increasing terror threats that feed into racism, xenophobia, and Islamophobia, have the potential to turn into a new Weimar syndrome<sup>52</sup> in many CoE member states. This would lead to a retreat in the liberal values of these democracies.

A new impetus is urgently needed for the CoE in order to enable the organization to provide assistance to put its members’ democracies back on track and to achieve its main role as the guardian of democracy, human rights, and the rule of law. Increasing coordination focusing on the shared

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<sup>51</sup> Statement by the Secretary General Thorbjorn Jagland on the Outcome of the Turkish Constitutional Referendum, April 16, 2017, <http://www.coe.int/en/web/portal/-/statement-by-council-of-europe-secretary-general-thorbj-rn-jagland-on-the-outcome-of-the-turkish-constitutional-referendum> OSCE criticized the result of the Constitutional referendum. European Commission called for transparent investigation into irregularity claims regarding Turkey referendum. President Erdoğan told to OSCE “we will not accept their report...”

<sup>52</sup> Weimar syndrome is a term used for explaining the parallel between the collapse of the Weimar democratic republic and the rise of national Socialism and Fascism in the 1920s and 1930s, and in the fragile democracies of today. See: Asmus, Ronald, “Double Enlargement: Redefining the Atlantic Partnership after the Cold War,” in David C. Gompert and Stephen F. Larrabee (eds.) *America and Europe: A Partnership for a New Era*, (Cambridge: Cambridge University Press, 1998) p. 26.

values and rights stated by the CoE has the potential to refocus the members' attention to human rights and the rule of law, which have been largely neglected in recent years.

Turkey's desire to increase its presence and role in the CoE were significant steps for the future of democracy and human rights in Europe and Turkey. As stated by Secretary General Jagland at the Seventh Annual Ambassadors Conference held on January 7, 2015 in Ankara, "increasing unemployment, racism, and Islamophobia are huge threats for democracies." At the same conference, Mevlüt Çavuşoğlu, Foreign Minister emphasized the importance of the CoE by stating, "at a time when Europe needs dialogue, mutual understanding, and respect for diversity, the CoE should take a step forward." Çavuşoğlu's main goal during the Turkish chairmanship was reinforcing the CoE's political role, visibility, and relevance.<sup>53</sup>

The Venice Commission shares the standards and best practices adopted within the CoE framework, and shares it with neighboring countries. The Venice Commission is increasingly called upon to act outside Europe, particularly in countries of the Maghreb, Central Asia, and Latin America.<sup>54</sup> The CoE and Turkey need each other for further cooperation in fields that might help eliminate differences and work towards the common good, and can work together towards the sharing of these standards and best practices in Central Asia and the MENA region. Turkey's support for democratic transition in the MENA region during the Arab Spring, and President Erdoğan's condemnation of the death penalty decision of the Egyptian court against President Morsi<sup>55</sup> can be seen as a part of this unofficial cooperation with the CoE in the region.

Turkey has shown willingness to increase its role in the CoE in solving rising problems in the wider MENA region. The region needs help and direction towards improving its human rights practices to prevent a turn towards radicalization, extremism, and terrorism, which in turn have considerable impacts on increased levels of Islamophobia and xenophobia in

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<sup>53</sup> Ünver Noi, Aylin "Turkey's Increasing Presence in the Council of Europe: What Should be the Next Step?" Huffington Post, 2015, [http://www.huffingtonpost.com/aylin-unver-noi/turkeys-increasing-presen\\_b\\_7415638.html](http://www.huffingtonpost.com/aylin-unver-noi/turkeys-increasing-presen_b_7415638.html).

<sup>54</sup> Council of Europe: Venice Commission, The Commission's Activities, Council, 2014. [http://www.venice.coe.int/WebForms/pages/?p=01\\_activities&lang=EN](http://www.venice.coe.int/WebForms/pages/?p=01_activities&lang=EN).

<sup>55</sup> President Erdogan stated, "The death penalty decision is a massacre of rights and freedoms." See: <https://www.dailysabah.com/diplomacy/2015/06/16/president-erdogan-morsi-death-penalty-massacre-of-rights-and-freedoms>.

Europe. Turkey, (as a founding member of the CoE), has experience working with this value-based multilateral institution, and it has the know-how and resources to share its best practices and institution-building methods. Turkey can become a pioneer country to establish a Council of Middle East and North Africa (CoMENA). Such an initiative is necessary but have so-far been absent in the region. There is a growing tendency of a “winner takes all” mindset, which can lead to tyranny of one group over another; breaking this vicious circle in the MENA region is only possible through a pluralistic democracy and the functioning of regional organizations. Supporting the Venice Commission’s activities and its sharing of best practices in the MENA region, along with the establishment of the CoMENA—an organization with similar goals to the CoE—would facilitate a transition to democracy in the region.

As stated in the February 20-21, 2017 CoE’s Venice Commission report on constitutional amendments, a parliamentary, semi-presidential, and presidential systems are all considered applicable forms of government in democratic states. In other words, there is no standard or ideal system of government in democracies. Rather, implementing a system of democratic governance based on human rights values is more important than the form of state implemented in a country.”<sup>56</sup>

Protecting human rights while countering terrorism is a difficult task, but Turkey needs to find a balance between security and freedom to unchain itself from an inward-looking security understanding. We should not forget that Turkey’s removal from its CoE monitoring status in 2004 had opened up new and promising vistas for its accession process with the EU, which immediately began membership negotiations with Ankara. The strengthened cooperation between Turkey and its Transatlantic partners on counter-terrorism might facilitate Turkey’s compliance with the CoE requirements.

Turkey’s contribution to the fight against discrimination, xenophobia, Islamophobia, and racism on the European continent, and its role in sharing the standards and best practices adopted within the CoE framework in neighboring countries—including Central Asia and the MENA region—will be all the more likely if Turkey returns to normal state of

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<sup>56</sup> The Venice Commission in Turkey and Ministry of Justice Director General for EU Affairs information note on issues handled during the visit of the Venice Commission regarding constitutional amendments (February 20-21, 2017), February 22, 2017. [http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-REF\(2017\)015-e](http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-REF(2017)015-e).

affairs from a state of emergency and continues to embrace a well-functioning liberal democracy that is in line with CoE human rights standards. The CoE needs a democratic Turkey to help solving the crisis of emerging illiberal democracies in Europe and beyond. This can be realized as long as the EU becomes more honest and fulfills its commitments towards Turkey when it completes its reform process.

*Chapter Three*

**Turkey and the  
North Atlantic Treaty Organization**

*İsmail Çağlar and Hülya Keuser Akdemir*

While Turkey opted for neutrality during World War II, it was faced with choosing a side during the Cold War. Siding with Western countries was not a difficult choice for Turkey due to the imminent Soviet threat it was facing itself. Turkey's choice was also historically consistent, as it chose to side with the West ever since the late periods of the Ottoman Empire,<sup>1</sup> and NATO membership clearly demonstrated Turkey's alignment with the Western world.

Turkey had already been reaping financial and political benefits from the Truman doctrine and the Marshall Plan, as the West considered Turkey a natural barrier against the Soviet threat in the Middle East and the eastern Mediterranean.<sup>2</sup> In those years, Turkey adopted a multi-party system in order to strengthen its democracy and be one step closer to NATO membership. This was an important decision, even though certain European countries opposed Turkey's NATO membership because of a perceived lack of fulfilling the Alliance's democratic criteria. Yet, Turkey's military support for the Korean War with nearly 25,000 soldiers made it easier to gain legitimacy in the eyes of its Western allies.<sup>3</sup> Turkey formally joined NATO in February 1952, a mere three years after the organization's establishment.

Relations between Turkey and NATO changed over time according to shifting global strategies, policies, and interests. While NATO's first aim was the protection against war, as time went on, the Alliance included the securing of daily life from any threat in the post-Cold War era as well as borderless humanitarian intervention and peacekeeping methods. Furthermore, it aimed to protect against terror threats following the 9/11 ter-

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<sup>1</sup> Bilge Criss, Nur. "Türkiye-NATO İttifakının Tarihsel Boyutu," *Uluslararası İlişkiler*, Vol.9, No.34, (Summer 2012): p.13.

<sup>2</sup> Mcghee, George. *The US- Turkish- NATO Middle East Connection: How the Truman Doctrine Contained the Soviets in the Middle East*, New York: St. Martin's Press, 1990, p.21.

<sup>3</sup> Zurcher, Erik R. *Turkey: A Modern History*, London: I.B. Tauris, 2005, p.235.

rorist attacks in the United States. NATO's changing agenda was pointed out by then-Secretary General Anders Fogh Rasmussen, who stated, "After the Cold War ended, and when some felt NATO had lost its reason to exist, the Alliance turned into an engine for change. It reached out to countries all over Europe and Central Asia, helped former foes become friends, opened its door to new members, and took on a significant role in managing security crises."<sup>4</sup> Humanitarian intervention, "borderless defense" and "security ideals" became the new missions of NATO.<sup>5</sup>

In this chapter, we will attempt to explain NATO's long history by using a three-phase model, providing an overview of Turkey's priorities, interests, concerns, and contributions to NATO.

## First Phase of NATO

In the early years of the Cold War, hard power, military, and economic means of countries were considered as the only media of international rivalry. A legacy of WWII, countries focused primarily on "defense" strategies against potential threats. The armaments race between the Soviet Union and the United States (i.e., a bipolar world order) were at the center of the world's attention. Western countries needed a collective defense mechanism against the Soviet Union, and NATO satisfied that need.

While NATO's first goal was to create a collective defense of hard power in preparation for a possible war, it also offered political values and strategies. NATO's policy to combine military and non-military elements such as national resources, diplomacy, and political culture to improve nations' interests in peace and in war, was not limited to a military or defense mechanism for security threats, but also included the formation of a common identity and shared norms that could shape states' policies and economies: Firstly, for increased democratization, and later for a liberal free market in the long-term.<sup>6</sup>

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<sup>4</sup> Rasmussen, Anders Fogh. "Preface: NATO and Turkey—Meeting the Challenge of Change," *Perceptions*, Volume XVII, Number 1, (Spring 2012): p. 3.

<sup>5</sup> Aybet, Gülnur. "The Evolution of NATO's Three Phases and Turkey's Transatlantic Relationship," *Perceptions*, Volume XVII, Number 1, (Spring 2012): p.19.

<sup>6</sup> Aybet, Gülnur. "The Evolution of NATO's Three Phases and Turkey's Transatlantic Relationship," *Perceptions*, Volume XVII, Number 1, (Spring 2012): pp. 20-21. Also see: Kennedy, Paul. *Grand Strategies in War and Peace*, New Haven, CT: Yale University Press, 1991, p.5.

Turkey's army was significant for NATO due to its geographically proximity to the Soviet Union. In the first phase, Turkey's contribution to the Alliance was described according to its real estate value which depended on its geographical position.<sup>7</sup> As the Soviet regime became a nuclear power threat, the U.S. attempted to collect security intelligence and form structured air bases in Turkey, for example in Incirlik. Nearly 16 intelligence bases were established in Turkey after the second half of the 1950s.<sup>8</sup> Moreover, Turkey began to stock up on nuclear armaments after 1959 with NATO's focus on nuclear gun power.<sup>9</sup> In this notion, Turkey first began to stock war planes structured for nuclear air strikes called F- F-100D/F Super Sabre. Turkey was introduced to Honest John rockets in 1959, Jupiter missiles followed in 1961, and Howitzers in 1965.<sup>10</sup>

The Central Treaty Organization (CENTO) and the military cooperation agreement between Turkey, Iran, Pakistan, and the United States, was a major step forward towards Turkey's nuclear armament.<sup>11</sup> As the number of NATO intelligence bases and nuclear armaments in Turkey increased, Turkey and the Alliance developed a mutual dependency. However, according to Nur Criss, Turkey did not benefit from nuclear gun agreements and took on big risks as a country that shares a border with the Soviet Union.<sup>12</sup>

After the 1962 Cuban Missile Crisis, a period of *détente* followed between the United States and the Soviet Union, and NATO adopted a "flexible response" strategy to the Soviet Union.<sup>13</sup> As the United States' and NATO's attitude towards the Soviet Union changed, the composition of United States funds to Turkey also changed from military to economic

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<sup>7</sup> Makovsky, Alan. "Turkey," R. S. Chase, E. Hill ve P. Kennedy (der.), *The Pivotal States: A New Framework for US Policy in the Developing World*, New York, NY: W. W. Norton & Company, 1999, p.30.

<sup>8</sup> Kuniholm, Bruce R. "Turkey and NATO: Past, Present and Future," *Orbis*, Vol.27, No.2, (Summer 1983): p. 423.

<sup>9</sup> Serhat Güvenç. "NATO'nun Evrimi ve Türkiye'nin Transatlantik Güvenliğe Katkıları," *Uluslararası İlişkiler*, Vol. 12, No. 45 (Spring 2015): p.106.

<sup>10</sup> Nash, Philip. *The Other Missiles of October: Eisenhower, Kennedy, and the Jupiters, 1957-1963*, Chapel Hill: University of North Carolina Press, 1997, p. 74.

<sup>11</sup> Nur Bilge Criss, "Türkiye-NATO İttifakının Tarihsel Boyutu", *Uluslararası İlişkiler*, Vol.9, No.34, (Summer 2012), p.13.

<sup>12</sup> Nur Bilge Criss, "Strategic Nuclear Missiles in Turkey: The Jupiter Affair, 1959-1963", *The Journal of Strategic Studies*, Vol. 20, No.3, (1997), pp.97-122.

<sup>13</sup> Saadet Değer, "The Economic Costs and Benefits of US-Turkish Military Relations", Jane M. O. Sharp (der.), *Europe after an American Withdrawal: Economic and Military Issues*, (Oxford, Oxford University Press, 1990) p. 243-273. p. 245.

aid. Therefore, Turkey did not receive the expected strategic arms from the United States.<sup>14</sup>

Another important problem in this period was the Cyprus crisis. Turkey had sent war planes to Cyprus after Greeks attacked Turkish settlements in 1963. The Johnson Letter had urged Turkey not to use weapons supplied by the United States' military aid without NATO's consent.<sup>15</sup> After the U.S. and NATO criticized Turkey's Cyprus intervention, Turkey suspended the use of its air bases, intelligence, and listening services, and prohibited its Western allies to stock their nuclear arms in Turkey.<sup>16</sup> For instance, Turkey denied permission to American U-2 spy flights from the Incirlik airbase.<sup>17</sup> The Cyprus issue limited Turkey's contribution to transatlantic security in two ways: First, competition between the two NATO allies harmed NATO's general mechanism as Greece and Turkey were on opposing sides of the issue, and secondly, Turkey's usage of its military power for its national priorities rather than those of NATO.<sup>18</sup>

In this phase, Turkey experienced three military coups and struggled with the rising Kurdish issue, especially the establishment of the Kurdistan Workers' Party (PKK) in 1978. Increased political, economic, and social problems were perceived as the reasons for these military coups, in addition to the growing PKK threat and leftist terror. Turkish military's foreign policy priority in the 1960, 1971, and 1980 *coups d'état* was to declare its loyalty to the Alliance. For example, Commander Samiș Küçük, who read the coup declaration of 1960 on the radio, highlighted Turkey's loyalty to NATO and CENTO.<sup>19</sup> The 1980 military coup in Turkey has a particular place in Turkey-NATO relations, as relations with NATO—which had been problematic for a while because of the Cyprus intervention—began strengthening again following this coup d'état. For example, before the coup, Turkey had an embargo in place against Greece for the latter's return to the NATO's military wing. Although diplomatic negotiations started earlier, Turkey's lifting of the embargo was enacted after the 1980 military coup.

<sup>14</sup> Serhat Güvenç "NATO'nun Evrimi ve Türkiye'nin Transatlantik Güvenliğe Katkıları", *Uluslararası İlişkiler*, Vol. 12, No. 45 (Spring 2015), p.106.

<sup>15</sup> Mustafa Kibaroğlu, "Ege- Doğu Akdeniz Ekseninde Kıbrıs'ın Stratejik Konumu ve Annan Planı", *Mülkiye Dergisi*, Vol.28, No.242, (Winter 2004): pp. 85-94.

<sup>16</sup> Sezai Orkunt, *Türkiye-ABD Askeri İlişkileri*, (İstanbul: Milliyet Press, 1978), p. 116.

<sup>17</sup> Cemal Tural, *Kara Orduları ve Hedefleri*, (Ankara, KKK Press, 1964), p. 12.

<sup>18</sup> A. W. DePorte, *Europe between Superpowers: The Enduring Balance*, (New Haven: Yale University Press, 1986), p. 229-243.

<sup>19</sup> Küçük, Sami. *Rumeli'den 27 Mayıs'a*, İstanbul: Mikado Yayınları, 2008, p.89.

The tearing down of the Berlin Wall and the end of the Cold War meant the birth of new security concerns and strategies, and a new phase of NATO.

## Second Phase of NATO

With end of the Cold War, NATO focused on the widening of its domain and going beyond “regional borders.” Conflicts in the Balkans and the Middle East also gave NATO the opportunity to create a cross-border influence. In this sense, the Gulf War was a turning point for NATO’s strategies. With a shift in focus from collective defense to collective security, Turkey also gained a new role as a NATO member. In the post-Cold War era, “Turkey transformed in strategic importance for the West, from being a flank country to a frontline country during the first Gulf War in 1991.”<sup>20</sup> With a new strategy of collective security, NATO undertook the responsibility of securing “other” countries. Turkey, among others, was the closest country to the Gulf States, and as a NATO ally, Turkey occupied a crucial role securing the Gulf region.<sup>21</sup> Turkey became the only effective NATO ally in the region after the Shah of Iran was overthrown in 1979. Turkey’s role in the 1990s was crucial not only because of its geographic and strategic importance, but also for its strong military contribution to conflicts such as those in the Western Balkans.

The Bosnia and Kosovo interventions, also known as the European Union Force Althea and Kosovo Force, respectively, can be seen as the primary examples of how NATO’s general strategy changed after the Cold War around the idea of “collective security.” These interventions were the first peacebuilding policies of NATO. In 1993, Dieter Mahncke highlighted that conflicts such as the break-up of Yugoslavia “may simply serve as bad examples, gradually undermining the rules of conduct of the (West) European security community.”<sup>22</sup> So in NATO’s second phase, its aim was not just seen as defense mechanism for national security or for the preservation of “a way of life,” instead, NATO aimed to “absorb” “the

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<sup>20</sup> Aybet, Gülnur. “The Evolution of NATO’s Three Phases and Turkey’s Transatlantic Relationship,” *Perceptions*, Volume XVII, Number 1, (Spring 2012): p.29.

<sup>21</sup> Aybet, Gülnur. *Turkey’s Security Challenges and NATO*, (Washington D.C.: Carnegie Europe, 2012).

<sup>22</sup> Dieter Mahncke, “Parameters of European Security,” *WEU Institute for Security Studies*, No. 10, (September 1993): p.10.

other.”<sup>23</sup> Pursuing this ideal, the goal was to create a secure community of common values rather than establish a common defense. The Second Strategic Concept was announced at the Washington Summit in 1999 and according to this concept, “the ‘Western security community’ not only expanded its norms to the post-communist countries in Central and Eastern Europe, but by now it had also been militarily intervening to “put things right” whenever there was a humanitarian catastrophe.”<sup>24</sup>

Although NATO’s “grand strategy” had changed in the second phase, Turkey’s geographic location continued to be its primary asset in its relations with NATO. Turkey’s active monitoring and pro-active role in Gulf War, KFOR in Kosovo, and EUFOR Althea in Bosnia and Herzegovina were fundamentally depended on its geographical proximity to the conflict regions. The Kosovo intervention was contentious because it happened without the approval of the UN Security Council. Yet, Turkey once again showed its regional and military power to the world, while also setting an example of how the European and American perspectives can differ from one other according to their interests, and that Turkey may feel obligated to choose a side.

Even though Turkey had been part of NATO operations more often than any other European country, it still could not gain full membership to the European Union. Even though being geographically close to Europe became increasingly important after the collapse of the Soviet Union, Turkey was still closer to the U.S. because of bilateral military ties. Different reasons can be listed to explain Turkey’s changing strategic, institutional, and political balances and interests between Europe and the U.S. “One area of division within the West is over a host of multilateral agreements on human rights, arms control, and the environment. On these, Turkey’s initial position has been similar to the American [position], but over time it [Turkey] has changed its policies to move [them] closer to European standards.”<sup>25</sup> Turkey’s convergence policy toward Europe continued with the AK Party governing after 2002. Yet before this, the 9/11 attacks were a clear turning point for NATO.

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<sup>23</sup> Aybet, Gülnur. “The Evolution of NATO’s Three Phases and Turkey’s Transatlantic Relationship,” *Perceptions*, Volume XVII, Number 1, (Spring 2012): p. 20.

<sup>24</sup> Aybet, Gülnur. “The Evolution of NATO’s Three Phases and Turkey’s Transatlantic Relationship,” *Perceptions*, Volume XVII, Number 1, (Spring 2012): p.21.

<sup>25</sup> Mowle, Thomas S. *Transatlantic Relations and Turkey, Contentious Issues of Security and Future of Turkey*, (Hemisphere: Ashgate Publishing Limited 2007): p.20.

### Third Phase of NATO

September 11, 2001 opened a new tab for NATO's security concerns and defense mechanism. After the traumatic terrorist attack, it was understood that security threats are not solely the function of the size and capacity of "arms" or "guns" of a country: the enemy can be a small and mobile terrorist group. Because the threat could result from a terror groups rather than a single country, security should be multi-functional and it should have sustainability even under changing conditions. During NATO's third phase, the Alliance widened its approach to provide security under peace keeping and peace building strategies. While before 9/11 stability was NATO's primary aim, after 9/11 it began to focus on maintaining peace with additional methods. The establishment of the NATO Center of Excellence Defense Against Terrorism that stresses importance of state's diplomatic and soft power in fight against terror, is one of the main indicator of the changes in NATO's approach.<sup>26</sup>

While NATO has changed its perspective and scope, Turkey's role in NATO has also transformed. Turkey's soft power gained prominence as much as its hard power did,<sup>27</sup> especially after the AK Party took power. NATO established the Component Command Air and the Land Command in Izmir in line with its goal of 2002 Strategic Concept transformation focused on modernizing the Alliance's military capacities to turn it as a force that can move quickly to wherever it is needed.<sup>28</sup> After the AK Party came to power, Turkey's military strategies also began to change, and its foreign policy was no longer solely based on its hard power capacity. Turkey's soft power gained more importance in this period, especially with the AK Party "zero problem with neighbors" strategy.<sup>29</sup> While its policies were found to be close to Europe because of Turkey's accelerated EU membership process and legal reforms in order to achieve membership, Turkey maintained strategic relations with the U.S., to the point that the AK Party's reforms were interpreted as "Americanization", reforms by some authors.<sup>30</sup> The AK Party defined its policies based on a rule of law,

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<sup>26</sup> Menon, Anand. "European Defence Policy from Lisbon to Libya," *Survival* Vol. 53, No.3, (June-July 2011): pp.75-90.

<sup>27</sup> Aybet, Gülnur. "The Evolution of NATO's Three Phases and Turkey's Transatlantic Relationship", *Perceptions*, Volume XVII, Number 1, (Spring 2012): p.27.

<sup>28</sup> NATO OTAN. "Statement on Capabilities," June 6, 2002, <http://www.nato.int/docu/pr/2002/p02-074e.htm>.

<sup>29</sup> Transatlantik Eğilimler: Temel Bulgular, (2012), p.42.

<sup>30</sup> Bayat, Asef. "Post Islamism at Large", *Post- Islamism: Changing Faces of Political Islam*, (New

free market economy, strong civil society, and universal human rights.<sup>31</sup> Yet, the party did not ignore regional relations, and after the second election victory in 2007, Turkey developed closer ties with the Middle East.

Although changing strategies have brought new necessities and roles for Turkey, Turkey's military power has always been important for its role in NATO. When NATO started a war in Afghanistan, it needed Turkey's military power and demanded Turkish soldiers. Although there were rumors that some 25,000 Turkish soldiers would be sent to Afghanistan under British command, in reality only 1,400 Turkish soldiers were sent there and the U.K. was not in command.<sup>32</sup>

Compared to Afghanistan, the U.S. invasion of Iraq was more controversial because many European countries opposed intervention. George Robertson, then-NATO Secretary-General demanded the deployment of U.S. forces in Iraq, but Germany and France opposed it. The diverging opinions on the two sides of the Atlantic resulted once again in insecurity for Turkey; Turkey was more Europe-oriented as a result of the EU membership process, yet it was not ready for a division with its traditional ally, the U.S.<sup>33</sup>

The Turkish Parliament's veto against the deployment of American soldiers in Turkey for the Iraq operation was a large defeat for Turkey-U.S. relations, especially for the United States. For the first time in history, Turkey rejected to be a part of the U.S.' plans for the region. After only one year, the NATO Istanbul Summit opened a new chapter for Turkey's relations with both the U.S. and Europe. The meeting of the NATO heads of state and government, held in Istanbul in June 2004, resulted in a decision to broaden the Alliance's presence in Afghanistan, accept to support Iraq with military training, introduce a new Alliance initiative, and adopt measures to develop NATO's operational capabilities.<sup>34</sup> The meeting broadened operational capacities and partnerships between

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York: Oxford University Press. 2013): p. 121.

<sup>31</sup> Ergun Özbudun and William Hale. *Islamism, Democracy and Liberalism in Turkey: The Case of the AKP*, Oxon: Routledge. 2010, p.24.

<sup>32</sup> Güvenç, Serhat. "NATO'nun Evrimi ve Türkiye'nin Transatlantik Güvenliğe Katkıları", *Uluslararası İlişkiler*, Vol. 12, No. 45 (Spring 2015): p.113.

<sup>33</sup> Oğuzlu, Tarık. "Turkey and Europeanization of Foreign Policy," *Political Science Quarterly*, Vol. 125, No.4, (2010-2011): pp.657-683.

<sup>34</sup> NATO OTAN. "Istanbul Summit," June 28-29, 2004. <http://www.nato.int/docu/comm/2004/06istanbul/home.htm>.

Turkey and the U.S. Following this meeting, negotiations for Turkey's full membership to the EU began in 2005.

Soon after, in 2007, Turkey and the U.S. were faced with another crisis. As PKK attacks intensified, Turkey requested U.S. support in the fight with the PKK in Iraq. However, the U.S. did not accept this proposal, and instead the Turkish Parliament authorized a military operation in northern Iraq against the PKK. Despite the rise of tensions between Turkey and United States, matters did not get out of hand because of mutual interests and dependence.

The Lisbon Summit in November 2010 was marked with an important agreement. The allies decided to structure a strong ballistic missile defense system against possible ballistic attacks from countries such as Iran. Another significant decision of the Summit was the Phased Adaptive Approach, aimed at structuring ballistic missile defense consultation, command, and control arrangements in Europe.<sup>35</sup> Yet, accepting to develop and settle Ballistic Missile Defense System was a difficult decision for Turkey because it could potentially damage Turkey's relations with Iran and Russia. It is argued that this system could not contribute to Turkey's defense against ballistic missiles as it would cause Turkey to face new security threats from Iran and Russia. On the other hand, the Lisbon Summit fostered closer NATO-Turkey ties because it showed that they share common concerns in trade, energy, and environmental issues.

Turkey's increasing role and power within NATO became clear during its support for the Libya Operation in 2011, as NATO needed Turkey's support for Libya's democratization process. Even though Turkey was not ready to take an active role at the beginning of the operation, (after France and the U.K. joined the intervention) Turkey also became part of Operation Unified Protector, even though it did not end up using its air force.

Turkey's NATO membership does not merely arrange Turkey's relations with NATO members. It ensures that Turkey acts in line with these countries' common interests; the various agreements signed to regulate relations with non-NATO European countries should be considered an extension of Turkey's NATO membership. The Partnership for Peace (PfP) program and Berlin Plus arrangements are important agreements in this regard. The PfP program was established in 1994 to allow partner countries to

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<sup>35</sup> Steven A. Hildreth and Carl Ek, "Missile Defense and NATO's Lisbon Summit," *Congressional Research Service*. January 11, 2011, p.1.

establish an individual relationship with NATO, choosing their own priorities for cooperation.<sup>36</sup> On December 16, 2002, after the announcement of the ESDP and Berlin Plus, arrangements were made to provide the EU access to NATO assets and capabilities in order to regulate and institutionalize relations between NATO and the EU. With the implementation of the Nice provisions, arrangements were made regarding the participation of non-EU members to the ESDP. Even though task-sharing was established between the two organizations through these arrangements, actual collaboration could not be achieved. These agreements targeted the building of strong relations between non-NATO and NATO members by offering diplomatic interactions, but even though NATO and the EU attempted to establish common ground among these countries, diplomatic crises and political imbalances have more power to dictate relations.

Recent tensions with EU countries are assessed through Turkey's NATO membership and PfP agreements. For instance, relations between Turkey and Austria became strained after Austria called on the EU to freeze the negotiation process with Turkey and decided to prohibit Turkish politicians to join political activities for the April 16 Referendum.<sup>37</sup> After Turkey reacted to Austria by rejecting cooperation agreements with non-NATO member countries such as the Berlin Plus and PfP, NATO warned both countries not to close the door for the negotiation process.

### **A Brief History of Relations between Turkey and “Junior” NATO**

As Turkey had balancing policies between the European and U.S. side of NATO, it systematized relations with the European Union as a member of the Western European Union, also known as “junior” NATO. Before the establishment of NATO, in March 1948, the Western European Union (the WEU) was created through the Treaty on Economic, Social, and Cultural Collaboration and Collective Self-Defense, signed by the United Kingdom, France, the Netherlands, Belgium, and Luxembourg. To provide security against the Soviet threat, the WEU embraced a multidimensional collaboration in military, economic, and social terms. However,

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<sup>36</sup> NATO OTAN. “Partnership for Peace Programme,” June 7, 2017. [http://www.nato.int/cps/enn/natolive/topics\\_50349.htm](http://www.nato.int/cps/enn/natolive/topics_50349.htm).

<sup>37</sup> On April 16, 2017, Turkey held a referendum on the amendment of the Constitution which envisaged the transition towards a presidential form of governing. It was approved with a 51.41 percent majority.

with the establishment of NATO in 1949, the WEU lost its significance in terms of its military partnership and security defense. The Rome Declaration of October 27, 1984 emphasized the importance of reactivating the WEU and the necessity of intervening in crisis areas outside Europe. For the first time, the European Defense and Security Identity (ESDP) was brought to NATO's agenda during the 1994 Brussels summit. After the meetings that the WEU and NATO held in Birmingham, Berlin, and Brussels in 1996, it was decided to develop the ESDP within NATO. Because of the changing political geography of Europe after the Cold War, Europe gave much more importance to its security. Conflicting interests between Europe and the U.S. led to the establishment of the European Defense and Security Identity.<sup>38</sup>

Most of the involved countries in the European Defense and Security Identity were also NATO members, including non-EU member countries such as Turkey, Canada, the United States, and Norway. The main concern of these countries was to enforce the Alliance's resources to be in line with EU decisions, and to prevent non-EU countries to object to this.<sup>39</sup> That situation meant great risks for Turkey as well, as 14 of the 16 countries that were in the EU could intervene close to Turkey, either geographically or historically, or both.<sup>40</sup> In this respect, it was reasonable for Turkey to want to become involved in the planning process as a non-EU member country, yet, EU member countries did not approve of this. Although Turkey wanted to have a say in any intervention in which its national interests could be affected, EU countries objected and preferred to pressure Turkey instead of the U.S.<sup>41</sup> With a failed attempt at resolving this conflict with the Ankara Treaty signed in 2000, this issue remains unresolved.

## The Future of NATO and Turkey Relations?

As mentioned before, the perception of security threats changed in recent decades, shifting from large-scale state-to-state wars to threats from small, but effective and mobile terrorist groups against a state or an ideology. While NATO has attempted to change its strategies according to this new framework of global threats, Turkey's security threats and its

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<sup>38</sup> Kibraoğlu, Mustafa. "Türkiye- NATO İlişkileri," *SETA*, No. 195, (March 2017): p. 11

<sup>39</sup> Sinem Akgül Açıkmeşe ve Cihan Dizdaroğlu, "NATO-AB İlişkilerinde İşbirliği ve Çatışma Dinamikleri," *Uluslararası İlişkiler*, Vol.10, No.40, (Winter 2014): pp. 131-163.

<sup>40</sup> Kibraoğlu, Mustafa. "Türkiye- NATO İlişkileri," *SETA*, No. 195, (March 2017): p. 11

<sup>41</sup> *Ibid.*

fight against different terror groups such as ISIS, PKK, PYD, or FETÖ, have not received direct support from NATO.

While Turkey fights with ISIS and Democratic Union Party (PYD) in Syria, it also struggles with PKK and FETÖ within its national borders. Each terrorist group poses a different type of security threat for Turkey. In addition to a coup attempt organized by FETÖ, Turkey has suffered from multiple terror attacks in recent years planned by the PKK or ISIS. Even though ISIS is a common enemy of the entire world, Turkey has taken responsibility to fight against ISIS because of its geographical proximity. Turkey also took initiative in Syria and became part of the issue with the aim of ending the war. Yet, while Turkey struggles with these multi-dimensional security threats, it is difficult to say whether it received enough support from NATO.

It seems that the problem is not one of Turkey-NATO relations but rather of NATO itself. During the long course of the Syrian civil war, with acts of terrorism and crimes against humanity, neither NATO as an institution nor its member states took initiative for peace building, stability, or humanitarian intervention. Even though it is an existential question for NATO, its ineffectiveness in the Syrian civil war also meant a need for different partners. For instance, while the Geneva Peace Talks<sup>42</sup> headed by the United Nations could not reach a solution for the Syrian civil war, the Astana Talks<sup>43</sup> governed by Russia, Iran, and Turkey, resulted in positive consequences in terms of building a peacemaking process in Syria. Such new partnerships are far from strategic, and pose a risk for the future of Turkey and transatlantic relations.

Turkey and NATO have shared common interests and have feared common threats for many years. Considering recent regional security problems, cooperation between NATO and Turkey is inevitable. Aside from the fight against international terrorism, regional peacekeeping operations, and a civil war in Syria, NATO and Turkey have mutual opportunities and areas for cooperation in cyber security, immigration and refugee issues, climate change, and the prevention and managing of natural disasters. At the same time, Turkey's tensions with European countries may

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<sup>42</sup> The Geneva Peace Talks were formally announced on February 1, 2016 by the United Nations in order to find a solution for Syrian Civil War. The United States joined the Geneva Peace Talks.

<sup>43</sup> The Astana Talks were started on January 23, 2017 under the leadership of Russia, Turkey, and Iran to create a peacemaking process in Syria.

lead to Turkey's shift to the U.S. side of NATO, especially following Trump's election. However, Turkey's connection with both sides of the NATO Alliance, and the principle of "equal load sharing" could be useful in this regard. Discussing Turkey's relations with European countries in a NATO context, and abandoning the threatening of Turkey within the EU membership process will likely repair relationships. An increase in the frequency of high-level NATO visits, the development of communication between allied countries, and the clarification of article 5 of the North Atlantic Treaty<sup>44</sup> as a defense burden if Turkey encounters an armed threat, will increase confidence in NATO.

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<sup>44</sup> "The principle of collective defense is at the very heart of NATO's founding treaty. It remains a unique and enduring principle that binds its members together, committing them to protect each other and setting a spirit of solidarity within the Alliance." (NATO OTAN, Collective Defense-Article 5, March 22, 2017, [http://www.nato.int/cps/cn/natohq/topics\\_110496.htm](http://www.nato.int/cps/cn/natohq/topics_110496.htm)).



## *Chapter Four*

# **Relations between Turkey and the European Economic Community: An Association with a Full Membership Objective<sup>1</sup>**

*Yonca Özer*

Turkey's relations to the European integration process trace back to 1959, when Turkey sent in an official application to the then-European Economic Community (EEC),<sup>2</sup> the predecessor of the European Union (EU). A gradual integration process began with an association agreement—the Ankara Agreement—planned to lead to Turkey's full membership in a successive stage-process. The 1963 Ankara Agreement was designed to provide a pre-accession process that would allow Turkey to prepare for membership through closer economic and political cooperation. However, this process lasted much longer than planned. It took nearly four decades for Turkey to be declared a candidate country for EU membership—in 1999—and accession negotiations were finally launched in 2005. Considering the current state of affairs, there are convincing reasons to be pessimistic about Turkey's chance for full membership, and Turkey-EU relations may develop into an alternative form. This chapter looks back over several decades and analyzes relations with the EEC, with the understanding that the Ankara Agreement constitutes the basis of long-standing

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<sup>1</sup> A more detailed analysis of this topic can be found in Nas, Çiğdem and Özer, Yonca. *Turkey and EU Integration: Achievements and Obstacles* (London and New York: Routledge, 2017): pp.13-28.

<sup>2</sup> The European Coal and Steel Community (ECSC), the EEC, and the European Atomic Energy Community (Euratom) signified the European integration processes, with the EEC as the most comprehensive and significant aspect. The three communities, while having a shared assembly and court, retained separate executive institutions (Commission and Council of Ministers) until 1967, when they were merged to form the European Communities (ECs) [Derek W. Urwin, "The European Community: From 1945 to 1985, in *European Union Politics*," ed. Michelle Cini and Nieves Perez-Solorzano Borragan (Oxford: Oxford University Press, 2013): p. 23.] The EEC continued to exist until the Maastricht Treaty of 1992. Through this treaty, it became the European Community (EC) and along with the other communities, it started constituting one of the three pillars of the EU. The ECSC came to an end in 2002 in accordance with the Paris Treaty of 1951. In 2009, through the Lisbon Treaty, all three pillars of the EU were incorporated to a single-pillar structure and the legal personality of the EC was inherited by the EU.

relations. Accordingly, the chapter will provide an analysis regarding the characteristics and objectives of the agreement, and its implementation process until Turkey's membership application in 1987. In addition, the chapter will comparatively examine the concurrent Greek-EU integration process in order to provide a full assessment of the origins of relations. The motivations behind the association having full membership objective, its evolution over time, successes, failures, and obstacles are relevant issues tackled in this analysis.

### **Motivations of the Parties and Leading Processes for Turkey-EEC Association**

Turkey is highly integrated into the EU, and the association relationship between Turkey and the EU constitutes the basis of this integration. The association relationship was originally established with the EEC through the Ankara Agreement, signed on September 12, 1963 and entered into force on December 1, 1964 after ratification by Turkey and the member states in accordance with the procedure laid down in Article 238 of the EEC Treaty.<sup>3</sup> The Turkish application in 1959 to the EEC and the negotiations that followed led to the conclusion of the Ankara Agreement.

Political, security, and economic factors all played an important role in Turkey's application. Since the foundation of the Turkish Republic in 1923, Westernization has been the main objective of Turkish foreign policy, with the construction of a Western model as the fundamental concern. Turkish policymakers have been preoccupied with the aim of catching up with Western civilization in terms of economic, legal, and political standards. Since Western civilization was mainly represented by Europe, taking Europe as a model to reach this aim became the *modus operandi* of the Turkish Republic. Although the establishment of the Republic of Turkey under the leadership of its first president, Mustafa Kemal Atatürk, represented the start of European objectives and "Europeanization" of Turkey, the process of modernization and state formation along the lines

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<sup>3</sup> For the Ankara Agreement, see: Official Journal of the EC, *Agreement establishing an Association between the European Economic Community and Turkey (signed in Ankara, 12 September 1963)*, L361/29, December 31, 1977. Accessed September 22, 2015. [http://eur-lex.europa.eu/resource.html?uri=cellar:f8e2f9f4-75c8-4f62-ae3f-b86ca5842eee.0008.02/DOC\\_2&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:f8e2f9f4-75c8-4f62-ae3f-b86ca5842eee.0008.02/DOC_2&format=PDF)

of the European model had already been under way to a certain extent since the Tanzimat reforms in 1839.<sup>4</sup>

In accordance with this “Western” orientation of Turkish state policy, Turkey became involved in a multitude of European political, economic, and military organizations formed after World War II. Turkey joined the Organization for European Economic Co-operation (OEEC)<sup>5</sup> in 1948 and the Council of Europe in 1949 as a founding member, and also became a member of the North Atlantic Treaty Organization (NATO) in 1952. As Arıkan stated, Turkey viewed its membership in European institutions as a validation of its European outlook.<sup>6</sup> Consistently, it deemed EEC membership as a reward for its Westernization and modernization policies, and an association agreement with the EEC as a crucial stepping stone to becoming an integral part of Europe. Although the newly-elected Turkish government emphasized its political desire to take part in European integration only a few months after the conclusion of the EEC Treaty in 1957,<sup>7</sup> domestic economic and political instability hampered immediate action. However, Turkey’s inactivity in this respect did not last long, and shortly after Greece’s association agreement application to the EEC in July 1959, Turkey applied to the EEC with the same aim. It was obvious that Greece’s application for association expedited Turkey’s decision on what kind of relationship it wanted to establish with the EEC.<sup>8</sup> Like Greece, Turkey based its application on Article 238 of the EEC Treaty, which regulates association relations of the Community with non-members.<sup>9</sup> Thus, both Turkey and Greece applied for association status to the EEC with the objective of gradually becoming a full member.

Turkey’s quick response to the Greek application was primarily because of its concern that Greece would use its possible association relationship

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<sup>4</sup> Brusse Wendy A. and Griffiths, Richard T. “Good Intentions and Hidden Motives. Turkey-EU Relations in an Historical Perspective,” in *Turkey and the EU Enlargement: Processes of Incorporation*, ed. Richard T. Griffiths and Durmuş Özdemir (Istanbul: İstanbul Bilgi University Press, 2004): pp.15-16.

<sup>5</sup> OEEC was reformed into the Organization for Economic Co-operation and Development (OECD) in 1961.

<sup>6</sup> Arıkan, Harun. *Turkey and the EU: An Awkward Candidate for EU Membership* (Aldershot: Ashgate, 2003): p.53.

<sup>7</sup> Arıkan, Harun. *Turkey and the EU*, p.53.

<sup>8</sup> Tsakaloyannis, Panos. “The EC and the Greek-Turkish Disputes,” *Journal of Common Market Studies*, 11 (1980): p.43.

<sup>9</sup> Saraçoğlu, Tefvik. “Türkiye-Avrupa Topluluğu İlişkileri (Turkey-European Community Relations),” *Marmara Journal of European Studies*, 1(1991): p.49.

with the EEC (and the potential political and economic advantages that come with it) to the disadvantage of Turkey. Politically, Turkey had long-standing contentious relations with Greece and was preoccupied with the concern that Greece would gain European concessions regarding its bilateral disputes with Turkey. That is why Turkey's foreign policy towards Greece depended on the principle of being represented in every international platform where Greece was represented.<sup>10</sup> Additionally, Turkey wanted to obtain the same trade concessions as Greece through the customs union that would be established within the framework of the association agreement. Otherwise, Turkey would lose its competitiveness against Greek products in European markets since Turkey exported similar products to the EEC.

Security concerns also played an important role in Turkey's decision to apply for establishing an association relationship with the EEC. During World War II (WWII), Turkey kept its neutrality until 1945. But remaining neutral in the postwar climate of the Cold War was no longer a reasonable option considering the concerns arising from Soviet claims on the Turkish Straits and the north-eastern part of Turkish territory, as well as the fear of communist ideology. Accordingly, Turkey chose to be affiliated with the Western alliance. The United States supported Turkey to associate itself with Western postwar institutional design when considering the increasing communist influence in Italy, Greece, and Iran. Indeed, it provided Turkey, along with 15 other European countries—including Greece—with economic aid through the Marshall Plan, also known as the European Recovery Program, and military aid through the Mutual Defense Assistance. Turkey became one of the founding members of the OEEC, established to continue work on the recovery program and in particular to supervise the distribution of aid. In other words, in response to the rise of Soviet claims and communist threat, and in accordance with the U.S. containment policy, Turkey identified its foreign policy in line with the Western alliance.<sup>11</sup> Consequently, it considered integration with the EEC as one of the major components of being a part of the Western alliance. Turkey expected to be anchored more firmly to the Western alliance through economic and political integration with the EEC.<sup>12</sup>

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<sup>10</sup> Birand, Mehmet A. "Turkey and the European Community," *The World Today*, (1978): p.52.

<sup>11</sup> Brusse and Griffiths, "Good Intentions and Hidden Motives," pp.16-17.

<sup>12</sup> Arikan, Harun. *Turkey and the EU*, p.54.

The application for an association relationship with the EEC was also prompted by economic considerations, including the benefits of preferential market access and the need for economic aid to implement its economic development program and to reduce economic disparities between Turkey and the EEC countries. An additional economic motive behind the application was the expectation of foreign direct investment (FDI) both from the EEC members and from other developed countries encouraged by the prospect for increasing economic stability and development through close relations with the EEC.

The EEC soon accepted Turkey's application and negotiations started in September 1959. The EEC's economic interest in accepting the application and establishing an association relationship was evidently less important than its security and political interests in view of the huge developmental gap between the EEC and Turkey. Security concerns regarding the communist threat during the post-World War II era were the main reason for the EEC's approach in its association policy with both Turkey and Greece. The two countries both had a strong strategic and geopolitical importance on the south-eastern flank of the Western alliance as buffers against Soviet expansion towards Southern Europe. EEC members desired to bind those countries closer to the West since they were regarded as necessary allies in countering the strategic threat from the Soviet Union. They were perceived as very important elements of the alliance's "containment policy." As Arıkan states, deepening relations with Turkey was regarded as necessary for European security and for the strategic objective of strengthening NATO's south-eastern flank by ensuring the economic and political stability of Turkey.<sup>13</sup>

Additionally, the Turkish and Greek applications provided important support for a newly-established integration initiative which had not yet had much influence in the international arena. The EEC considered the establishment of association relations with those European countries as a good way of expanding its influence. The EEC's association policy towards Turkey and Greece should thus be assessed in the context of the EEC's willingness to acquire friends in its formative years, given that the direction of European integration was uncertain.<sup>14</sup> These applications indicated the EEC's early attraction as a newly established integration initiative that

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<sup>13</sup> Arıkan, Harun. *Turkey and the EU*, p.54.

<sup>14</sup> Redmond, John. *The Prospective European: The New Member of European Union* (New York: Harvester Wheatsheaf, 1994): p.8.

led the EEC in gaining prestige in political terms. According to Tunç Aybak, the association agreements with Greece and Turkey were examples for other countries that were not yet willing or capable to join the EEC.<sup>15</sup>

Association negotiations with Turkey lasted four years and were concluded two years after the conclusion of the negotiations with Greece, even though they had started earlier.<sup>16</sup> This long negotiation process was the result of several setbacks experienced during negotiations. Due to May 27, 1960 military coup, negotiations were stopped until July 24, 1962.<sup>17</sup> The military intervention generated doubts among EEC members on whether Turkey was a suitable country for association status. For example, French President Charles de Gaulle favored the suspension of relations with Turkey after a series of death penalty convictions followed the coup. Another factor that protracted the negotiation process was disagreement on the type of relations. Turkish negotiators, highlighting Turkey's geo-strategic importance for the EEC, insisted on their demands to reach an association agreement identical to the Athens Agreement signed with Greece in 1961.<sup>18</sup> However, as Sena Ceylanoğlu said, the Commission's concern of backwardness of the Turkish economy and EEC's overstretched capacities resulted in unwillingness to offer Turkey terms similar to the Athens Agreement.<sup>19</sup> On the other hand, the Council of Ministers, aware of the importance of treating Greece and Turkey equally, decided to conclude an association agreement with Turkey in parallel to the Athens Agreement. Eventually, the association agreement with Turkey was signed in September 1963, and involved the establishment of a customs union and the prospect of full membership.

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<sup>15</sup> Cited in Arıkan, *Turkey and the EU*, p.55.

<sup>16</sup> Association negotiations with Turkey began in September 1959, while association negotiations with Greece started in March 1960.

<sup>17</sup> Müftüler-Baç, Meltem. *Türkiye ve AB: Soğuk Savaş Sonrası İlişkiler [Turkey and the EU: Post-Cold War Relations]* (Istanbul: Alfa, 2001): p.27.

<sup>18</sup> Arıkan Harun. *Turkey and the EU*, p.56.

<sup>19</sup> Mayer, Matthias M. "Germany's Preferences on the Ankara Agreement: Ministerial Actors Between Cold War Security Concerns, Turkish European Ambitions and the Wirtschaftswunder" (paper presented to the Fourth Pan-European Conference on EU Politics of the ECPR - Standing Group on the European Union, University of Latvia, Riga, September 25-27, 2008), p.9. Accessed October 5, 2015. <http://www.jhucb.it/ecpr-riga/virtualpaperroom/121.pdf>

## Objectives, Characteristics, and Instruments of the Association Agreement

The Ankara Agreement was the second such agreement to include a full membership clause, following the Athens Agreement, both different from the association agreements EEC concluded with the other European countries. Article 238 of the EEC Treaty, (that regulates the association relationship with non-member countries) represented a legal base of the Ankara and Athens Agreements.<sup>20</sup> According to EU law, an association agreement is a *sui generis* international treaty, signifying a less-than-membership status to the EU but representing more than a mere trade agreement.<sup>21</sup> The association agreements with Greece and Turkey were designed as preparation for full integration into the EEC, envisioning the establishment of a customs union as a tool for obtaining eventual membership.

The Ankara Agreement covered not only economic development objectives and trade-related matters as regulated by Article 2, but also the political objective of ultimately becoming a full member state, referred to in the fourth paragraph of the preamble. Additionally, Article 28 of the agreement clearly regulates the prospect of full membership by committing the contracting parties to examine the possibility of Turkey's accession to the EEC. Yet it does not clearly state that Turkey will become a member of the EEC, indicating intention and expectation of the parties to reach that goal.<sup>22</sup> It regulates rather that whenever Turkey reaches a level at which it can fully assume the obligations arising from the EEC Treaty, the possibility of Turkey's accession will be examined. That is, this provision states that a certain level of economic development is a precondition for Turkey's accession.<sup>23</sup> According to Article 28, there is no automatic transition from the status of an associated state to full membership upon the completion of the program laid down by the association agreement.<sup>24</sup> Instead, any status change would require further examination.

Nevertheless, since it was a precise intention of the contracting parties to use the association agreement as a stepping stone to accession, Article

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<sup>20</sup> Saraçoğlu. "Türkiye-Avrupa Topluluğu İlişkileri," p.49.

<sup>21</sup> Lasok, Dominik. "The Ankara Agreement: Principles and Interpretation," *Marmara Journal of European Studies*, 1 (1991): p.27.

<sup>22</sup> Lasok. "The Ankara Agreement," p.36.

<sup>23</sup> Can, Hacı and Özen, Çınar. *Türkiye-Avrupa Topluluğu Ortaklık Hukuku (Turkey-European Community Association Law)* (Ankara: Gazi Kitabevi, 2005): p.22.

<sup>24</sup> Lasok, "The Ankara Agreement," p.36.

28 provides a clear full membership perspective as the ultimate aim of the association.<sup>25</sup> Subsequent association agreements with other countries have not included a provision similar to Article 28, although the Stabilization and Association Agreements (SAAs) with the countries of the Western Balkans refer to the “potential candidate” status of the Western Balkan partners.<sup>26</sup> The Ankara Agreement did not only envisage an association for the purposes of Turkish economic development, but appeared to serve as a pre-accession agreement to prepare Turkey for full membership. That is why it was regarded as a *Beitrittsassoziation* (accession association) agreement.<sup>27</sup> While the association was mainly based on a customs union between Turkey and the EC, it envisaged closer and deeper economic relations in accordance with its ultimate aim. It regulated not only the free movement of goods, but also the free movement of services, workers, and capital between the parties by predicating on the relevant provisions of the Treaty establishing the EEC. Since its objective was far more ambitious than merely establishing a customs union, it aimed at developing other areas of economic integration in order to serve as a preparatory stage to membership of the Community.<sup>28</sup> In this notion, the agreement envisaged the customs union as an instrument which would ultimately facilitate the way towards Turkey’s accession to the community.<sup>29</sup>

As Ahmet Gökdere<sup>30</sup> and Burak Erdenir<sup>31</sup> stated, like the Athens Agreement, the Ankara Agreement is first and foremost a “framework agreement”. Framework agreements or treaties have a “programmatically character providing a broad framework for further integration.”<sup>32</sup> They establish an institutional structure and authorize the institutions to execute their programs and, therefore, to reach their objectives. The Ankara Agreement describes the framework of a program to establish a customs union in three successive stages to integrate the Turkish economy gradually into

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<sup>25</sup> Ibid.

<sup>26</sup> Cremona, Marise. “The European Union and Regional Trade Agreements,” in *European Yearbook of International Economic Law 2010*, ed. Christop Herrmann and Jörg P. Terhechte (Berlin: Heidelberg, 2009): pp.250-251.

<sup>27</sup> Can and Özen, *Türkiye-Avrupa Topluluğu*, p.22.

<sup>28</sup> Lasok. “The Ankara Agreement,” p.27; Can and Özen, *Türkiye-Avrupa Topluluğu*, pp.22-25.

<sup>29</sup> Can and Özen, *Türkiye-Avrupa Topluluğu*, p.21.

<sup>30</sup> Cited in Can and Özen, *Türkiye-Avrupa Topluluğu*, p.24.

<sup>31</sup> Erdenir, Burak. “Vize [Visa],” in *Avrupa Birliği: Tarihçe, Teoriler, Kurumlar ve Politikalar [European Union: History, Theories, Institutions and Policies]*, ed. Belgin Akçay and Ilke Göçmen (Ankara: Seçkin Publishing, 2012): p.478.

<sup>32</sup> Cremona. “The European Union and Regional Trade Agreements,” p.252.

the EEC. It stipulates general rules and principles, rather than laying down clear commitments, and implementation of its provisions are largely left to the discretion of the parties.<sup>33</sup> Subsequent developments in the association relationship were enabled through the Additional Protocol<sup>34</sup> signed on November 23, 1970 (annexed to the Ankara Agreement), and through decisions of the Association Council.<sup>35</sup> While providing a general framework for the association, the Ankara Agreement gave content details of just the first stage<sup>36</sup> through the Provisional Protocol and the Financial Protocol<sup>37</sup> attached to it.

The Ankara Agreement does not have a provision for its termination. Its existence can only come to an end when the objectives of the agreements are fully achieved. In other words, the Ankara Agreement will terminate when Turkey reaches full EU membership. Similarly, the Athens Agreement came to an end when Greece became a full member of the EEC. Another important feature of the Ankara Agreement is that it envisages an asymmetrical relationship concerning the reciprocal commitments of the contracting parties. Asymmetry, in this case, means a more rapid trade liberalization on the EEC's side than on the Turkish side. For example, in the first stage of the association, only the EEC assumed obligations in terms of tariff reductions, and in the second stage it performed its obligations arising from the Additional Protocol of 1970 to establish the customs union earlier than Turkey.

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<sup>33</sup> Can and Özen. *Türkiye-Avrupa Topluluğu*, pp.24-25.

<sup>34</sup> For the Additional Protocol, see: Official Journal of the EC, *Additional Protocol*, L 361/1, December 31, 1977. Accessed September 22, 2015. [http://www.ab.gov.tr/files/AB\\_Iliskileri/tur\\_en\\_realitons/protocol\\_1977.pdf](http://www.ab.gov.tr/files/AB_Iliskileri/tur_en_realitons/protocol_1977.pdf).

<sup>35</sup> As the main institution of the association, it was established to oversee the functioning of the agreement and to ensure the implementation of its provisions and the progressive development of the association. The Association Council was given authority to take decisions for attaining the objectives of the agreement and to settle disputes arising in relation to the application or interpretation of its provisions. Decisions are taken by unanimous voting. The EU as a whole and Turkey have one vote each. The EU reaches this common position, or voice, in the Council of Ministers by unanimous voting before the meetings of the Association Council. Since the decisions taken by the Association Council are binding to the parties, each of the parties must take the measures necessary to implement the decisions. The importance of the Association Council arises from the fact that it provides for the progressive development of relations and the implementation of the Ankara Agreement by laying down specific rules and precise obligations for both parties.

<sup>36</sup> Saraçoğlu. "Türkiye-Avrupa Topluluğu İlişkileri," p.49.

<sup>37</sup> These protocols regulated the details regarding the commercial and financial privileges unilaterally provided by the EEC in the preparatory stage of the association.

Obviously, the structural characteristics, contents, objectives, and even the wording of some provisions of the Ankara and Athens agreement are identical. There is only one difference: in the case of the Ankara Agreement, the association was constructed gradually in three stages, while the Athens Agreement envisaged the association and the customs union to be completed in one stage.<sup>38</sup> The Ankara Agreement envisages a progressive and gradual integration process through the establishment of a customs union between the parties, and this process is designed to be completed in three stages: a preparatory, transitional, and final stage. According to Article 4 of the agreement, the transition from the preparatory stage to the transitional stage would not be automatic, but through a negotiated protocol which would include details on the conditions of the transitional period. However, the process of transition to the third (final) stage was not regulated by the agreement, and was left to the discretion of the parties.<sup>39</sup> The Ankara Agreement left the length of the final stage undetermined. Transition from the status of associated country to membership status would take place with the successful conclusion of accession negotiations.

### **Performance of the Parties in Implementing the Association Agreement**

During the preparatory stage, started on December 1, 1964, when the Ankara Agreement entered into force, security concerns were of primary importance, and Turkey's geostrategic importance took a central role. The EEC provided financial aid and implemented tariff reductions on Turkish agricultural exports like hazelnuts, tobacco, dried figs, and raisins, which did not pose a burden for the EEC. The Turkish economy benefited greatly from this financial aid of approximately 200 million dollars, and from the increasing trade with the EEC members resulting from the tariff reductions. This induced the Turkish side to enter the next stage with the expectation that the transitional stage would provide even greater access to EEC goods and labor markets, and that Turkey would receive even

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<sup>38</sup> Saraçoğlu. "Türkiye-Avrupa Topluluğu İlişkileri," p.49.

<sup>39</sup> For the decision, see: Official Journal of the EC, *Decision No 1/95 of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the Customs Union (96/142/EC)*, L 035, February 13, 1996. Accessed September 21, 2015. [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21996D0213\(01\):EN:HTML](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21996D0213(01):EN:HTML).

more financial aid.<sup>40</sup> Therefore, the Turkish government applied to the EEC to start the transitional stage two years earlier than had been initially planned. Although the EEC was reluctant to negotiate the transitional stage with Turkey believing Turkish economy was unprepared to meet the necessary requirements to establish a customs union, it agreed to start negotiations due to security concerns arising from regional instabilities (like the Arab-Israeli dispute and the military takeover in Greece). The EEC felt that the stability of Turkey had to be supported through further economic aid and preferential access of Turkish goods into European markets. Therefore, the transitional stage was launched on January 1, 1973 with the entry into force of the Additional Protocol, signed in November 1970 at the end of the negotiations that began in 1968.

According to Article 4 of the Ankara Agreement, the aim of the transitional stage was to establish a customs union between Turkey and the EEC on the basis of mutual and balanced obligations and to align the economic policies of Turkey with those of the EEC. The Additional Protocol provided for conditions, detailed rules, and timetables for the implementation of the transitional stage and the completion of the customs union. The EEC and Turkey would progressively abolish all trade barriers on imports (customs duties and all charges having an equivalent effect, quantitative restrictions and all other measures having an equivalent effect) from each other in industrial goods<sup>41</sup>—between 12 to 22 years from the entry into force of the Protocol to ensure a free movement of goods. Additionally, Turkey would gradually align its customs tariffs against third countries with the Common Customs Tariff of the EEC in order to establish a customs union with the EEC. As the ratification of the Additional Protocol by all member states' Parliaments (and the Turkish Parliament) was expected to take a long time, a Provisional Protocol was signed in September 1971, in order to implement the commercial provisions of the Additional Protocol.<sup>42</sup> Indeed, the EEC abolished customs duties on imports (and charges having equivalent effect) from Turkey immediately after the Provisional Protocol entered into force. That is, the EEC performed its obligations for the customs tariffs and charges before it was

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<sup>40</sup> Arıkan. *Turkey and the EU*, p.59.

<sup>41</sup> Turkey was obliged to adjust its agricultural policy over a period of 22 years starting in 1973, with a view to adopting the measures of the Common Agricultural Policy (CAP) of the EEC. In other words, the Additional Protocol made it necessary for Turkey to adjust its agricultural policy to the CAP in order to gain free access to the Community's agricultural markets.

<sup>42</sup> Saraçoğlu. "Türkiye-Avrupa Topluluğu İlişkileri," p.51.

obliged to. The Ankara Agreement in Article 4(2) regulated the transitional stage to last 12 years with some exceptions, which were envisaged not to impede with the final establishment of the customs union within a reasonable period. It should be noted that the customs union was intended to be completed in its entirety at the end of the twenty-second year of the Additional Protocol.

The Additional Protocol involved provisions regulating the objectives of the free movement of workers, services, and capital, as well as free movement of goods since it envisaged an economic integration between Turkey and the EEC beyond merely establishing a customs union. Indeed, Article 36 of the Protocol, which depended on the principles set out in Article 12 of the Ankara Agreement, provided a timetable for the gradual realization of the free movement of workers. This was expected to be realized between the end of the 12th and 22nd year after the entry into force of the Ankara Agreement. Therefore, the free movement of workers should have been achieved between the end of 1976 and 1986. Additionally, Article 36 required the Association Council to decide on the detailed rules and procedures necessary for achieving the free movement of workers by the stated deadlines.

In contrast to the preparatory stage, the transitional period turned out to be quite problematic. Turkey's economic incapacity in the 1970s and political issues related to the military coup in the 1980s deeply affected relations between the EEC and Turkey. In fact, Turkey was not ready to start the transitional stage—which imposed reciprocal obligations on the parties for liberalizing trade between them—as its economy was protected by import substitution policies which ran completely in contradiction to the liberal economic policies of having a free movement of goods.<sup>43</sup> Turkey underestimated the unpreparedness and incapacity of its economy to adapt to an important degree of trade liberalization, even being gradual in nature. Indeed, Turkey experienced serious problems in complying with its contractual commitments due to its economic inadequacies.

The Turkey's decreasing enthusiasm regarding the customs union resulting from its economic incapacity was aggravated because of the concerns arose from developments in the EEC's external policies. Due to the Mediterranean Policy of the EEC, adopted in 1975, trade concessions that Turkey obtained in the framework of the Ankara Agreement and the Additional

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<sup>43</sup> Uğur, Mehmet. *The European Union and Turkey: An Anchor/Credibility Dilemma* (Aldershot: Ashgate, 1999): pp.5-6.

Protocol became insufficient for providing preferential treatment or privileges to Turkey vis-a-vis Mediterranean countries. The policy gave similar trade concessions, particularly to those countries producing substantially similar products to Turkey, and whose exports competed with Turkey's exports to the EEC markets. Turkey also had concerns about the EEC's first enlargement that included the UK, Ireland, and Denmark, and its forthcoming Mediterranean enlargement that included Greece, Spain and Portugal.<sup>44</sup> Turkey's preferential access to EEC agricultural markets was also undermined by the UK's accession as it extended the EU's preferential treatment to those countries where the UK had colonial ties. Turkey regarded all these developments as undermining the privileges which it had obtained from its association relationship. Because the association agreement with Turkey went beyond a mere trade and cooperation agreement with ultimate objective of full membership, Turkey claimed that the EEC should have provided it with further privileges in order to offset the negative impacts of changes occurred through the Community's external policies.<sup>45</sup>

Because of all these reasons, Turkey failed to integrate its economy with the EEC through the customs union. Indeed, Turkey's performance concerning its commitments in the transitional stage was quite weak.<sup>46</sup> In 1978, when Turkey faced important economic and political difficulties, the coalition government in Turkey proposed to suspend its commitments unilaterally for a period of 5 years, and to require further financial assistance and new concessions regarding agricultural and sensitive industrial goods.<sup>47</sup> Although the new government, which came to power at the end of 1979, withdrew the decision regarding suspension, obligations arising from the customs union could not be met until the early 1990's because of economic and political disturbances in Turkey.

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<sup>44</sup> Roswitha Bourguignon, "The History of Association Agreement between Turkey and the European Community," in *European Community and Turkey*, ed. Ahmet Evin and Geoffrey R. Denton (Opladen: Springer, 1990), 55.

<sup>45</sup> Arıkan, *Turkey and the EU*, 62.

<sup>46</sup> Only two tariff reductions for EEC imports, at 10 percent each, were realized for barriers subject to elimination in 12 years, and of 5 percent each for the barriers subject to elimination in 22 years in 1973 and 1976. The adjustment to the CCT had not even started, and the process of reducing quantitative restrictions on imports from the Community also came to an end in 1976 after hardly having been launched. [Heinz Kramer, "Turkey and the European Union: A Multi-Dimensional Relationship with Hazy Perspectives," in *Turkey between East and West: New Challenges for a Rising Regional Power*, ed. Vojtech Mastny and R. Craig Nation (Boulder: Westview Press, 1996), 207.]

<sup>47</sup> Mehmet A. Birand, *Türkiye'nin Ortak Pazar Macerası: 1959-1990 (Turkey's Common Market Adventure)* (Istanbul: Milliyet Publishing, 1990), 384-388.

Turkey was not solely responsible for the failure to properly implement the Ankara Agreement and the Additional Protocol. Although the Community abolished all customs duties and quantitative restrictions by 1973 for Turkish manufactures, trade in textiles and clothing constituted an important exception to the elimination of trade barriers on Turkish exports. The EEC had protected its domestic producers from Turkish textiles (through quotas in the framework of voluntary export restraints) until the customs union was operational in 1996. Additionally, although in 1987, the Community abolished all customs duties for agricultural imports from Turkey, trade in agriculture remained restricted by the CAP's very effective non-tariff barriers on the grounds that Turkey's commitment to align its agricultural policy with the CAP remained unfulfilled.<sup>48</sup>

Another issue of Turkish concern was the non-fulfilment of obligations concerning the free movement of workers. At the beginning of 1973, the German government imposed a ban on the recruitment of migrant workers from non-EEC countries, and the other member states soon followed. This ban was later supplemented by the introduction of visa requirements for Turkish citizens visiting Germany and other member states. Since then, immigration from Turkey into the EEC has only been possible if family members join an already legally settled worker. The German government, due to economic and social concerns, exerted great efforts to prevent the relevant provisions of the association agreement from being effectively implemented by vetoing the related agenda of the Association Council in the Council of Ministers.<sup>49</sup> Other member states supported German efforts by remaining silent. The Association Council could not take decisions necessary to lay down specific rules for securing (by stages) the freedom of movement of workers as required by the Additional Protocol. Consequently, one of the important pillars of the association could not be implemented.<sup>50</sup>

## Conclusion

Due to the failure of the association relationship in the 1970s, and its suspension after the 1980 military coup, Turkey had to bypass the indirect and problematic association path towards its membership objective and

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<sup>48</sup> Kramer, "Turkey and the European Union," pp.205-206.

<sup>49</sup> The agenda of the Association Council is decided unanimously in the Council of Ministers.

<sup>50</sup> Kramer, "Turkey and the European Union," p.206.

opted for a shortcut in 1987. It applied for full membership on the basis of Article 237 of the EEC Treaty, which regulated this process. However, the European Commission in its ‘Opinion’ for this application recommended reviving the existing association relationship and establishing a customs union instead of proceeding on the second path, opened via Turkey’s full membership application. Consequently, a customs union between Turkey and the EU was established in 1996.

However, since the declaration of Turkey’s candidacy for full membership in 1999, and the launch of accession negotiations in 2005, relations have proceeded on two parallel paths. Both the association and accession “paths” had full membership as their objective. One could argue that a third path was opened in 2016 through the Refugee Deal between Turkey and the EU. Certain chapters in the accession negotiations were opened because of the cooperation on the refugee issue, but the issue itself was dealt with on a separate ground, independent from the process of accession negotiations. Considering the unpromising course of accession negotiations and Turkey’s deteriorating performance on EU reforms, Turkey’s EU membership prospect now seems farther away than ever before. However, cooperation on the refugee issue—representing an interest-based and pragmatic way of governing relations—has constituted an example for future relations. In this respect, views regarding ad hoc and thematic cooperation processes induced by mutual interests—particularly on issues such as the refugee flows, economic relations, energy, and counter-terrorism—could become a new model for Turkey-EU relations have started to emerge.<sup>51</sup> Considering the political deadlock in accession negotiations, cooperation on these issues should serve not as an alternative but as a complement to the existing negotiations. The parties should supplement existing areas of cooperation with a long-term strategic approach that would support accession negotiations. Otherwise, ad hoc and pragmatic types of cooperation that ignore the accession process will turn relations into a mere partnership, which should certainly not be a priority for both parties.

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<sup>51</sup> Ülgen, Sinan. *New Models of Economic Integration for Turkey and the UK*, Carnegie Europe, October 3, 2016. Accessed May 22, 2017. <http://carnegieeurope.eu/2016/10/03/new-models-of-economic-integration-for-turkey-and-uk-pub-64791>; and: Ülgen, Sinan. *Turkey Needs a Soft Exit From the EU*, Carnegie Europe, November 22, 2016. Accessed May 22, 2017. <http://carnegieeurope.eu/2016/11/22/turkey-needs-soft-exit-from-eu-pub-66228>.



## *Chapter Five*

# **Turkey and the Organization for Security and Cooperation in Europe<sup>1</sup>**

*Münevver Cebeci*

The Organization for Security and Cooperation in Europe (OSCE) is a cooperative and comprehensive security organization, and Turkey is one of its founding participants. This chapter analyzes the relations between Turkey and the OSCE, arguing that Turkey's understanding of comprehensive security and multilateralism are compatible with the OSCE's approach to world politics, and the two entities are well-positioned to tackle today's international challenges. The chapter first scrutinizes the OSCE's role in world politics, as a comprehensive cooperative security organization that focuses on political dialogue among its participating states and promotes peace, democracy, human rights, and the rule of law. Second, the chapter reflects on Turkey-OSCE relations from the point of view of comprehensive security and multilateralism. Third, the chapter looks into the role of Turkey and the OSCE in the process of transition we are currently witnessing in global dynamics. The chapter concludes that Turkey's contributions to cooperative security in Europe within the OSCE framework are part of its multilateral approach to world politics and its comprehensive approach to security.

## **The OSCE: A Comprehensive and Cooperative Security Framework<sup>2</sup>**

Established as a standing conference with the Helsinki Final Act of 1975 (issued after a series of meetings and conferences which started in 1972)—the Conference on Security and Cooperation in Europe (CSCE) acquired a full-fledged institutional framework at the Budapest Summit

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<sup>1</sup> The author is thankful to H.E. Ambassador Rauf Engin Soysal, Turkey's Permanent Representative to the OSCE for kindly sharing his valuable and insightful views on Turkey-OSCE relations.

<sup>2</sup> The historical information provided under this section title mainly builds on a former article of the author: Cebeci, Münevver. "The OSCE: A Cooperative Framework for European Security," *Economic Dialogue Turkey*, Vol. 45-46, 1999, pp. 16-24.

held in 1994 and became the OSCE. Since its inception as the CSCE, it has functioned in three major dimensions (baskets) of security: politico-military, economic and environmental, and human. These baskets refer to a wide range of tasks undertaken by the organization: from conflict prevention, confidence and security building measures, arms control and peacekeeping to promoting respect for human rights, democracy and the rule of law, and, combating terrorism, corruption, and human and drug trafficking. In its initial years, the CSCE was primarily concerned with the first basket of security issues and the major aim was to preserve the *status quo* and to develop confidence and security building measures between the two blocs of the Cold War. After the end of the Cold War, with the adoption of the Charter of Paris in November 1990, the major focus of the CSCE shifted towards human aspects of security, with special emphasis on the promotion/protection of democracy, human rights, minority rights, and the rule of law.

The OSCE's comprehensive security approach pertains to a broadened view of security which encompasses economic and environmental governance, and, promotion and protection of human rights and fundamental freedoms, besides political and military cooperation.<sup>3</sup> Such an approach assumes that various aspects of security are interwoven and it is impossible to ignore one aspect of security while trying to deal with another. For example, most of the conflicts in the world emanate from scarcity of resources (e.g., energy and water) or socio-economic deprivation. Therefore, it becomes impossible to solve those conflicts only through a military approach to security. This basic example reveals that a comprehensive approach to security—not only in terms of the issues addressed but also in terms of the tools used—is crucial in avoiding conflict and establishing peace.

On the other hand, the comprehensive approach (which also pertains to the indivisibility of security) requires the involvement of all stakeholders (i.e., states, civil society organizations, etc.) in the processes of tackling the risks and threats and establishing peace. This is the premise on which the OSCE's cooperative approach is built: that the participating states have common stake in European security and that they should therefore cooperate to prevent conflicts, build confidence, tackle economic and

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<sup>3</sup> OSCE. "The OSCE Concept of Comprehensive and Co-operative Security - An Overview of Major Milestones," SEC.GAL/100/09, June 17, 2009, OSCE Secretariat Conflict Prevention Centre Operations Service, Vienna, p. 1.

social problems, and promote and protect human rights and fundamental freedoms. In other words, the OSCE's definition of cooperative security is based on the assumption that "co-operation is beneficial to all participating States while the insecurity in and/or of one State can affect the well-being of all" and, thus, "no participating State should enhance its security at the expense of the security of another participating State."<sup>4</sup> On the other hand, this cooperative approach within the OSCE framework is also built on "non-hegemonic behavior on the part of participating states" as well as "mutual accountability, transparency and confidence at both the domestic and the foreign policy level."<sup>5</sup> This means that all OSCE states have equal status and they take their decisions on the basis of consensus.<sup>6</sup>

The OSCE defines itself as a "unique"<sup>7</sup> organization because of its wide geography which encompasses an area from Vancouver to Vladivostok and because of its status as a political organization, rather than a treaty-based one.<sup>8</sup> This latter point is important in the sense that although the OSCE is not a treaty-organization and its decisions are not legally binding (but only politically binding), it possesses most of the characteristics of a treaty organization; such as standing decision-making bodies, permanent institutions (e.g., a secretariat) and staff, regular financial resources and field offices.<sup>9</sup> Another crucial point in defining the OSCE is that it is the only security organization in Europe which is considered as a regional arrangement for early warning, conflict prevention, crisis management and post-conflict rehabilitation in the sense of Chapter VIII of the United Nations Charter.

The CSCE process was launched during the Cold War, at a time when the two blocs entered a period of *détente*. The Helsinki process was initiated by the Soviet Union, which was seeking an opportunity to legitimize the division of Europe. With the signing of the Helsinki Final Act at the Helsinki Summit of July 30- August 1, 1975, the CSCE began to function as a platform for meeting and exchanging views between the Eastern and

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<sup>4</sup> Ibid.

<sup>5</sup> OSCE. The OSCE Handbook - 25 Year (1975-2000), (Vienna: Secretariat of the Organization for Security and Cooperation in Europe, 2000): p. 3.

<sup>6</sup> Ibid.

<sup>7</sup> The author of this chapter is against defining actors as "unique" for reasons of theoretical orientation.

<sup>8</sup> OSCE. The OSCE Handbook - 25 Year (1975-2000): p. 3.

<sup>9</sup> Ibid.

Western blocs (the Soviet Union, the United States, Canada, and all other European countries except for Albania). This means that the CSCE was launched as a transatlantic cooperative security framework and aimed at confidence and security-building between the two blocs. Nevertheless, this was not an easy task, and the entire Helsinki process was politicized by the two sides because they had different interpretations of its purpose. The Western European and transatlantic participants regarded the process as one which would tackle military security issues and help achieve free flow of individuals, information and ideas between the East and the West, whereas the Eastern Bloc expected that it would attain legitimacy, ensure non-intervention in internal affairs, and receive economic aid.<sup>10</sup> Contrary to Soviet expectations, the organization triggered transformation in the East towards democracy and human rights, and, it transgressed the divisions of Europe. This was mainly due to dialogue and enhanced relations between the two blocs, as the CSCE “offered participating States a permanent channel of communication and a long-term program of co-operation” and the series of follow-up meetings that took place after the Helsinki Summit (e.g., in Madrid in November 1980 and in Vienna in November 1986) were significant in the thawing of the Cold War.<sup>11</sup> Increased economic cooperation (capital and technology transfers, and business contacts), as well as free movement of people, ideas, and information became a catalyst for change in Eastern Europe.

Reflecting the nature of the Cold War and the fine balance between the Western and Eastern expectations of the cooperation, the major focus of the CSCE at its inception (in the Helsinki Final Act of 1975) was the first basket which was guided by ten principles. These included sovereign equality, refraining from the threat and use of force, inviolability of frontiers, non-intervention internal affairs, respect for fundamental freedoms (freedom of thought, conscience, religion or belief, etc.), among others. The Helsinki Final Act also incorporated a document on Confidence-Building Measures and Certain Aspects of Security and Disarmament and the mechanisms that it brought developed into a system of measures concerning prior notification and observation of military maneuvers/activities,

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<sup>10</sup> Bloed, Arie. *From Helsinki to Vienna: Basic Documents of the Helsinki Process - Vol. 2*, (Dordrecht, Boston, London: Martinus Nijhoff Publishers, 1990): p. 2; and K.M. Fierke and Antje Wiener “Constructing Institutional Interests: EU and NATO Enlargement,” in *The Social Construction of Europe*, edited by Thomas Christiansen, Knud Erik Jørgensen and Antje Wiener (eds.), (London: SAGE, 2001): p. 126.

<sup>11</sup> OSCE. *The OSCE Handbook*, (Vienna: OSCE Press and Public Information Section, 2007): pp. 4-5.

defense planning, information on armed forces, risk-reduction, and constraints on activities of armed forces.<sup>12</sup>

The Helsinki Final Act also laid down principles concerning human rights and fundamental freedoms, including free movement of persons, free access to information, and freedom of expression which were new for the Eastern Bloc at the time. The acceptance of these principles paved the way for future provisions that would give the CSCE the right to intervene in the internal affairs of its participants in cases of serious violations of its principles. Despite this emphasis, the focus of the Helsinki process remained as the first basket of security until the end of the Cold War.

It was only with the Paris Summit of November 19-21, 1990 that the CSCE's focus shifted to the third basket. The Paris Summit (and the "Charter of Paris for a New Europe" accepted at the Summit) marked the formal end of the Cold War and started the institutionalization process of the CSCE, deciding that heads of state and government would meet on a regular basis, beginning with a follow-up meeting in Helsinki in 1992.<sup>13</sup> The CSCE was also entrusted with the task of taking part in the construction of the post-Cold War order in Europe. On the other hand, the Paris Summit also welcomed the signing of the Treaty on Conventional Armed Forces in Europe (CFE) by 22 participating states, aimed at maintaining a military balance among them. The CFE Treaty was especially important for Turkey because it involved provisions on the fate of the Soviet conventional weapons deployed close to Turkey's eastern borders.

Enhancing the humanitarian dimension of security, the Moscow Document of 1991 stated that human rights, fundamental freedoms, democracy, and the rule of law were issues of international concern and that respect for these rights and freedoms constituted one of the foundations of the international order. This reflected the recognition on the part of the participating states that these issues do not belong exclusively to the realm of internal affairs but that other states and international organizations have a right to interfere if these norms are violated. It was an important step because countries that were keen on preserving their internal sovereignty at the inception of the Helsinki Process (Russia in particular), eventually accepted these principles in 1991. It was also striking that these decisions were taken in Moscow.

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<sup>12</sup> H6ynck, Wilhelm. "From the CSCE to the OSCE: the challenges of building new stability," *Helsinki Monitor*, vol. 6, no. 3, 1995, pp. 11-22.

<sup>13</sup> OSCE. *The OSCE Handbook*, 2007, p. 6.

The Helsinki Summit of July 1992 paved the way for peacekeeping activities that would be conducted by the CSCE. Furthermore, the participating states accepted a document entitled “The Challenges of Change” to deal with the overwhelming effects of change in the international system. They also agreed that the CSCE should become a structured regional arrangement in terms of Chapter VIII of the UN Charter<sup>14</sup>, the post of a High Commissioner on National Minorities should be created, the Conflict Prevention Center should be strengthened, and the Forum for Security Cooperation as well as the Economic Forum should be established. The Helsinki Summit of 1992 also created the post of a High Commissioner on National Minorities when the Yugoslav crises were escalating and some states in Central and Eastern Europe were debating the issue of minorities within their borders.

The CSCE acquired organizational characteristics and was renamed the Organization for Security and Cooperation in Europe (OSCE) at the Budapest Summit of December 5-6, 1994, thus completing the institutionalization of the Helsinki Process. At the 1996 Lisbon Summit, it was decided that the office of the OSCE Representative on Freedom of the Media (RFOM) would be established, and it began functioning in 1997. Another summit was held in Istanbul in 1999, in which the CFE Treaty was modified and the Charter for European Security was adopted.<sup>15</sup> At a summit held in Astana in 2010, on the other hand, the leaders of participating states adopted the “Astana Commemorative Declaration: Towards a Security Community” that reaffirmed their commitment to OSCE principles and reconfirmed the Organization’s comprehensive approach to security, based on trust and transparency.<sup>16</sup> It is the OSCE’s emphasis on comprehensive security and its inclusiveness that makes it especially important for Turkey as well.

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<sup>14</sup> Chapter VIII of the UN Charter allows for the creation of regional arrangements for maintaining peace and security on condition that “such arrangements or agencies and their activities are consistent with the Purposes and Principles of the United Nations”. UN, Charter of the United Nations, <http://www.un.org/en/charter-united-nations/index.html>

<sup>15</sup> Details of this summit can be found in the next section.

<sup>16</sup> OSCE. “Astana declaration adopted at OSCE Summit charts way forward,” December 2, 2010. <http://www.osce.org/cio/74236>

## Turkey and the OSCE: Multilateralism and Comprehensive Security

Turkey was among the 35 participating states that signed the Helsinki Final Act on August 1, 1975 and has since then pursued an active role within the CSCE/OSCE. Turkey's participation in the CSCE as a founding state can be read as part of its quest for joining all Western institutions to affirm its Western/European identity, and to pursue its goal of reaching the level of "contemporary civilization" set forth by its founding leader, Mustafa Kemal Atatürk.<sup>17</sup> This quest does not only have a strong identity aspect but it also has a crucial security aspect, and these two aspects are inextricably linked with each other. It can be argued that Turkish foreign policy before the Justice and Development Party (Adalet ve Kalkınma Partisi) era was mainly marked by a tendency to preserve the regional *status quo* in order to avoid a new wave of invasion by European powers after its War of Independence (1919-1922). This can be associated with defensive Westernization<sup>18</sup> that started in the late Ottoman times when the empire entered a period of collapse.<sup>19</sup> It can thus be argued that Turkey's membership in Western institutions (such as NATO, the CoE, and the OECD) has mainly been shaped by a security logic—avoiding foreign intervention through Westernization. Turkey's multilateralism can also be evaluated in light of defensive Westernization, preservation of the regional *status quo*, and becoming part of the European international society.

During the Cold War, Turkey perceived the CSCE as a platform for cooperation and confidence-building with Soviet countries, and especially with the Soviet Union (USSR). This was immediately reflected in the military rapprochement between Turkey and the USSR that took place in 1976 right after the adoption of the Helsinki Final Act. In January-February 1976, the USSR invited Turkish military experts to a military exercise ("Caucasia") conducted in Georgia and Armenia, in line with its commitments as outlined in the Document on Confidence-Building Measures

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<sup>17</sup> Because Turkey's quest to become a part of the international community is well-documented in Chapter 2 (Ünver Noi) of this volume, it will not be analyzed in further detail here.

<sup>18</sup> See: Cebeci, Münevver. "Turkish and European Security Cultures in Perspective: Why do we need a holistic approach to European Security?", *Marmara Journal of European Studies*, 2014, Vol. 22, No. 2, p. 41; and Pınar Bilgin. "Turkey's changing security discourses: The Challenge of Globalisation," *European Journal of Political Research*, 2005, Vol. 44, p. 175-201.

<sup>19</sup> See Chapter 2 (Ünver Noi) of this volume for more detail on this topic.

and Certain Aspects of Security and Disarmament.<sup>20</sup> This document was adopted with the Helsinki Final Act and it brought the mechanisms for prior notification and observation of military maneuvers/activities, as part of CSCE's confidence and security building measures. The military cooperation initiated on such lines developed further to the level that Turkey let the Soviet aircraft carrier "Kiev" pass from the Turkish Straits, even though this was not stipulated in the Montreux Convention of 1936, which regulates the Straits.<sup>21</sup>

In the beginning of the post-Cold War era, both Turkey and the CSCE had to define their stance and role in a period of systemic transition. The CSCE began focusing on the third basket of security in its areas of competence and it was also tasked with engaging in peacekeeping activities. On the other hand, Turkey continued to pursue its multilateral approach, especially with regard to the crises/conflicts that erupted in its immediate neighborhood: in the Balkans and the Southern Caucasus. During the Bosnian War, Turkey proposed a plan to the UN, the OSCE, and the CoE, to impose stronger measures to end the Serbian violence, and tried to mobilize them to act more effectively.<sup>22</sup> In addition, Turkey was also actively involved in finding a solution to the Kosovo crisis within the auspices of the OSCE, and it contributed militarily to the OSCE's Kosovo Verification Mission in the period of May-September 1999.

Concerning the Nagorno Karabagh conflict, Turkey attempted to pursue a neutral stance in the beginning and sought for a solution to the conflict through multilateral engagement. Turkey aligned itself with the CSCE's 1992 ministerial decisions to launch conflict resolution efforts and the 1994 Budapest Summit decisions, becoming a member of the Minsk Group (which was established at the same summit) to lead the OSCE's efforts in finding a peaceful solution to the conflict. In the early 1990s, Turkey was even regarded as a possible mediator by the parties to

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<sup>20</sup> Tellal, Erel. "SSCB'yle İlişkiler [Relations with the USSR]" in Baskın Oran (ed), *Türk Dış Politikası - Kurtuluş Savaşından Bugüne Olgular, Belgeler, Yorumlar* [Turkish Foreign Policy—Facts, Documents and Comments from the War of Independence until Today] Vol. I: 1919-1980, (Istanbul: İletişim Yayınları, 2002): p. 780.

<sup>21</sup> Ibid.

<sup>22</sup> Uzel, İlhan. "The Balkans: Turkey's Stabilizing Role", in Barry Rubin and Kemal Kirişçi, *Turkey in World Politics—An Emerging Multiregional Power*, (Istanbul: Boğaziçi University Press, 2002): p. 70; and: Uzel, İlhan. "Balkanlarla İlişkiler [Relations with the Balkans]," in Baskın Oran (ed), *Türk Dış Politikası - Kurtuluş Savaşından Bugüne Olgular, Belgeler, Yorumlar* [Turkish Foreign Policy—Facts, Documents and Comments from the War of Independence until Today] Vol. II—1980-2001, (Istanbul: İletişim Yayınları, 2002): p. 495.

the conflict, mainly due to its neutral stance and got engaged in diplomatic efforts (including the seeking of CSCE engagement) with the initiative of the then-Foreign Minister Hikmet Çetin.<sup>23</sup> These efforts took place despite the Hocalı massacre of 1992 and the invasion of Kelbecer (1993) by the Armenians, which sparked a domestic debate in Turkey. While President Özal asked for a tougher stance on Armenia, the Demirel government continued to pursue a multilateral track.<sup>24</sup> Nevertheless, Turkey's efforts became increasingly confined to the Minsk Group framework, especially due to a worsening of relations with Armenia and Turkey left its initial neutral stance, gradually taking on an openly pro-Azerbaijani one. Ongoing intermittent clashes between the parties have made it harder to pursue peaceful resolution, and Turkey has sometimes criticized the Minsk Group for not taking "fair and decisive steps" in Nagorno Karabagh.<sup>25</sup> On the other hand, Armenia has been critical of Turkey's position in the Minsk Group, claiming that it overtly supports Azerbaijan.<sup>26</sup> The U.S. has been supportive of Turkey's role, as was the case in 2015 when Daniel B. Baer, the U.S. Ambassador to the OSCE, stated: "We note recent statements that have called into question Turkey's constructiveness as a Minsk Group member and disagree with that assessment. Turkey has been a valuable member of the Minsk Group and has worked cooperatively with the co-Chairs on finding a way forward in peace talks."<sup>27</sup>

The Nagorno Karabagh conflict is not the only intractable conflict in the South Caucasus. The Georgian-Abkhaz conflict is also an issue of concern for the OSCE and Turkey. Turkey supported the dialogue process launched by the CSCE in 1994 to find a peaceful solution to the conflict and brought the parties together in June 1999, before the OSCE's Istanbul

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<sup>23</sup> Aydın, Mustafa. "Kafkasya ve Orta Asya'yla İlişkiler [Relations with the Caucasus and Central Asia]" in Baskın Oran (ed), *Türk Dış Politikası - Kurtuluş Savaşından Bugüne Olgular, Belgeler, Yorumlar* [Turkish Foreign Policy—Facts, Documents and Comments from the War of Independence until Today] *Vol. II—1980-2001*, (Istanbul: İletişim Yayınları, 2002): p. 402-404.

<sup>24</sup> Ibid.

<sup>25</sup> Sims, Alexandra. "Turkish President backs Azerbaijan in conflict with Armenia," *Independent*, April 3, 2016. <http://www.independent.co.uk/news/world/europe/turkish-president-backs-azerbaijan-in-conflict-with-armenia-a6966376.html>

<sup>26</sup> See, for example: Permanent Mission of the Republic of Armenia to the OSCE. "Statement in response to the Co-Chairmen of the OSCE Minsk Group, the Personal Representative of the OSCE Chairperson-in-Office, and the Head of the High-Level Planning Group," November 10, 2016. <http://www.osce.mfa.am/en/news/item/2016/11/10/2016/>

<sup>27</sup> U.S. Mission to the OSCE. "On the Minsk Group Co-Chairs: Statement to the PC," December 17, 2015. [https://osce.usmission.gov/dec\\_17\\_15\\_minsk\\_group/](https://osce.usmission.gov/dec_17_15_minsk_group/)

Summit.<sup>28</sup> Today, the dialogue process continues within the framework of the Geneva International Discussions launched in 2008 by the OSCE, the UN, and the EU, to address the Abkhazian and South Ossetian conflicts. Turkey continues to actively support the process. Turkey also contributed to the Monitoring Operation conducted by the OSCE in Georgia in February 2000 to December 2004 and between 2006–2009.

Conflict resolution and mediation are important aspects of Turkey's multilateralism and this is also reflected in its approach to the Ukraine crisis within the OSCE framework. The appointment of Turkey's Ambassador Ertuğrul Apakan as the Chief Monitor of the OSCE Special Monitoring Mission to Ukraine on April 2, 2014 is significant in this regard. The aim of the mission is "to contribute to reducing tensions and to help foster peace, stability, and security" in Ukraine and it was initially designed "as a classic instrument of preventive diplomacy, whilst pursuing the OSCE's approach to comprehensive and co-operative security"<sup>29</sup>. This is also the point where the OSCE's and Turkey's approaches match each other as Turkey's multilateralism is based on a comprehensive view of security that prioritizes cooperation. This was reflected in the following statement of Turkish Foreign Minister Çavuşoğlu:

We are obliged to rise to these challenges simultaneously, through a holistic, comprehensive, and coherent strategy. Addressing the root causes of all problems is also necessary. We believe that the OSCE, with its comprehensive and indivisible security concept and operational flexibility, is an important asset at our disposal.<sup>30</sup>

Turkey's promotion of comprehensive security is not new and can be traced back to the immediate aftermath of the Cold War, particularly with regard to the CSCE's new role in the European security architecture. At

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<sup>28</sup> Aydın, Mustafa. "Kafkasya ve Orta Asya'yla İlişkiler [Relations with the Caucasus and Central Asia]," in Baskın Oran (ed), *Türk Dış Politikası - Kurtuluş Savaşından Bugüne Olgular, Belgeler, Yorumlar* [Turkish Foreign Policy—Facts, Documents and Comments from the War of Independence until Today] *Vol. II—1980-2001*, (Istanbul: İletişim Yayınları, 2002): p. 419.

<sup>29</sup> Apakan, Ertuğrul and Sporrer, Wolfgang. "The Ukrainian Crisis: The OSCE's Special Monitoring Mission," *Turkish Policy Quarterly* (Vol. 15, No. 4, 2017): p. 18.

<sup>30</sup> Republic of Turkey-Ministry of Foreign Affairs "Speech by H.E. Mr. Mevlüt Çavuşoğlu, Minister of Foreign Affairs of Turkey, at the 22nd OSCE Ministerial Council Meeting, December 3, Belgrade," (2015), [http://www.mfa.gov.tr/speech-by-h\\_e\\_-mr\\_-mevlut-cavusoglu\\_-minister-of-foreign-affairs-of-turkey\\_-at-the-22nd-osce-ministerial-council-meeting\\_-3-dece.en.mfa](http://www.mfa.gov.tr/speech-by-h_e_-mr_-mevlut-cavusoglu_-minister-of-foreign-affairs-of-turkey_-at-the-22nd-osce-ministerial-council-meeting_-3-dece.en.mfa)

NATO's Rome Summit of 1991, Turkey underlined the indivisibility of security and the need for a holistic approach to European security, arguing that the CSCE, NATO, the European Community (EC), and the CoE should act together to maintain regional stability—a stance which was similar to the U.S. approach at the time<sup>31</sup>. At the 1992 Oslo Ministerial of NATO, the CSCE asked for NATO's help in pursuing its peacekeeping activities (a newly defined task for the CSCE after the Cold War) and Turkey was among the supporters of this idea<sup>32</sup>.

On the other hand, Turkey's role within the OSCE is not only confined to active support for conflict resolution. It has actively participated in the OSCE's initiatives and it also hosted the Istanbul Summit at which crucial decisions were taken about the future policies of the organization. The Charter for European Security, the Agreement on Adaptation of the Treaty on Conventional Armed Forces in Europe, and the revised Vienna Document (VD 99) were signed and adopted at this Summit. The Charter for European Security was especially significant as it provided "the strengthening of the OSCEs operational capacities in conflict prevention, crisis management, and post-conflict rehabilitation."<sup>33</sup> Nevertheless, the significance of the Summit was not limited to these documents alone. The Istanbul Summit became an issue of contention between the Clinton Administration and the U.S. Congress in 1998, when some members of the U.S. Congress asked President Clinton not to hold the OSCE Summit in Istanbul and to relocate it, on the grounds that Turkey was violating human rights and its obligations under international law.<sup>34</sup> Nevertheless, President Bill Clinton rejected this request, and instead made a crucial visit to Turkey in November 1999, signaling a new and positive relationship between the two countries.

The Clinton Administration also lent its support to the signing of the Baku-Tbilisi-Ceyhan pipeline agreement during the Istanbul Summit. President Clinton signed the document as an observer, showing the U.S.

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<sup>31</sup> Uzgel, İlhan. "ABD ve NATO'yla İlişkiler [Relations with the USA and NATO]," in Baskın Oran (ed), *Türk Dış Politikası - Kurtuluş Savaşından Bugüne Olgular, Belgeler, Yorumlar* [Turkish Foreign Policy—Facts, Documents and Comments from the War of Independence until Today] *Vol. II—1980-2001*, (Istanbul: İletişim Yayınları, 2002): p. 308.

<sup>32</sup> *Ibid.*, p. 307.

<sup>33</sup> Ghebalı, Victor-Yves. "The OSCE's Istanbul Charter for European Security," *NATO Review*, (No 1, 2000): p.23.

<sup>34</sup> Kirişçi, Kemal. "U.S.-Turkish Relations: New Uncertainties in a Renewed Partnership," Barry Rubin and Kemal Kirişçi, *Turkey in World Politics—An Emerging Multiregional Power*, (Istanbul: Boğaziçi University Press, 2002): pp.170, 188.

support at the highest level. Then-U.S. Secretary of Energy, Bill Richardson, named the agreement a political victory and a strategic document that would further the strategic interests of the U.S.<sup>35</sup> This support was part of the U.S. policy to support various pipeline projects in the region in order to curb Russia's energy dominance.

On the other hand, Turkey's relations with the OSCE were very much affected by its relationship with Russia right after the Cold War, mainly due to Russia's denouncement of its Conventional Armed Forces in Europe (CFE) Treaty commitments on its North Caucasian flank. Until the 1999 OSCE Istanbul Summit, Russia exceeded the numbers set in the Treaty limits on this flank and violated the CFE Treaty several times. The Istanbul Summit was also significant in this regard because a text revising the CFE Treaty commitments was also adopted at the summit.<sup>36</sup>

Turkey-OSCE relations have not always been without problems. The major problem that the two entities encountered in their relationship was Turkey's performance with regard to democracy, human rights, and the rule of law. For example, in 1992, Austria tried to invoke the CSCE's humanitarian dimension mechanism (according to the Moscow Document) against Turkey, claiming that the country was violating its commitments with regard to human rights especially towards its Kurdish minority<sup>37</sup>. Nevertheless, Austria's request was refused. On the other hand, the OSCE sent election/referendum assessment/observation missions to Turkey seven times since 2002 upon invitation from the Turkish government (in 2002, 2007, 2011, 2014, twice in 2015, and 2017). Some of these missions have been significant mainly because of the political climate in which they were deployed. A full election observation mission was sent to monitor the 2011 parliamentary elections, following growing concerns about a deterioration in Turkey's democratic standards.<sup>38</sup> The OSCE's

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<sup>35</sup> Uzgel, "ABD ve NATO'yla İlişkiler [Relations with the USA and NATO]," p. 281.

<sup>36</sup> Bazoğlu Sezer, Duygu. "Russia: The Challenges of Reconciling Geopolitical Competition with Economic Partnership," in Barry Rubin and Kemal Kirişçi, *Turkey in World Politics—An Emerging Multiregional Power*, (Istanbul: Boğaziçi University Press, 2002): pp. 204, 212-213.

<sup>37</sup> Bloed, Arie. "Monitoring the CSCE Human Dimension: In Search of its Effectiveness," in Arie Bloed, Liselotte Leicht, Manfred Nowak, and Allan Rosas (ed.s), *Monitoring Human Rights in Europe: Comparing International Procedures and Mechanisms*, (Dordrecht, Boston, London: Martinus Nijhoff Publishers, 1993) pp. 80-81.

<sup>38</sup> Spencer, Oliver R. "To be a model: Turkey's time is now." *Op-Eds*, OSCE Parliamentary Assembly, June 2, 2011. <https://www.oscepa.org/news-a-media/op-eds/636-to-be-a-model-turkeys-time-is-now>.

Office for Democratic Institutions and Human Rights (ODIHR) reported in October 2011 that although the June 12 elections in Turkey “demonstrated a broad commitment to holding democratic elections” there were still limitations “on freedom of expression, freedom of association, and electoral rights.”<sup>39</sup>

The Statement of Preliminary Findings and Conclusions as well as the Final Report of the Limited Referendum Observation Mission that the OSCE-ODIHR sent to Turkey to assess the Constitutional Referendum of April 16, 2017 are especially significant in Turkey-OSCE relations. They were rather critical of the conduct of the referendum process (from the start of the campaigning period until the official declaration of results). The ODIHR Mission asserted in the Statement of Preliminary Findings and Conclusions document that the referendum did not take place under equal conditions (it stated: “the two sides of the campaign did not have equal opportunities”<sup>40</sup>). It further stated that voters were not impartially informed about key aspects of the constitutional reform, that civil society organizations were excluded, and, “under the state of emergency put in place after the July 2016 failed coup attempt, fundamental freedoms essential to a genuinely democratic process were curtailed.”<sup>41</sup> The Mission especially underlined that restrictions on the media “reduced voters’ access to a plurality of views,” and that “late changes in counting procedures removed an important safeguard and were contested by the opposition.”<sup>42</sup> This Preliminary Findings and Conclusions statement of the OSCE-ODIHR Mission was also one of the factors which made the CoE’s Parliamentary Assembly (PACE) decide to restart the monitoring of Turkey “over ‘serious concerns’ about democracy and human rights.”<sup>43</sup> This process was suspended in 2004 because of positive developments in Turkey’s democracy and human rights record.

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<sup>39</sup> OSCE-ODIHR. “Republic of Turkey—Parliamentary Elections 12 June 2011, ODIHR Election Assessment Mission Report,” October 31, 2011. <http://www.osce.org/odihr/84588>

<sup>40</sup> OSCE-ODIHR. “International Referendum Observation Mission - Republic of Turkey—Constitutional Referendum, 16 April 2017, The Statement of Preliminary Findings and Conclusions.” <http://www.osce.org/odihr/elections/turkey/311721>

<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

<sup>43</sup> Rankin, Jennifer. “Council of Europe vote puts pressure on Turkey over human rights.” *The Guardian*, April 26, 2017. <https://www.theguardian.com/world/2017/apr/26/council-of-europe-turkey-human-rights-pace>.

## Changing Agendas, Redefining Roles, and Achieving Continuity: Turkey and the OSCE in Transition

Because this chapter is designed in such a way to understand the nature of Turkey-OSCE relations and to reflect on their history as well as on current developments, it has not entered into a discussion on the systemic transition that we are currently witnessing; nor does it reflect on the new geostrategic balancing acts of international actors. However, there is also a need to understand these dynamics in order to reach a satisfying conclusion about Turkey-OSCE relations. Thus, this section evaluates the debates on the future of the OSCE and attempts to reflect on Turkey's possible place in it.

Multilateralism forms one of the conceptual bases of this chapter. However, multilateralism itself is in transition.<sup>44</sup> A holistic approach to security, a comprehensive understanding of issue areas, and an emphasis on the indivisibility of security, which makes the participation of all stakeholders in security arrangements a necessary precondition for effective multilateralism, remain vital. Both Turkey and the OSCE are well-positioned to pursue such an approach. Nevertheless, effectiveness can only be reached through increased transparency and enhanced ownership of all the stakeholders.<sup>45</sup> The new multilateralism to take place should be based on more effective cooperation between international actors, especially international organizations. The OSCE has an important role to play in this regard with its wide range of responsibilities, and the organization is well-placed to support "positive overlap"<sup>46</sup> between international organizations.<sup>47</sup>

However, the OSCE itself is also in transition, trying to establish its new role in the world, as it is no longer possible for the organization to function successfully on the basis of the concepts, structures, and tools that were created to address the challenges of the 1990s. Today, threats such as cyber-attacks and global terrorism are more diverse, complex, and ubiquitous. The civil war in Syria and the massive refugee flows that it caused have shown that crises should be tackled more effectively and

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<sup>44</sup> Interview with H.E. Ambassador Rauf Engin Soysal, Turkey's Permanent Representative to the OSCE.

<sup>45</sup> Interview with H.E. Ambassador Rauf Engin Soysal, Turkey's Permanent Representative to the OSCE.

<sup>46</sup> Galbreath, David J. and Gebhard, Carmen. *Cooperation or Conflict? Problematizing Organizational Overlap in Europe*, (Farnham and Burlington: Ashgate, 2010).

<sup>47</sup> Interview with H.E. Ambassador Rauf Engin Soysal.

proactively. Protection and maintenance of democracy, human rights, and the rule of law no longer suffice alone to tackle today's problems, and, fighting xenophobia, racism, and discrimination should be given more emphasis<sup>48</sup> at a time when a dangerous form of right-wing populism is on the rise in Europe and across the Atlantic. The OSCE (along with the UN) is well-suited to take up the task. This pertains to a new agenda and the OSCE must overcome the disadvantages of decision-making by consensus, tackle the functionality of its field missions, increase the effectiveness of its instruments, and reform its structures according to these new challenges; putting more emphasis on ownership.<sup>49</sup> The organization also needs to redefine its conception of confidence-building. After Russia's invasion of Crimea and its unilateral policies on Ukraine that violated international law, it has become all the more pressing to make the Helsinki principles relevant again through a new approach. On the other hand, amid debates over trust among the participating states of the OSCE that were sparked after the Russian invasion of Crimea and the crisis in Ukraine, at the Informal Ministerial Meeting held in Mauerbach, Austria, on July 11, 2017, the OSCE agreed to make new appointments to the most important posts of the Secretary General, the High Commissioner on National Minorities, the ODIHR Director, and the Representative on Freedom of the Media. These appointments were made official on July 18, 2017. These appointments were crucial because there were concerns that the participating states would not be able to achieve consensus on who would be appointed to these posts and that the posts would be left vacant.<sup>50</sup> The Mauerbach Informal Ministerial Meeting addressed the issue of "Building Trust through Dialogue and Co-operation," and it also tackled the question of the OSCE's *raison d'être*,<sup>51</sup> focusing mainly on "Structured Dialogue

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<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

<sup>50</sup> Interview with H.E. Ambassador Rauf Engin Soysal. Note that the posts of the High Commissioner on National Minorities, the ODIHR Director, and the Representative on Freedom of the Media were vacant for almost a year. Reflecting the disagreement over the related posts and the post of the Secretary General, in an interview at the Mauerbach meeting, Russian Foreign Minister Sergei Lavrov stated, "We regret that a number of our Western partners are strongly against ensuring balance in this leading element of the organization." Politics News, "Lavrov's Press Statement Following OSCE Informal Ministerial Meeting," July 11, 2017, <https://www.youtube.com/watch?v=ZXUO0wtbz20>.

<sup>51</sup> On the regional and organizational challenges facing the OSCE, see: Simonet, Loïc and Lüber, Hans Georg. "The OSCE and Its Legal Status: Revisiting the Myth of Sisyphus" in Pal Dunay, P. Trencé Hopmann, Adam Daniel Rotfeld, and Andrei Zagorski (ed.s), *Yearbook on the Organization for Security and Co-operation in Europe (OSCE)*, (Hamburg: Institute for Peace Research and Security Policy at the University of Hamburg, 2017): pp. 277-316.

on current and future challenges and risks to security in the OSCE area” which was launched in February 2017 (following the Hamburg Ministerial Council Declaration of December 2016), and, on “the fight against violent extremism and radicalization leading to terrorism.”<sup>52</sup>

The challenge for Turkey, on the other hand, is to decide how it will situate itself within all these debates on the OSCE’s transformation, as one of the most active participants of the organization. However, it needs to quickly adapt to the challenges of this transitional period. The multilateralist policies that it has pursued so far have helped Turkey maintain its identity as a respected member of the international society and an indispensable actor in European security. The latest shift in Turkish foreign policy towards more activism in the Middle East and the developments in its domestic politics (that have been documented in various OSCE reports) require urgent reconsideration as Turkey is faced with multiple challenges in its various neighborhoods. Turkey needs to pursue a more balanced foreign policy in order to achieve a fine-tuned continuity of its basic principles of multilateralism and international cooperation, and, an effective readjustment that would keep the country out of the crises in its neighborhood, providing a fresh impetus to its neutral mediator<sup>53</sup> capacity. Being an influential and respected international actor depends first and foremost on stable internal structures and a strong commitment to democracy, human rights, and the rule of law. Turkey is well-positioned to advocate and pioneer higher standards in this respect, carrying the problems of xenophobia, discrimination, and racism to the agenda of Western-dom-

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<sup>52</sup> Interview with H.E. Ambassador Rauf Engin Soysal, and OSCE, “OSCE Informal Ministerial Meeting,” July 11, 2017. <http://www.osce.org/event/informal-ministerial-meeting>; also see: OSCE, “Dialogue crucial for addressing Europe’s security challenges, OSCE Chairperson-in-Office Sebastian Kurz emphasizes at Informal Ministerial Meeting,” July 11, 2017. <http://www.osce.org/chairmanship/328656>.

<sup>53</sup> Note that in cooperation with Finland, Turkey launched the Group of Friends of Mediation initiative under the auspices of the UN in September 2010 (Finland and Turkey are currently the co-chairs of this initiative), aiming “to promote and advance the use of mediation in the peaceful settlement of disputes, conflict prevention and resolution, as well as to generate support for the development of mediation.” United Nations Peacemaker, “The Group of Friends of Mediation.” <http://peacemaker.un.org/friendsofmediation>. The OSCE is also a member of the Group as an international organization and the Group was replicated under the auspices of the OSCE (as the OSCE Group of Friends of Mediation) in 2014; with Turkey, Finland, and Switzerland as its co-chairs. OSCE, “Regional Organizations in Conflict Mediation: Lessons of Experience and Cooperation with the United Nations,” Report, 2016. <http://www.osce.org/secretariat/230526?download=true>.

inated institutions, including the OSCE.<sup>54</sup> However, it can only do so once it achieves those higher standards itself.

## **Conclusion**

This chapter has scrutinized Turkey-OSCE relations from the perspective of multilateralism and comprehensive security, arguing that Turkey and the OSCE share similar approaches and that they are well-situated to respond to today's challenges in world politics. The OSCE attempts to redefine its role in an emerging multipolar world where the liberal democratic ideals of peace, democracy, human rights, and the rule of law are severely challenged, and where confidence-building among states becomes all the more difficult due to rising populism and right-wing extremism in the form of racism and xenophobia in Europe and across the Atlantic. Turkey, on the other hand, is an influential international actor that can make significant contribution to international security and stability in an era of global transition. With its tradition of multilateralism and a comprehensive approach to security, it has already contributed significantly to European security. Turkey has a lot to offer in this regard, and it can be a crucial actor in bringing the problems of racism and xenophobia to the agenda of international organizations, including the OSCE. In a conflict-ridden region, a stable, democratic Turkey, respectful of human rights and the rule of law, would constitute a significant asset for European and global security.

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<sup>54</sup> It should be noted at this point that Turkey has already achieved significant results in this respect, especially with regard to its humanitarian stance towards the Syrian refugees—an exemplary move against xenophobia and racism.



*Part II*

**Turkey's Relations with its  
Transatlantic Partners:  
the U.S. and the EU**



## *Chapter Six*

# **Turkey-U.S. Relations: Strategic Ambivalence and an Enduring Partnership**

*Kılıç Buğra Kanat*

In recent decades, the relationship between Turkey and the U.S. has become extremely controversial, and since the end of the Cold War, bilateral relations have never been as rocky as they are today. Cold War dynamics established a strict security framework for the bilateral relationship, and following the Gulf War, ambivalence toward the international system and the shifting structure of Middle Eastern regional security architecture further destabilized relations. Since then, there have been significant ups and downs in bilateral ties and, especially since the U.S. invasion of Iraq, there have been numerous periods of significant tensions. While the first few years of the Obama administration brought an improvement to relations, a period of uncertainty and ambivalence followed the beginning of the Syrian crisis. The tactical divergence between the two countries led to an increasing strategic ambiguity. U.S. support for the People's Protection Units (YPG) complicated relations further. Turkey's concerns about the strengthening of the YPG and its possible impacts for the national security of the country were underestimated by the U.S. administration. The deterioration of relations between the leaders of the two countries further strained bilateral ties. Following the July 15 coup attempt in Turkey, the relationship entered a period of crisis.

With the election of Donald Trump, a sense of optimism emerged in Turkey and the broader Middle East. This was in part due to expectation that the new U.S. president would reverse the Obama-era foreign policy of disengaging from traditional U.S. allies in the Middle East and caving into Iran's assertiveness in the region with the administration's eagerness to achieve a nuclear deal. This priority in Obama's agenda was considered the primary reason for U.S. inaction in Syria and its "abandonment" of its traditional allies. President Obama's interview in the *Atlantic Monthly* convinced many U.S. allies in the Middle East that there had to be a

change in the administration in order to improve relations.<sup>1</sup> Ankara eagerly awaited the November 2016 elections with the hope of turning a new page in its relations with Washington.<sup>2</sup> Hence, Trump's election, despite bringing an unpredictable tone in foreign policy, was welcomed by governments in the region.

This optimism over a new administration was for many a *déjà vu* in bilateral relations. Initially, the Obama administration had been welcomed by Turkey (and the broader region) because of the Bush administration's legacy, despite President Obama's lack of experience in the Middle East. Donald Trump's election generated a similar sort of optimism. The first few months of the new administration showed Turkey's willingness to mend ties, which was welcomed by the new U.S. administration. The two leaders talked on the phone several times before meeting face-to-face in May 2017. Despite serious disagreements regarding U.S. policy on arming the YPG and the Raqqa operation, both leaders agreed to contain the crisis in a way that would prevent it from spilling over to other issues. Both sides were particularly optimistic about establishing a working relationship in the region once the Raqqa operation was completed. Both leaders underlined their commitment to the NATO Alliance and their partnership in the Global Coalition against ISIS. Rhetorically, this security framework of bilateral relations remains strong and persistent. However, despite optimism about possible areas of cooperation, there are also several issue areas that may continue to strain bilateral relations. Thus, the two countries may find once again that despite some degree of strategic convergence in the region, they may continue to diverge in tactical and operational realms. This would mean a different form of partnership and necessitate different mechanisms to provide a smooth working relationship. These issue areas will be discussed in the remaining parts of this chapter.

## A Lack of Clarity in U.S. Foreign Policy

The general direction of U.S. foreign policy and orientation of U.S. relations with its allies need to be taken into consideration in order to

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<sup>1</sup> Goldberg, Jeffrey. "The Obama Doctrine," *The Atlantic*, April 2016. <https://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525/>, Accessed: May 31, 2017.

<sup>2</sup> "Erdogan says Turkey may open new page with Trump administration," *Daily Sabah*, April 28, 2017, Accessed: May 31, 2017. <https://www.dailysabah.com/politics/2017/04/28/erdogan-says-turkey-may-open-new-page-with-trump-administration>.

understand the more specific issue of U.S.-Turkey relations. Although bilateral relations in recent years have been affected by the crisis in Syria, there has been a larger, more structural, dimension of bilateral relations that has to do with the U.S.' role in the world and relations with its allies.

Since the beginning of the Obama administration, U.S. foreign policy strategy was aimed at maintaining a light footprint and leading from behind.<sup>3</sup> Various scholars of U.S. foreign policy described this in a number of ways, referring to it as “retreat,”<sup>4</sup> “recline,”<sup>5</sup> and “retrenchment.”<sup>6</sup> During this period, U.S. relations with its allies shifted. The idea of “burden sharing” became an important objective of the Obama administration, but generated serious concern among U.S. allies. Despite repeated rhetorical reassurances from the U.S. administration, there are too many questions and lack of clarity about the U.S.' commitment to the security of its allies. During the Obama administration, skepticism about U.S. policy impacted allies such as Poland, because of the missile defense system withdrawal in 2009;<sup>7</sup> Japan, because of questions about the U.S.' commitment to Japanese security in regards to the Senkaku Island crisis with China; and Saudi Arabia, the Gulf countries, and Israel, because of the nuclear deal with Iran.

Turkey was also impacted by this ambivalence in U.S. foreign policy. Following U.S. inaction in the aftermath of the use of chemical weapons by the Syrian regime in 2013—despite President Obama's 2012 “red line” statement—the gap between rhetoric and action became an issue of particular concern for Turkey. Despite Turkey's support for a possible U.S. military operation in Syria, following the regime's chemical attack, President Obama's abrupt change of mind raised serious doubts about other commitments made by the U.S. administration. In the meantime, Turkey's foreign policymakers felt that the U.S. was apathetic and disinterested in the serious security risks and political and economic costs that Turkey was

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<sup>3</sup> Lizza, Ryan. “The Consequentialist.” *New Yorker Magazine*, May 2, 2011. Accessed: May 31, 2017. <http://www.newyorker.com/magazine/2011/05/02/the-consequentialist>.

<sup>4</sup> Stephens, Bret. “What Obama Gets Wrong.” *Foreign Affairs*, September/October 2015. Accessed: May 31, 2017. <https://www.foreignaffairs.com/articles/what-obama-gets-wrong>.

<sup>5</sup> Arquilla, John. “America in Recline.” *Foreign Policy*, January 28, 2013. Accessed: May 31, 2017. <http://foreignpolicy.com/2013/01/28/america-in-recline/>.

<sup>6</sup> Grass, Nick. “Former CIA Chief: Obama's ‘Retrenchment’ Like Trump's ‘America First.’” *Politico*, September 21, 2016. Accessed May 31, 2017. <http://www.politico.com/story/2016/09/obama-trump-similarities-michael-hayden-228452>.

<sup>7</sup> Harding, Luke and Traynor, Ian. “Obama abandons missile defence shield in Europe,” *The Guardian*, September 17, 2009. Accessed: May 31, 2017. <https://www.theguardian.com/world/2009/sep/17/missile-defence-shield-barack-obama>.

enduring due to Syrian crisis. Especially following the terrorist attacks by the PKK and ISIS, the Turkish public perceived statements by the U.S. administration as lacking genuine sympathy. In addition to this, the blunt and undiplomatic statements by the president and his advisers about Turkey further estranged Turkish policymakers.<sup>8,9</sup> Press leaks of confidential negotiations were unacceptable for Turkey.<sup>10</sup> In his last year in office, President Obama's statements about Turkey and its leaders raised serious questions about the nature of "strategic partnership" and "alliance" between the two countries. In these interviews, traditional U.S. allies were portrayed as "free riders."<sup>11</sup> Despite these criticisms, the Obama administration never clarified U.S. objectives, goals, and expectations. This vagueness generated serious question about U.S. objectives. Combined, these actions and statements were perceived as the beginning of a new era in U.S. foreign policy that would change the nature of relations between the U.S. and its allies. This led to serious trust issues in bilateral relations. The indifference to Turkey's concerns, a lack of urgency in responding to the serious crises in Turkey, and a lack of appreciation of the trauma in Turkey following the coup attempt reflected poorly on U.S. relations with other traditional allies. This was the result of a lack of orientation in U.S. foreign policy.

This structural crisis in bilateral relations is not unique to the U.S.-Turkey relationship. The trajectory of this crisis will mostly depend on the policies of the newly-elected Trump administration. If the Obama-era ambivalence about U.S. alliances continues, ties between Turkey and the U.S. may become further strained. As mentioned above, the most critical issue here is for the U.S. to clarify its objectives and future plans with its allies. Doing so can prevent the emergence of high expectations and contain a crisis between the U.S. and Turkey. The mutual distrust between the U.S. and its allies has largely developed as a result of an uncertainty

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<sup>8</sup> Goldberg, Jeffrey. "The Obama Doctrine," *The Atlantic*, April 2016, <https://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525/>, Accessed: 18 July 2017.

<sup>9</sup> "Vice President Joe Biden Delivered Remarks on Foreign Policy | Institute of Politics," Harvard University, 03 October 2014, <https://www.youtube.com/watch?v=dckVCtg5dxM>, Accessed: 18 July 2017.

<sup>10</sup> Schmitt, Eric. "After Delicate Negotiations, U.S. Says It Will Pull Patriot Missiles from Turkey," *The New York Times*, 16 August 2015. Accessed: 18 July 2017. [https://www.nytimes.com/2015/08/17/world/europe/after-delicate-negotiations-us-says-it-will-pull-patriot-missiles-from-turkey.html?mcubz=1&\\_r=0](https://www.nytimes.com/2015/08/17/world/europe/after-delicate-negotiations-us-says-it-will-pull-patriot-missiles-from-turkey.html?mcubz=1&_r=0),

<sup>11</sup> Goldberg, Jeffrey. "The Obama Doctrine," *The Atlantic*, April 2016. Accessed: 18 July 2017. <https://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525/>.

about the U.S.' objectives. The U.S. needs to provide a road map to its allies.

Strengthening the NATO Alliance and the security framework between the U.S. and Turkey is an important step towards establishing that road map. Although the current administration has been sending mixed signals about its perception of the future role of NATO, the Alliance will continue to play an important role in the future partnership between Turkey and the U.S. Similarly, the function and nature of the Global Coalition against ISIS needs to be defined and determined. Both of these frameworks will be important in shaping future relations with Turkey. If the U.S. envisions a future of more transactional partnerships and if its alignments and alliances will have a new definition and description, those changes should also be discussed and debated by the two partners.

### **The Regional Fallout: Tactical Divergences in Syria**

The recent crisis in Syria greatly impacted U.S.-Turkey relations. Shortly after the beginning of the crisis in Syria, the two countries began to diverge in their approach on how to react to the increasing destabilization in the country and violence of the regime. This came after a period of relative convergence in the two countries' policies towards the Middle East and the beginning of the Arab Spring. Even in the early days of the Syrian crisis, the two countries coordinated their policies and waited until August 2011 to ask the Syrian regime to step down.<sup>12</sup> During this period, President Obama and Prime Minister Erdoğan communicated regularly. In a phone conversation, the two leaders agreed “on [...] an immediate halt” of violence and “monitor[ing] the actions [...] of the Syrian government.”<sup>13</sup>

However, this alignment between the two countries on Syria turned out to be short-lived. In 2012, as the crisis entered its second year, the two countries began to diverge in their approaches. Despite their participation in numerous international forum's established to find a diplomatic solution to the problem, the increasing violence of the regime precipitated massive

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<sup>12</sup> “Statement by President Obama on the Situation in Syria,” *The White House*, August 18, 2011. Accessed: June 1, 2017. <https://www.whitehouse.gov/the-press-office/2011/08/18/statement-president-obama-situation-syria>.

<sup>13</sup> “Readout of the President's Call with Prime Minister Erdogan of Turkey,” *The White House*, August 11, 2011. Accessed: May 31, 2017. <https://www.whitehouse.gov/the-press-office/2011/08/11/readout-presidents-call-prime-minister-erdogan-turkey>.

refugee flows from Syria to Turkey.<sup>14</sup> The Turkish government repeatedly tried to raise the urgency of the situation and expected a more assertive approach from the U.S. As 2012 was a presidential election year in the U.S., Turkish authorities were more understanding of the inaction and indecisiveness of the Obama administration, but nevertheless expected a policy shift. The “red line” statement of President Obama convinced many in the region of possible future action by the U.S. administration.<sup>15</sup> The use of chemical weapons was not only a concern of opposition forces and civilians in Syria, but also constituted a serious risk for the countries in the region.

Turkey’s optimism turned out to be misplaced. President Obama signaled his unwillingness to deal with the Syrian crisis at the beginning of his second term. While President Obama and President Erdoğan were unable to find a solution to their increasingly divergent strategies during a summit in May 2013, the chemical attack by the Syrian regime in August 2013 generated similar reactions from both sides.<sup>16</sup> Turkish authorities had previously warned their U.S. counterparts about the use of chemical weapons by the regime and the attack did not surprise the Turkish government.<sup>17</sup> Considering President Obama’s “red line” statement and the preparedness of U.S. forces for a military strike in Syria, Turkey, (like many other U.S. allies), offered its full support for a possible U.S. action.<sup>18</sup> However, despite signals of an imminent attack, at the very last minute President Obama decided to seek the approval of the U.S. Congress to attack Syria, which he did not receive.<sup>19</sup>

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<sup>14</sup> “Final Communique Action Group for Syria,” United Nations Security Council, June 30, 2012. Accessed: June 1, 2017. <http://www.un.org/News/dh/infocus/Syria/FinalCommuniqueActionGroupforSyria.pdf>.

<sup>15</sup> Landler, Mark. “Obama Threatens Force Against Syria,” *The New York Times*, August 20, 2012, Accessed: June 1, 2017. <http://www.nytimes.com/2012/08/21/world/middleeast/obama-threatens-force-against-syria.html>.

<sup>16</sup> “Report on the Alleged Use of Chemical Weapons in the Ghouta Area of Damascus on 21 August 2013,” United Nations Mission to Investigate Allegations of the Use of Chemical Weapons in the Syrian Arab Republic, September 16, 2013. Accessed: June 1, 2017. <http://www.un.org/zh/focus/northafrica/cwinvestigation.pdf>.

<sup>17</sup> “Turkey: Syria Used Chemical Weapons ‘Long Time Ago,’” Reuters via HuffPost, May 9, 2013. Accessed: June 1, 2017. [http://www.huffingtonpost.com/2013/05/09/turkey-syria-chemical-weapons\\_n\\_3247940.html](http://www.huffingtonpost.com/2013/05/09/turkey-syria-chemical-weapons_n_3247940.html).

<sup>18</sup> Simsek, Ayhan. “Turkey weighs military options in Syria,” *Deutsche Welle*, August 28, 2013, <http://www.dw.com/en/turkey-weighs-military-options-in-syria/a-17050564>, Accessed: June 1, 2017.

<sup>19</sup> Peter Baker and Jonathan Weisman, “Obama Seeks Approval by Congress for Strike in Syria,” *The New York Times*, August 31, 2013. Accessed: May 31, 2017. <http://www.nytimes.com/2013/09/01/world/middleeast/syria.html>.

The decision not to retaliate shocked Turkish policymakers. Despite the full support from the Turkish authorities, the Obama administration did not even notify Turkey (or its other allies) prior to the president's statement in the Rose Garden. Thus, U.S. allies learned about President Obama's decision from the media, rather than directly from the U.S. government. Additionally, many U.S. allies and the Syrian opposition saw President Obama's decision not as a desire to receive approval of Congress, but instead as an unwillingness to get involved in the conflict. From this moment, Turkey had lost all of its trust in the U.S. administration. Although the U.S. tried to define the nature of the partnership as a strategic convergence but a tactical divergence on the Syrian crisis, the increasing tactical divergence led to a strategic ambivalence in relations.

The already strained relations grew further apart in 2014. The perception in the region that the U.S. was yielding to Iran because of Iran's willingness to sign a nuclear program seriously hampered U.S.' ties with its traditional allies, including Turkey.<sup>20</sup> The rise of ISIS in mid-2014 led to another major divergence in approach between the two countries.

ISIS was, and continues to be, a serious threat for the security of both countries. Especially after the capture of Mosul and the rising threat of foreign terrorist fighters, the urgency of this threat rose significantly. However, the two countries' approaches to this fight diverged significantly, despite their agreement on the end goal. For the U.S., the defeat of ISIS became a primary objective in Syria following the beheading of several American hostages. For the U.S., its Syria strategy gradually turned into a fight against ISIS.<sup>21</sup> However, for Turkey, the real problem was the presence of a failed state and suppressive regime in Syria. Thus, the growth of ISIS was a result of the current state of affairs in Syria that fostered instability, export of insecurity, and radicalization. In order to address the underlying cause of ISIS, Turkey suggested following a more comprehensive plan to deal with the Syrian crisis. Once the crisis was resolved, ISIS would also lose its power and influence in the country. This divergence in approach became more obvious with a declaration by the U.S. strategy

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<sup>20</sup> Nakhoul, Samia. "The Middle East is angry and bewildered by US inaction in Syria," *Business Insider*, October 3, 2015. Accessed: June 1, 2017. <http://www.businessinsider.com/r-us-allies-short-on-options-as-russia-iran-flex-muscle-in-syria-2015-10>.

<sup>21</sup> Landler, Mark and Sanger, David E. "Obama to Seek Congressional Backing for Military Campaign Against ISIS," *The New York Times*, November 5, 2014. Accessed: June 1, 2017. <https://www.nytimes.com/2014/11/06/world/middleeast/obama-to-seek-congressional-backing-for-military-campaign-against-isis.html?mcubz=1>.

to destroy ISIS.<sup>22</sup> Yet, it failed to include anything about the future of the Syrian regime and possible ways to end the civil war in the country in this declared strategy.

A further deterioration in the relationship came in the aftermath of the emergence of tactical maneuvers of the U.S. to defeat ISIS on the ground. Starting with the Kobani crisis, the U.S. decided to support the People's Protection Unit's (YPG), a branch of the Kurdistan Workers' Party (PKK) listed as a terrorist organization by both the U.S. and Turkey.<sup>23</sup> U.S. support for the YPG was viewed by Turkey as the empowerment of a terrorist organization. Turkey expressed its opposition for direct military assistance to the YPG, but the U.S. administration viewed the YPG as its only alternative to defeat ISIS.<sup>24</sup> Despite being disappointed, Turkey's expectation was that the U.S.-YPG partnership would end following the defeat of ISIS in Kobani. However, shortly after the siege ended, the relationship between the YPG and the U.S. grew stronger, and U.S. forces began training and arming YPG fighters in Northern Syria.<sup>25</sup> This was unacceptable for Turkey, who viewed the YPG as a threat to the region.

First, there is no doubt that the YPG was, and still is, a Syrian branch of the PKK. The organizational, ideological, and human overlap between the two groups clearly demonstrates that it is the same terrorist organization operating in two different countries.<sup>26</sup> U.S. support for the YPG played important role in the empowerment of the PKK, which at the time was about to become a partner in the resolution process in Turkey. Turkish authorities viewed the abrupt resurfacing of hostilities by the PKK as the result of the success and legitimacy of the YPG in Syria during this period.

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<sup>22</sup> "Statement by the President on ISIL," *The White House*, September 10, 2014. Accessed: June 1, 2017. <https://obamawhitehouse.archives.gov/the-press-office/2014/09/10/statement-president-isil-1>.

<sup>23</sup> Meuse, Alison. "Backed by U.S.-Led Coalition, Kurds Take Kobani From ISIS," *NPR*, January 26, 2015. Accessed: June 1, 2017. <http://www.npr.org/sections/thetwo-way/2015/01/26/381669720/u-s-led-coalition-takes-kobani-from-isis>.

<sup>24</sup> Solaker, Gulsen and Toksabay, Ece. "Turkey's Erdogan says U.S. weapons airdrop on Kobani was wrong," *Reuters*, October 22, 2014. Accessed: June 1, 2017. <http://www.reuters.com/article/us-mideast-crisis-erdogan-idUSKCN0IB1IX20141022>.

<sup>25</sup> Peter Baker, Helene Cooper, and David E. Sanger, "Obama Sense Special Operations Forces to Help Fight ISIS in Syria." *The New York Times*, October 30, 2015. Accessed: June 1, 2017. <https://www.nytimes.com/2015/10/31/world/obama-will-send-forces-to-syria-to-help-fight-the-islamic-state.html>.

<sup>26</sup> "Fighting ISIS: The Road to Raqqa and Beyond." *International Crisis Group*, April 28, 2017. Accessed: June 1, 2017. <https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean/syria/b053-fighting-isis-road-and-beyond-raqqa>.

In the same period, the PKK launched a major offensive against Turkey and organized multiple destructive terrorist attacks in Turkey. The increasing sophistication and frequency of the attacks were regarded as a direct result of the training and arming of the YPG groups in northern Syria. Thus, Turkey views U.S. assistance to the YPG as a serious problem for its national security.

Second, the rise of the YPG in the region and its actions against the local populations constitute a serious threat for the region as a whole. Because of its demographic dynamics, the rise of the YPG in northern Syria is particularly concerning for the stability of the region. U.S. military assistance continued after the Kobani crisis and led to an expansion of the territory of the YPG, though the YPG had a different agenda than the U.S. After the capture of these territories, YPG units launched a demographic engineering effort by forcing the local population to leave their land. This situation was widely reported by local and international human right groups, including Amnesty International.<sup>27</sup> Moreover, this policy generated huge refugee flows to Turkey.<sup>28</sup> For instance, following the capture of Tel Abyad by YPG forces, there was a huge wave of local people fleeing to Turkey to avoid the atrocities committed by these units. Turkey's fear was a threat of rising ethnic tensions in the region following YPG's actions; a conflict between local Sunni Arabs and Kurds could further destabilize the region. In addition, the YPG's expansion of its territory at the expense of the local population was leading to a belt of YPG-held territory at the border with Turkey. Considering the increasing number of terror attacks by the PKK, the control of the Turkish-Syrian border by a PKK's affiliated group constitutes a serious danger for the national security of Turkey. For Turkey, U.S. support for the YPG to defeat ISIS is seen as active support for a terrorist organization that endangers Turkey's national security.

At the height of this serious disagreement between Turkey and the U.S., Turkish authorities established their own "red lines" with regards to the actions of the YPG in the Northern Syria. An important "red line" was Turkey's absolute opposition to the YPG passing west of the Euphrates

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<sup>27</sup> "Syria: US Ally's Razing of Villages Amounts to War Crimes," *Amnesty International*, October 13, 2015. Accessed: June 1, 2017. <https://www.amnesty.org/en/press-releases/2015/10/syria-us-allys-razing-of-villages-amounts-to-war-crimes/>.

<sup>28</sup> Gutman, Roy. "Have the Syrian Kurds Committed War Crimes?," *The Nation*, February 7, 2017. Accessed: June 1, 2017. <https://www.thenation.com/article/have-the-syrian-kurds-committed-war-crimes/>.

River in order to bring its territories together.<sup>29</sup> Turkey was challenged when YPG units, supported by the international coalition, launched an offensive in the city of Manbij. Following the capture of Manbij, the U.S. administration promised Turkey to force the withdrawal of the YPG forces from the west of the Euphrates.<sup>30</sup> Despite the promises, this never happened. What is more, the U.S. signaled continued support and training for YPG fighters before the Raqqa operation, which resulted in a serious friction in bilateral relations.

In August of 2016, between the Manbij and Raqqa operations, Turkey launched Operation Euphrates Shield in order to defeat ISIS along its borders and prevent the expansion of the YPG West of the Euphrates river.<sup>31</sup> Along with units from the Free Syrian Army, Turkish forces took down ISIS forces in several cities, including Jarablus, al-Bab, and Dabiq. During the operation, Turkish security forces complained about not receiving sufficient support from the international coalition. The U.S. provided limited support to Turkish forces fighting against ISIS during the siege of al-Bab.<sup>32</sup> For Turkey, the operation was a demonstration of the potential of the FSA forces if they were to receive sufficient support and assistance. Thus, before the operation in Raqqa, Turkey aimed to provide an alternative for the international coalition against ISIS. However, both the FSA as an alternative armed force and Turkey's offer to provide ground troops were neglected by the U.S. administration. In May of 2017, the U.S. began directly arming the YPG fighters in northern Syria.<sup>33</sup> A week before this decision was publicly announced, the Turkish air force bombed PKK

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<sup>29</sup> "Turkey says it will not allow PYD to move west of Euphrates," TRTWorld, December 28, 2015. Accessed: June 1, 2017. <http://www.trtworld.com/mea/turkey-says-it-will-not-allow-pyd-to-move-west-of-euphrates-19452>.

<sup>30</sup> U.S. guarantees no PYD presence west of Euphrates after ops on ISIL: Turkish FM," Hurriyet Daily News, June 7, 2016. Accessed: June 1, 2017. <http://www.hurriyetdailynews.com/us-guarantees-no-pyd-presence-west-of-euphrates-after-ops-on-isil-turkish-fm.aspx?pageID=238&nID=100176&NewsCatID=510>.

<sup>31</sup> Srivastava, Mehul and Solomon, Erika. "Turkish forces launch offensive in northern Syria against ISIS." *Financial Times*, August 24, 2016. Accessed: June 1, 2017. <https://www.ft.com/content/0747004c-69c8-11e6-ae5b-a7ce5dd5a28c>.

<sup>32</sup> Pamuk, Humeyra. "Turkey asks U.S.-led coalition for air support at Syria's al-Bab," *Reuters*, December 26, 2016. Accessed: June 1, 2017. <http://www.reuters.com/article/us-mideast-crisis-syria-turkey-airforce-idUSKBN14F0KE>.

<sup>33</sup> Stewart, Phil. "U.S. to arm Syrian Kurds fighting Islamic State, despite Turkey's ire," *Reuters*, May 10, 2017. Accessed: June 1, 2017. <http://www.reuters.com/article/us-mideast-crisis-usa-kurds-idUSKBN18525V>.

structures in northern Syria. This clearly demonstrated the extent of the tensions between the two countries over the conflict in Syria.<sup>34</sup>

All of these problems demonstrated that their divergence in approach to the Syrian crisis began deeply impacting bilateral relations. Specifically, the problem has three dimensions. The first dimension is the question about the future of Syria. So far, the Trump administration has demonstrated its ability and willingness to strike Syria to deter the Assad regime from using chemical weapons, but there is still no clear policy on Syria yet. Thus, the two countries should try to find common ground in regards to the question on the future of Syria. The second dimension will be the fight against ISIS, which at this point is a priority for the U.S. The level and type of coordination between the U.S. and Turkey is not clear for the aftermath of the Raqqa operation. However, in the area of counterterrorism there is an already established framework of cooperation on issues such as the foreign terrorist fighters, border security, and terrorism financing. In this area, the two countries can improve their relations. Considering the necessity of a long-term perspective in the fight against ISIS, counterterrorism cooperation can be a positive step towards establishing a framework of cooperation in anti-ISIS operations. The third dimension of the Syrian crisis will include the disagreement between the two countries in regards to the U.S. arming and training YPG members in northern Syria. As mentioned previously, this situation generated one of the most critical period in bilateral relations. Turkey considers the approach of the U.S. in supporting one terrorist organization against another as extremely dangerous and counterproductive. Furthermore, Turkey considers the YPG to be a direct national security threat for the country. Under these circumstances, the U.S. decision to directly arm the YPG is a serious source of tension in bilateral relations. In order to prevent a total train wreck in relations, the U.S. could take some measures to reassure Turkey. These could include a roadmap of cooperation following the Raqqa operation and if possible, plans to disarm and control the YPG fighters. The importance and difficult nature of these various dimensions of the Syrian crisis demonstrate how it has become the biggest test in bilateral relations.

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<sup>34</sup> Coles, Isabel and Davison, John. "Turkish jets strike Kurdish fighters in Syria, Iraq's Sinjar." *Reuters*, April 25. Accessed: June 1, 2017. 2017, <http://www.reuters.com/article/us-mideast-crisis-turkey-iraq-idUSKBN17R0D2>.

## The Impact of Others: Russia, Iran, and Israel

The U.S.-Turkey relationship is largely developed in a bilateral setting and negotiations on key issues. Thus, other than in multilateral settings such as NATO, certain third countries can only indirectly affect ties between the U.S. and Turkey. One of the most apparent examples of this is the relationship with the State of Israel in the 1990s. In the immediate aftermath of the Cold War, a rather loose trilateral relationship was developed between Turkey, Israel, and the U.S. The trajectory of Turkish-Israeli relations during this period became important outside the variable in Turkish-American relations. Because of the problems that Turkish foreign policy was experiencing in adapting to the post-Cold War world, Ankara found it necessary to develop relations with Israel, which was expected to provide indirect support for Turkey's relations with the Western capitals. The Israel lobby in Washington, D.C. was considered an especially promising ally for Turkey in Congress and a possible facilitator of access to foreign policy-makers in D.C. Although some considered a trilateral engagement between the U.S., Turkey, and Israel to be a possible distraction from the Syria-Israel leg of the peace process in the Middle East, many welcomed a partnership between two U.S. allies in an unstable region.

In the current regional and international setting, Israel can continue to be a factor in bilateral relations between U.S. and Turkey. However, this time its role is much different than in the 1990s. Since the end of this temporary rapprochement between Turkey and Israel, Turkey and the U.S. established their relations in a more bilateral setting, with frequent summits between heads of state and other top foreign policy and security officials. Thus, Turkish foreign policymakers do not view relations with Israel with the objective of improving U.S.-Turkey relations. Instead, trilateral relations will improve in the case of an emergence of common interest among these countries. One of the most promising areas is in the development of the economy and security of the Eastern Mediterranean region. On the one hand, the large natural gas reserves in the Eastern Mediterranean will provide potential ground for cooperation and energy security for both Israel and Turkey and thus contribute to their economies. However, in addition to a Turkish-Israeli agreement, the problem between Turkey and Cyprus also needs to be resolved in order for all the countries in the region to benefit from this resource. The U.S. can play a key role in this endeavor both in terms of contributing to the energy agreement between Turkey and Israel, and in helping resolve the crisis in Cyprus.

The presence of the U.S. will also support the security dimension of such an agreement. Considering the rising instability in the Levant, (especially Syria's deterioration into a failed state), it will be important for all three countries to develop some form of cooperation and at least a working relationship in the region. Cooperation among these states will be particularly important to address the threat of terrorism in the region and different terrorist groups active there. Of course, this will be far from a comprehensive pact, considering the divergent interests and foreign policy priorities of these countries. The differing opinions about the conflict between Israel and Palestine can be the main destabilizer of such an engagement.

Another country that could have an impact on bilateral relationship between the U.S. and Turkey is Russia. The relations of both the U.S. and Turkey with Russia have been complicated. The Obama administration's so-called "reset" policy with Russia failed almost immediately. Since then, the two countries have been at odds over both the Syrian and the Ukrainian crisis. With the Edward Snowden issue and cyber-attack allegations, the state of the relationship has deteriorated in the last few years; reports about Russian interference in the 2016 U.S. presidential elections further strained ties. Even though the Trump administration had initially planned to mend ties with Russia, due to domestic pressure it seems highly unlikely that the administration will reach this goal. On the other hand, Turkey has experienced sharp ruptures in relations with the Russian Federation.

Until recently, economic and social relations between Turkey and Russia have been among their best in history. Despite disagreements on issues in Syria and Ukraine, Turkey and Russia avoided engaging in political disputes and continued political dialogue while increasing their trade volume. This continued until the shooting down of a Russian jet by the Turkish military in November 2015. In the aftermath of this incident, relations dramatically deteriorated. The two countries ceased political dialogue and the Russian government began economic sanctions against various Turkish commodities.<sup>35</sup> The crisis was resolved within several months, and a period of normalization followed.<sup>36</sup> The fast improvement of relations between

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<sup>35</sup> Jenkins, Lin. "Vladimir Putin announces Russian sanctions against Turkey." *The Guardian*, November 28, 2015. Accessed: June 2, 2017. <https://www.theguardian.com/world/2015/nov/28/vladimir-putin-calls-for-greater-sanctions-against-turkey>.

<sup>36</sup> Hume, Tim. "Turkey's Erdogan, Russia's Putin reset relationship after jet shoot down." *CNN*, August 9, 2016. Accessed: June 2, 2017. <http://www.cnn.com/2016/08/09/world/turkey-russia-erdogan-putin-meeting/>.

Turkey and Russia raised concerns among certain analysts in Washington, D.C., and the increasing level of diplomatic coordination and cooperation between the two states over the civil war in Syria raised some eyebrows. The Astana Summit in particular, (despite a diplomatic message from the U.S. welcoming all efforts for peace in Syria), was regarded as a sign of a possible Turko-Russia alignment. In addition, one of the most significant issues with direct impact on U.S.-Turkey relations is the debate about Turkey's purchase of S-400 missile systems. Turkey explained that the decision to buy missile defense systems from Russia was due to the unwillingness of U.S.-based companies to share technology with Turkey.<sup>37</sup> Critics argue that the purchasing of Russian missiles could lead to a shift of axis in Turkish foreign policy and generate problems in the NATO alliance. The unpredictability of the U.S. position on Russia further complicates the situation. Thus, the improvement of defense cooperation between Russia and Turkey may lead to further tension in bilateral relations between the U.S. and Turkey.

Finally, the U.S. policy on Iran could also have an impact on U.S.-Turkey relations. Even during his campaign, Donald Trump focused on Iran's policies in the Middle East. Although Trump's hardline attitude about the Iranian nuclear deal has softened since the election, the new administration is still hawkish about Iran's influence in the region. In his first visit abroad, which included Saudi Arabia and Israel, President Trump recognized the threat that the Iranian regime poses to the region.<sup>38</sup> Turkey, on the other hand, has developed a rather cautious attitude towards the Iranian role in the region. Although Turkey has strong economic ties with the state of Iran, it has expressed its dissatisfaction with Iran's destabilizing role in the region, especially considering its increasing role in the Syrian conflict.<sup>39</sup> Recently, Turkey's tone of disapproval increased with the rising aggressiveness of Iranian proxies in the region. Under these circumstances, both Turkey and the U.S. can curb the destabilizing influence of Iran in the region. However, the two nations need to fine-tune their approach

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<sup>37</sup> Karadeniz, Tulay. "Turkey at 'final stage' with Russia over S-400 missile system: Defense minister," *Reuters*, April 21, 2017. Accessed: June 2, 2017. <http://www.reuters.com/article/us-turkey-defence-russia-idUSKBN17N0RE>.

<sup>38</sup> "Transcript of Trump's speech in Saudi Arabia," *CNN*, May 21, 2017. <http://www.cnn.com/2017/05/21/politics/trump-saudi-speech-transcript/>, Accessed: June 2, 2017.

<sup>39</sup> "Iran summons Turkish envoy over comments by president, foreign minister," *Reuters*, February 20, 2017. Accessed: June 2, 2017. <http://www.reuters.com/article/us-iran-turkey-diplomacy-idUSKBN15Z1ZC?il=0>.

against Iran. Although Turkey is protesting Iran's policies in the region, it is not entirely on the same page as Israel and Saudi Arabia in their perception of this threat. Thus, a possible cooperation between Turkey and the U.S. against a growing Iranian influence in the region needs to include sensitivity to these differences and priorities. Any action that would further destabilize the region needs to be avoided, and the countries should instead opt for more deterrent policies to handle this issue.

## The Coup and Gülen case

There are several other issue areas that need to be resolved, revived, or improved in order to develop a stable partnership between the United States and Turkey. A better dialogue and a more multi-layered diplomacy will be necessary in order to deal with these issues. Among those, one of the most complicated is the extradition of Fethullah Gülen to Turkey, which Turkey has been seeking for the past several years.<sup>40</sup> Shortly after the December 17, 2013 crisis, Turkey came to consider the Gülen movement a national security threat. For the Turkish security establishment, it became clear that the infiltration of the Gülenist network through a broad range of state institutions generated a major security risk. Following December 17, Turkey asked the U.S. on multiple occasions to curb the Gülen group in the United States and deport Fethullah Gülen from the U.S., where he currently resides.<sup>41</sup> Nevertheless, U.S. authorities neglected these demands. Following further revelations of the influence of the group in the national security apparatus of Turkey, the group was declared a national security threat by the Turkish National Security Council, and was identified as a terrorist organization.<sup>42</sup>

After the July 15 coup attempt, Turkey demanded the extradition of Gülen to Turkey and the halt of the group's activities in the United States.<sup>43</sup>

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<sup>40</sup> "Turkey seeks U.S.-based cleric's extradition but not for coup: State Dept.," *Reuters*, August 23, 2016. Accessed: June 2, 2017. <http://www.reuters.com/article/us-turkey-security-usa-gulen-idUSKCN10Y24S>.

<sup>41</sup> Solaker, Gulsen. "Turkey's Erdogan calls on U.S. to extradite rival Gulen," *Reuters*, April 29, 2014. Accessed: June 2, 2017. <http://www.reuters.com/article/us-turkey-erdogan-idUSBREA3S0A120140429>.

<sup>42</sup> "Turkey officially designates Gulen religious group as terrorists," *Reuters*, May 31, 2016. Accessed: June 2, 2017. <http://www.reuters.com/article/us-turkey-gulen-idUSKCN0YM167>.

<sup>43</sup> Dewan, Angela. "Turkey formally requests extradition of cleric from U.S. as purge widens," *CNN*, July 19, 2016. Accessed: June 2, 2017. <http://www.cnn.com/2016/07/19/turkey/failed-coup-attempt/index.html>.

A poll administered by Andy-Ar in Turkey in the immediate aftermath of the coup demonstrated that a large segment of the Turkish society - around 80 percent of respondents - desired Gülen's extradition, and believed that Gülenists constituted an existential threat to Turkey.<sup>44</sup> Moreover, it was announced on several platforms that 95 percent of the Turkish public found Gülen responsible for orchestrating the coup.<sup>45</sup> In Turkey, the U.S. administration was heavily criticized for its reaction to the coup attempt. In particular, the first statement by then-Secretary of State John Kerry, in which he underlined the need for continuity and stability in foreign policy, created a perception in Turkey of U.S. support for those responsible for the coup.<sup>46</sup> Although a following statement emphasized the support for the democratically elected government, this time the statement did not mention the word "coup," which many Turks interpreted as a "wait-and-see" policy.<sup>47</sup> Of course, this perception in Turkish public opinion has much to do with U.S. support for previous coups elsewhere. The unwillingness of the U.S. administration to use the "c" word to describe the coup in Egypt in 2013 and later statements that legitimized the coup in Egypt further contributed to this perception. Taking this into account, a negative perception of the U.S. emerged in Turkey.<sup>48</sup>

Shortly after the coup attempt, Turkey sent multiple officials to Washington, D.C. in an effort to formally request the extradition of Gülen. Following the beginning of the process between officials of the Turkish and U.S. Justice Department, Turkey also raised the issue of limiting the activities of Gülen against Turkey.<sup>49</sup> However, Turkey's demands have not

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<sup>44</sup> "Turks believe cleric Gulen was behind coup attempt: survey," *Reuters*, July 26, 2016. Accessed: June 2, 2017. <http://www.reuters.com/article/us-turkey-security-survey-idUSKCN1060P1>.

<sup>45</sup> Demirtas, Serkan. "95 percent of Turkish people believe Gulen behind coup: Energy Minister," *Hurriyet Daily News*, July 28, 2016. Accessed: June 2, 2017. <http://www.hurriyetdailynews.com/95-percent-of-turkish-people-believe-gulen-behind-coup-energy-minister.aspx?pageID=238&nID=102159&NewsCatID=338>.

<sup>46</sup> "Kerry says hopes for peace and stability in Turkey," *Reuters*, July 15, 2016. Accessed: June 2, 2017. <http://www.reuters.com/article/us-turkey-security-usa-russia-idUSKCN0ZV2NQ>.

<sup>47</sup> "Readout of the President's Call with Secretary John Kerry," *The White House*, July 15, 2016. Accessed: June 2, 2017. <https://obamawhitehouse.archives.gov/the-press-office/2016/07/15/readout-presidents-call-secretary-john-kerry>.

<sup>48</sup> Arango, Tim and Yeginsu, Ceylan. "Turks Can Agree on One Thing: U.S. Was Behind Failed Coup." *The New York Times*, August 2, 2016. Accessed: June 2, 2017. <https://www.nytimes.com/2016/08/03/world/europe/turkey-coup-erdogan-fethullah-gulen-united-states.html?mcubz=1>.

<sup>49</sup> Srivastava, Mehul. "Turkey demands extradition of US-based cleric Fethullah Gulen," *Financial Times*, July 19, 2016, <https://www.ft.com/content/7287c982-4da2-11e6-88c5-db83e98a590a>, Accessed: June 2, 2017.

been met so far. Considering the reaction to the coup attempt and the widespread belief among Turkish society about the responsibility of the Gülenist group for the coup, the Turkish public remains aggravated. In a recent meeting between President Erdoğan and President Trump, this issue was again brought to the agenda.<sup>50</sup> President Erdoğan expressed the Turkish government's frustrations on this issue by stating that "According to the [1981] extradition treaty with the U.S., we'd expect Gülen to be detained, however he still roams freely."<sup>51</sup> Until more steps are taken, this issue will continue to increase tensions between Turkey and the U.S.

## Conclusion

As discussed in this chapter, U.S.-Turkey relations entered one of the most complicated periods of their history. There are issues related to the structure of the international system as well as the regional transformation in the Middle East. The role of the United States and its approach to its traditional allies has impacted U.S. relations with Turkey as well. In the absence of setting clear expectations from its allies, the U.S. will continue to experience problems with its alliances. Regional transformation and conflicts in the Middle East have influenced U.S. relations with Turkey, and as a result, the two countries have difficulty aligning their foreign policy approaches. The U.S. and Turkey diverged in their perspective on the conflict in Syria and the coup in Egypt. Especially in Syria, their differences led to a serious disjuncture in bilateral relations. The YPG and its *de facto* designation as a U.S. proxy force against ISIS strained relations between the two countries. The U.S. decision to directly arm the YPG will certainly have further implications for bilateral ties. Finally, Gülen's status will likely have a strenuous impact on the relationship.

Despite the above-mentioned issues, there are still areas where the two countries can strengthen their alliance and partnership. The increasing instability and conflict in the Middle East makes Turkey an important factor in the future of the region. In order to curb the failed and fragile states of the region from exporting insecurity to the international system, a more

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<sup>50</sup> Dewan, Angela. "Erdoğan meets Trump: 3 key issues topping the agenda," *CNN*, May 16, 2017. Accessed: June 2, 2017. <http://www.cnn.com/2017/05/16/politics/erdogan-trump-turkey-us-meeting/index.html>.

<sup>51</sup> Daily Sabah, August 24, 2016. Accessed: June 2, 2017. Twitter. <https://twitter.com/dailysabah/status/768505364987936769>.

comprehensive security partnership between Turkey and the U.S. will be needed. The U.S. defense industry's responses to Turkey's need to improve its defense capabilities will be a key aspect. The Turkish-American partnership will play an important role in the fight against terrorism. In addition, as mentioned above, the partnership will be vital in curbing destabilizing actions from other countries in the region. For many years, economic cooperation has been the weakest link in bilateral relations. Although the two countries have repeatedly vowed to improve their economic ties, thus far they have not been successful. An improvement in economic relations, which would include cooperation in energy development, would provide important opportunities for the strengthening of bilateral ties, and help contain potential crises.

## *Chapter Seven*

# **Turkey and the European Union: Neither a Marriage nor a Separation on the Horizon**

*Beril Dedeođlu*

The relationship between Turkey and the European Union (EU) dates back for so long that it is impossible to summarize all its intricacies in one article. The decision-makers from when relations began are not alive anymore. And, there are those who are doubtful they will see a Turkish EU membership in their lifetime. Despite the setbacks, Turkey is still a candidate country to the EU, which means that neither side wants to separate from the other. Both parties have shown willingness to enhance their dialogue, but at times they have experienced a stalemate in relations. Moreover, most of the technical problems, which have been major obstacles to develop Turkey-EU relations, have a long past. This chapter aims to recap the historical turning points of Turkey-EU relations, and to gather clues about what to expect in the future.

### **First Contact and Application for Partnership**

On July 31, 1959, only one year after the 1957 Rome Treaty came into force, Turkey requested partner status in the European Economic Community (EEC). Turkey had managed to retain its neutrality in World War II (WWII) and now wanted to get closer to the EEC as a guarantee to remain in the Western bloc. At the time, Turkey's expectation was not to realize economic integration with the EEC, but only to align its political identity as a member of the Western world.

The Soviet threat was one of the main factors dictating Turkish foreign policy in the wake of WWII. In 1925, the two countries had concluded a 20-year-long friendship treaty, but at the end of this period, the Soviet Union notified Turkey that it would not accept a prolongation. Besides, the Soviet Union had asked for a number of privileges in the Turkish Straits, which led to Turkey's move toward the Western bloc, in the hope for more security. In this context, Turkey joined the Council of Europe in 1949, and NATO in 1952.

Furthermore, economic concerns dictated Turkey's desire to be recognized as a partner to the EEC. The late 1950s were a turbulent period for the Turkish economy, in stark contrast to the beginning of this decade when the governing Demokrat Parti (DP) had provided a growing economy and prosperity. Under these circumstances, the Turkish government was hoping that the EEC would represent an important opportunity for Turkey's exports, foreign investments, and direct foreign aid.<sup>1</sup>

Another important factor that had encouraged Turkey to apply to the EEC was Greece's concurrent application. Turkey's relations with Greece were problematic in the 1950s due to the Cyprus problem—Greek Cypriots were asking for *Enosis* (unification with Greece). Turkey did not want to stay on the sidelines while Greece was developing ties with Western Europe, believing that Greece would use every international platform to put pressure on Turkey. Besides, Turkey and Greece had many export items in common, which meant that if Greece developed closer ties with the EEC, Turkish products could lose important shares in the European market.<sup>2</sup> In this context, only 16 days after the Greek application, Turkey knocked on Europe's door. At the time, Turkey requested a partnership, not full membership status. In fact, the EEC Council of Ministers had advised Turkey to only ask for a partnership, as it believed that the Turkish economy was not developed enough to fully integrate with the EEC. Turkey accepted this proposal.<sup>3</sup>

### The “Ankara Agreement” Process

Less than a year after its official application, the Turkish government was overthrown in the May 27, 1960 military coup. The EEC countries were already concerned about Turkey's potential economic burden on the EEC in case of a partnership, but now, the country was ruled by a military junta that did not hesitate to execute Prime Minister Adnan Menderes and a number of politicians from the governing party. Still, three years

<sup>1</sup> Özer, Mehmet Akif. “Avrupa Birliğine Tam Üyeliğin Eşiğinde Türkiye [Turkey on the verge of Full Membership to the European Union].” *Yönetim ve Ekonomi*. Vol. 16, No. 1, 2009, p. 91.

<sup>2</sup> Karabulut, Umut. “Türkiye-Avrupa Birliği İlişkilerinin Başlangıcı: Türkiye'nin Avrupa Ekonomik Topluluğu'na (AET) Üyelik Başvurusu [The Beginning of Turkey-European Union Relations: Turkey's Application for Membership to the European Economic Community].” *Cumhuriyet Tarihi Araştırmaları Dergisi*, No:16, 2012, p.23.

<sup>3</sup> Türkiye Cumhuriyeti Avrupa Birliği Bakanlığı, *Türkiye-AB İlişkilerinin Tarihçesi*, [History of Turkey-EU Relations], 2016. <http://www.ab.gov.tr/index.php?p=111&l=1>.

after the coup, on September 12, 1963, Turkey and the EEC signed the Ankara Agreement that constituted the legal basis for relations between the two sides. While the agreement represented an important gain for Turkey, it was largely incentivized by an erratic international political atmosphere marked by the Cold War. Being considered a partner to the EEC would prompt Turkey to get closer to Western Europe.

Only two years after the establishment of the EEC, the United Kingdom decided to create the European Free Trade Area (EFTA), believing a common market and customs union were not beneficial for London. In many ways, EFTA was a rival project to the EEC. Greece and Turkey had applied to the EEC, but not to EFTA, and in the eyes of the EEC, this was a success. The EEC could not afford to turn down applications, as this would likely push both countries toward EFTA.<sup>4</sup> Besides, during the Cold War, Turkey's strategic role was undeniable, and Western European powers had always been careful not to hurt West Germany and Turkey, fearing that this could push them closer to the Soviet Union.<sup>5</sup>

The volatility of the Cuban Missile Crisis in 1962 made an EEC-Turkey partnership even more important. To put an end to the crisis, the United States reached a deal with the Soviet Union, and Jupiter missiles had been moved from Turkey without Turkey's consent. Turkish political leaders now perceived the U.S. as a not entirely trustworthy ally. This perception urged them to revise a U.S.-centered foreign policy, balancing it with closer ties to Western European countries.<sup>6</sup> That is why the Ankara Agreement, opening a new page in Turkey-EEC relations, was particularly valuable to Turkey.

The purpose of the Ankara Agreement was to establish a customs union between Turkey and the EEC.<sup>7</sup> Given the state of the Turkish economy, three phases were proposed in the agreement: A preparatory period, a

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<sup>4</sup> Oran, Baskin. *Türk Dış Politikası Cilt 1: 1919-1980 [Turkish Foreign Policy Volume I: 1919-1980]*. İletişim Yayıncılık, İstanbul, 2012, p.818.

<sup>5</sup> Turkey has always been aware of its geopolitical importance for the Western World, and it never hesitated to play this card in its relations with Europe during the Cold War era. In a document presented to the EEC on August 24, 1961, Turkey enumerated its promises and expectations from the EEC, reminding the West of its strategic importance, and asking to join the EEC. (See: cf. Oran, Baskin. *Türk Dış Politikası Cilt 1: 1919-1980 [Turkish Foreign Policy Volume I: 1919-1980]*, p.830)

<sup>6</sup> Sever, Ayşegül. "Yeni Bulgular Işığında 1962 Küba Krizi ve Türkiye [1962 Cuban Crisis in New Findings and Turkey]." *Ankara Üniversitesi Dergisi*, Vol. 52, No:1, 1997, p.660.

<sup>7</sup> The Agreement Establishing Partnership between Turkey and the EEC, September 12, 1963, paragraph 2.

transitional period, and a final period. The preparatory period had begun the day that the Ankara Agreement came into force, on December 1, 1964. The agreement stipulated that this period would last five years, but only three years later, the Turkish government notified the EEC it was ready to launch the transitional period. However, Turkey was not economically prepared to transition into the next phase, but two important political developments had encouraged Turkey to speed up its rapprochement with the EEC: The UK's membership application to the EEC had been refused, and a military coup occurred in Greece, placing a military junta in power.<sup>8,9</sup>

However, the EEC judged that Turkey was not yet ready to enter the transitional period, and accepted to negotiate the Additional Protocol a few years later, in 1969. This document, officially launching the transitional period, was signed on November 23, 1970.

### The 1970s and the “Transitional Period”

Shortly after the signing of the Additional Protocol, on March 12, 1971, Turkey experienced its second military coup. Emile Noel, the General Secretary of the EEC Commission, announced that “an undemocratic regime has no place within a democratic community.”<sup>10</sup> The European Parliament was discussing, for the first time, human rights violations in Turkey.<sup>11</sup> While the government resigned, the Turkish National Assembly remained operational, and all political parties continued to exist. That is why, despite a short period of crisis, the coup did not put an end to Turkey-EEC relations. The Additional Protocol entered into force in 1973, as predicted.

While the Additional Protocol was introduced, Turkey had begun questioning its relations with the EEC. During the preparatory period, Turkey did not need to provide any concessions to EEC countries, but in the transitional period, Turkey had to progressively lower customs taxes for prod-

<sup>8</sup> The Greek military coup of 1967 is also known as the Regime of the Colonels.

<sup>9</sup> Akçay, Ekrem Yaşar. “1970’lerde Siyasi Partilerin Gözüyle Türkiye’nin AET’ye Bakışı: AP, CHP, MHP, MSP, DP2, TKP Örnekleri [Turkey’s Look at the EEC in the Eyes of Political Parties in the 1970s: DP, RPP, NPP, NSP, TCP Examples]. *Mehmet Akif Ersoy Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, Vol. 4, No. 7, 2012, p.31.

<sup>10</sup> Birand, Mehmet Ali. *Türkiye’nin Avrupa Macerası: 1959-1999 [European Adventure of Turkey: 1959-1999]*. İstanbul, Doğan Kitap, 2001, p.280.

<sup>11</sup> Birand, Mehmet Ali. *Bir Pazar Hikayesi Türkiye-AET İlişkileri [A Market Story Turkey-EEC Relations]*. İstanbul, Milliyet, 1978, p.510.

ucts originating from the EEC. Certain segments of society, such as the fundamentally protectionist State Planning Organization (DPT) began claiming that it was too early for Turkey to sign the Additional Protocol, considering it an obstacle to the country's industrialization.<sup>12</sup>

During the same decade, the EEC concluded trade agreements with several Mediterranean countries, and through the Lomé Convention, it had developed partnerships with African, Caribbean, and Pacific countries. Considering these agreements, Turkey began asking for modifications to the Additional Protocol.<sup>13</sup> The EEC, however, did not answer favorably to Turkey's demands, and as a result, the Turkish government decided to suspend the application of the Additional Protocol in 1976, according to article 60 of the protocol.

This decision was not merely of economic nature. On account of its guarantor status, in 1974, Turkey sent its military to Cyprus as a response to a military coup on the island that aimed to connect Cyprus to Greece. This development hurt relations between Turkey and the EEC for two reasons. First, the EEC did not consider Turkey's second military operation in Cyprus justified by Turkey's guarantor status. Therefore, since 1974, the "Cyprus issue" became one of the most important problems to deal with in Turkey-EEC relations. Second, right after Turkey's military intervention in Cyprus, the military regime in Greece had fallen. The democratization of Greece allowed it to apply for EEC membership in 1975, seriously distancing Turkey from Western alignment.

That is why the 1970s are often considered a "lost decade" in Turkey-EEC relations.<sup>14</sup> The Additional Protocol did not allow for the two sides to develop their relations, on the contrary, the protocol was suspended very quickly, in 1976. Notwithstanding, the EEC had asked Turkey to apply for membership (as Greece), in 1978-1979, but Turkey refused this offer.<sup>15</sup> Greece became an EEC member in 1981.

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<sup>12</sup> During the entire period, there was an open conflict between the Ministry of Foreign Affairs defending the accession and the State Planning Organization, strongly opposed to it. (See: cf. Ekrem Yaşar Akçay, op.-cit., p.31)

<sup>13</sup> Oran, Baskın. *Türk Dış Politikası Cilt 1: 1919-1980 [Turkish Foreign Policy Volume I: 1919-1980]*, p.845.

<sup>14</sup> Aksu, Kenan. *Turkey-EU Relations: Power, Politics and the Future*. Cambridge Scholars Publishing, Newcastle, 2012, p.7

<sup>15</sup> Uyar, Hakkı. "Ecevit AET Üyeliğini Reddedti mi?" [Did Ecevit Reject the EEC Membership?] *Cumhuriyet Strateji*, 2004, p.3.

The lack of political stability in the 1970s made relations between Turkey and the EEC quite complicated, reaching a climax with the military coup of September 12, 1980.

### **The 1980s: From the September 12 Coup to the Application for Membership**

Turkey's relations with the European Economic Community—which had become the European Community (EC) in the 1980s—have suffered considerably because of the military regime established by the September 12 military coup. The EC did not want to completely cut relations with Ankara, hoping that Turkey would eventually return to a democratic regime. Additionally, the international strategic climate did not allow for the EC to close its doors toward Turkey. Soviet occupation of Afghanistan in 1979 opened a renewed period of tensions between the Eastern and Western blocs; and in the same year, the Islamic Revolution in Iran made Turkey appear even more important in the eyes of the Western world.

A Turkish government program, adopted in the wake of the military coup, reiterated that a rapprochement with the EC is an important goal of Turkish foreign policy. Yet the situation after the military coup created tensions over Turkey-EC relations. The anti-democratic practices of the military regime, which showed reluctance to the transfer of power to civilian rule, provoked a strong reaction in European circles and among EC institutions. Political bans, arbitrary arrests, torture claims, and the death penalty had negatively impacted Turkey's image in the West.

The European Parliament was closely monitoring the developments in Turkey. On April 10, 1981, it had asked the European Council to suspend relations with Turkey if it refused to provide a credible calendar for the transfer of power and respect of human rights. As a result, relations were suspended on January 22, 1982.<sup>16</sup> The anti-democratic character of the September 12 regime provoked a crisis between Turkey and the EC. In the meantime, Greece, which had put in place a democratization program since the fall of its military regime, managed to become an EC member in 1981. Greek membership turned into an obstacle for Turkey's accession progress to the EC.

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<sup>16</sup> European Parliament. "1980/81 Session - Sittings from 6 to 10 April 1981." *Official Journal of the European Communities*, No C 101/1, Strasbourg, 1981.

The elections held on November 6, 1983, gave Turkey once again a civilian government, offering an opportunity to open a new page in the relations. The new president, Turgut Özal, Chairman of the Anavatan Partisi (Motherland Party-ANAP) revisited Turkey's desire to join the EC in 1984, a process he imagined would serve as shock therapy for Turkey.<sup>17</sup> However, Turkey's new determination was not met with enthusiasm in European capitals. European leaders at the time, like Germany's Helmut Kohl or the U.K.'s Margaret Thatcher were quite reluctant to allow Turkish workers free access to the European market, so they called upon the EC to slow down the process of Turkish accession.<sup>18</sup> Moreover, in 1986, Spain and Portugal joined in the EC, which only made the Europeans more reluctant about letting Turkey in. Richer and more industrialized EC members did not want to take on additional burdens, especially after they had accepted, within five years, three relatively poor economies.<sup>19</sup>

Despite the negative climate, President Özal was determined to go ahead with the application. In this notion, he visited many European capitals in 1986 and 1987, and he accepted Turkish citizens' right to make individual complaints to the European Court of Human Rights. Finally, on April 14, 1987, the Turkish government sent its membership application to the EC. The European Commission assessed the application and presented a report on it in 1989. In the report, Turkey was eligible, but not yet ready for membership due to several obstacles.<sup>20</sup> The report insisted that Turkey would face great difficulties in fulfilling economic and social conditions, and Turkey's lack of democracy was being underscored. Moreover, the Cyprus issue was being mentioned as an additional obstacle.

The report was written as the world was approaching the end of the Cold War. It did not explicitly state what was happening in Central and Eastern Europe, but these developments were also a reason to explain the EC's stance on Turkish membership.<sup>21</sup> The Eastern bloc countries, about to be freed from Soviet Union pressure, had in fact become the EC's pri-

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<sup>17</sup> Oran, Baskın. *Türk Dış Politikası Cilt 2: 1980-2001* [*Turkish Foreign Policy Volume 2: 1980-2001*] İletişim Yayıncılık, İstanbul, 2012, p.90.

<sup>18</sup> Aksu, Kenan. op.cit., p.9.

<sup>19</sup> Oran, Baskın. *Türk Dış Politikası Cilt 2: 1980-2001* [*Turkish Foreign Policy Volume 2: 1980-2001*] p.91.

<sup>20</sup> European Commission. *Commission Opinion on Turkey's Request For Accession to the Community, SEC (89) 2290*. Brussels, 1989.

<sup>21</sup> Oran, Baskın. *Türk Dış Politikası Cilt 2: 1980-2001* [*Turkish Foreign Policy Volume 2: 1980-2001*], p.101.

ority. As a result, these countries played a crucial role throughout the 1990s, pushing Turkey towards the bottom of the EC's priorities.

### **The 1990s: From the End of the Cold War to Candidacy Status**

The collapse of the Soviet Union and the end of the Cold War radically transformed relations between Turkey and the EC. Turkey was used to play its “strategic advantage card” when faced with criticism about its lack of economic and democratic development. Under the new world order, however, Turkey had lost that advantage. The accession process of Central and Eastern European countries had inexorably pushed Turkey towards the bottom of the EC's agenda.

Moreover, European integration had taken on a new form with the conclusion of the Maastricht Treaty in 1992, transforming the European Community into the European Union. The Maastricht Treaty had two major effects on Turkey: the European Parliament was now the authority to approve any new memberships, and happened to also be the organ that was always most critical toward Turkey, particularly on democracy and human rights issues. On the other hand, European integration, which was mostly focused on the economy, had suddenly become more political. In this notion, the Maastricht Treaty had developed the “European citizenship” concept, causing a debate on European identity, and therefore, a debate on whether Turkey belongs to this identity.<sup>22</sup>

During this decade, Turkey was well-aware that it found itself at the bottom of Europe's priority list. Thus, instead of membership, it turned to the main objective of the Ankara Agreement: Establishing a customs union with Europe. To respond to the EU's criticism, Turkey had implemented a limited number of reforms, such as modifying its law on the fight against terrorism, allowing civil servants to create trade unions, and adopting several human rights and democratization measures. In fact, Turkey's aim was to make the EU accept the customs union, in the hope that the customs union would constitute a back-door for membership in the near future.<sup>23</sup> Finally, the Turkey Partnership Council adopted its

<sup>22</sup> Oran, Baskin. *Türk Dış Politikası Cilt 2: 1980-2001* [*Turkish Foreign Policy Volume 2: 1980-2001*], p.327.

<sup>23</sup> Birand, Mehmet Ali. “Türkiye’yi küçük görüyorsunuz [You Look Down on Turkey].” *Hürriyet*, December 11, 2003. <http://www.hurriyet.com.tr/turkiye-yi-kucuk-goruyorsunuz-188947>.

Decision Number 1/95 on March 6, 1995, recognizing Turkey's right to enter into a customs union with Europe. Nevertheless, so-far the customs union has not lead to the back-door Turkey had hoped for.

The year 1997 was one of the most problematic in Turkey-EU relations. The "Agenda report of 2000" published in July 1997 by the European Commission, explained that the EU's enlargement perspective was deceptive for Turkey. The report stipulated that Central and Eastern European countries, along with Malta and Cyprus, could join the EU in the foreseeable future, but that this was not the case for Turkey.<sup>24</sup> Moreover, during the Luxembourg Summit held in December 1997, EU member countries decided to open accession talks with the countries enumerated in the Agenda 2000 report, while Turkey was excluded from this process. This decision provoked a deep crisis between the EU and Turkey, and only a day after this summit, on December 14, 1997, Turkey announced that it was suspending all political dialogue with the EU.

The EU's decision to exclude Turkey did not only anger the Turkish leaders. During his presidential trip to Turkey, U.S. President Bill Clinton spoke in the Turkish National Assembly and praised the Turkish-American friendship. President Clinton stressed that the U.S.-Turkey friendship had helped the two countries to act together in actions from Korea to Kosovo, thus condemning Turkey's exclusion from Western institutions during a time when new cooperation opportunities appeared in Central Asia and the Balkans.<sup>25</sup> With American pressure in the wake of the Luxembourg summit, between 1997 and 1999, some European countries changed their views on Turkey.

The crises that erupted in the Balkans at the end of the Cold War proved once again Europe's inability to deal with wars happening on the European continent. EU countries needed U.S. assistance to deal with security problems in their backyard, and decided to develop a common security and defense policy, as announced by France and the U.K. at the 1998 St. Malo Summit. As for Turkey, it decidedly proved its vast military capabilities and determination by playing a considerable role in NATO's intervention in Kosovo in 1999.

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<sup>24</sup> European Commission. *Agenda 2000: for a stronger and wider Union*. Com97-2000, Brussels, 1997.

<sup>25</sup> TBMM. *Tutanak Dergisi*, Session: 21, Vol. 16, 1999.

Besides, in the wake of the destructive earthquakes in 1999, (August 17 in Turkey, and September 7 in Greece), the two countries decided to initiate a rapprochement. In Europe, Social Democrats acceded to power in several countries (e.g., Germany), replacing right-wing governments that had been reluctant to accept Turkey's membership—mainly for cultural reasons.<sup>26</sup> As a consequence, 1999 opened a new period for Turkey-EU relations, and during the Helsinki Summit of December 10-11, 1999, Turkey was officially declared a candidate country. Turkey's application in 1997, and its application in 1999 were practically identical. In other words, Turkey did not make considerable progress in meeting the membership criteria, yet the EU's decision had changed completely. The decision of 1999 had, in a sense, corrected the political decision of 1997. Nevertheless, the fact that Turkey had been declared a candidate country without really making any effort for it, proved that EU decisions, however technical they may seem, can be quite politically-motivated.

### **Turkey-EU Relations in the 2000s**

Once Turkey was declared a candidate country, the coalition government in power implemented numerous reforms in order to comply with the National Program presented to the EU. This included the abolition of the death penalty and the modification of the National Security Council's composition.<sup>27</sup> The AK Party (Justice and Development Party), which came to power on the November 3, 2002 general elections, declared its determination to start accession talks with the EU. Five "reform packages," modifying 63 laws before the December 2004 Brussels Summit were adopted.<sup>28</sup>

Following the adoption of the Negotiation Framework Document on how the accession negotiations would be conducted, Turkey's accession talks began on October 3, 2005, on the same day as Croatia. The Negotiation Framework reiterated that Turkey and Croatia would have to adopt the European *acquis* divided into 35 chapters, in order to complete the negotiation talks. Croatia closed all 35 chapters in 2013 and became an

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<sup>26</sup> Oran, Baskin. *Türk Dış Politikası Cilt 2: 1980-2001* [*Turkish Foreign Policy Volume 2: 1980-2001*], p.352.

<sup>27</sup> With the exception of crimes committed during war time.

<sup>28</sup> TC Başbakanlık Avrupa Birliği Genel Sekreterliği. *Avrupa Birliği Uyum Yasa Paketleri* [*Harmonization Law Packages of the European Union*], 2007, p.4.

EU member in July of that year. Yet Turkey, as of October 2017, only opened 16 negotiation chapters (out of 35), and closed only one.

There are many reasons to explain why negotiations have failed between Turkey and the EU. The main obstacle has certainly been the Cyprus issue, which provoked numerous crises between Turkey and Europe since 1974. In fact, the Annan Plan, aimed at resolving this issue, was rejected by the Greek Cypriots in April 2004 referendum. However, this did not prevent the Greek Cypriot government to join the EU in May 2004, as if it was representing the entire island. Turkey had reluctantly agreed to sign the Additional Protocol aimed at expanding the customs union to ten new EU member countries, but the same day it published a declaration saying that this signature does not entail recognition of the Greek Cypriot government.

Turkey's stance toward Cyprus (an EU member) and its refusal to open airports and maritime ports to Greek Cypriot vessels—despite the customs union—provoked a reaction from the EU.<sup>29</sup> Given that Turkey was not fully implementing the Additional Protocol, on December 11, 2006, the European Council decided to freeze talks on eight chapters, but not to close any chapter in which negotiations were underway.<sup>30</sup> In 2009, the Greek Cypriot government announced that it would veto the opening of six chapters as long as Turkey does not normalize relations. Among these six chapters, there was the 23<sup>rd</sup> Chapter on Justice and Fundamental Rights—on which Turkey is constantly criticized. Similarly, the 24<sup>th</sup> chapter on Judiciary, Freedom, and Security was also being blocked. Combining the chapters frozen by the European Council and by the Greek Cypriot government, Turkey was left to open negotiations of only five more chapters.

However, these are not the only problems Turkey has encountered during the negotiation process. Even if Turkey would be able to successfully close all 35 chapters, some obstacles would still remain. Certain French<sup>31</sup>

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<sup>29</sup> Oran, Baskın. *Türk Dış Politikası Cilt 3: 2001-2012 [Turkish Foreign Policy Volume 3: 2001-2012]*. İletişim Yayıncılık, İstanbul, 2013, p.362.

<sup>30</sup> The sentence, “Turkey has still not fulfilled its obligation to ensure full and non-discriminatory implementation of the Additional Protocol to the Association Agreement and has not removed all obstacles to the free movement of goods, including restrictions on direct transport links with Cyprus” has become customary in every annual progress report.

<sup>31</sup> “Türkiye’nin üyeliği referandumuna tabidir [Turkey’s Membership is Subject to Referendum].” *Milliyet*, January 28, 2014. <http://www.milliyet.com.tr/turkiye-nin-uyeligi-referandumu/siyaset/detay/1828274/default.htm>.

and Austrian<sup>32</sup> leaders, who have reservations about Turkey's membership to the European Union, have already announced that when the moment comes, Turkey's accession would be put to a referendum. The EU's negative approach can be felt in every related area, such as the evolution of financial assistance. In the context of the Instrument for Pre-Accession Assistance I, Turkey has received 4.8 billion euros between 2007-2013. However, this sum was reduced to 4.4 billion euros for the 2014-2020 period, in the context of Instrument for Pre-Accession Assistance II.<sup>33</sup>

## Conclusion

As long as the Cyprus problem remains as it is, Turkey will not be able to adhere to the requirements of European Union. This does not mean, of course, that the resolution of the Cyprus issue would automatically bring EU membership, as Turkey's difficulties are not limited only to Cyprus. Firstly, Turkey must fully implement the Copenhagen political criteria before accession. As the European Commission's annual progress reports remind us, Turkey has a number of problems in the strengths of its democracy, human rights violations, the Kurdish problem, and issues with the election system. Therefore, many obstacles exist before Turkey can accede to the European Union.

Turkey's slow pace in adopting democratic reforms is not the only variable. In the wake of "big enlargement" of 2004 and 2007, the EU proves to be reticent to accept new members. Moreover, the Euro Crisis has become an existential problem for the EU. Under these circumstances, it is expected that Turkey's accession process will slow down even further. Besides, the EU's internal crises made Europe's right-wing and populist parties grow stronger, the same parties who have always opposed Turkey's accession into the EU.

The anti-Turkey sentiment grows stronger among European public opinion, and as a reaction, anti-EU feelings are appearing in Turkey. This is especially true following the July 15, 2016 coup attempt, when EU officials strongly criticized the Turkish government for committing human

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<sup>32</sup> "Avusturya, Türkiye'nin AB üyelğini referanduma sunacak [Austria will Hold a Referendum on Turkey's EU Membership.]" *Hürriyet*, December 17, 2004. <http://www.hurriyet.com.tr/avusturya-turkiyenin-ab-uyeligini-referanduma-sunacak-282147>.

<sup>33</sup> Türkiye Cumhuriyeti Avrupa Birliği Bakanlığı, *Türkiye—AB Mali İşbirliği [Turkey-EU Financial Cooperation]*, 2016. <http://www.ab.gov.tr/index.php?p=5>.

rights violations while confronting people responsible for the coup. On November 24, 2016, the European Parliament voted in favor of the suspension of accession talks with Turkey. As a response, Turkish President Recep Tayyip Erdoğan declared that Turkey might hold a referendum on abandoning the accession process altogether. The crises, over the electoral meetings that Turkish officials wanted to hold in Western Europe before the April 16, 2017 Constitutional Referendum, had only exacerbated this negative ambiance.

In a sense, Turkey and the EU are moving away from each other every time they seem to get closer. There exists a paradox both sides must overcome: When the EU is criticizing Turkey because of its lack of democracy and the rule of law, Turkey, as a reaction, moves further away from Europe. And when Turkey moves away from Europe, its democracy suffers more from it.

Relations between Turkey and the EU are full of ups and downs, and as of today, the two entities are passing through another “down” period. Still, because of their interests and interdependence, both sides are not cutting ties completely. Even in the current period, Turkey and the EU have managed to adopt a readmission agreement, and have launched a process to modernize the customs union agreement. We cannot claim that Turkey or the EU have the will to push forward the accession process, but we also cannot claim that this lack of will is permanent. Their long history of the relations proves that the accession criteria are not the only variable in the equation. The EU’s future, global circumstances, and several other factors will also play an important role. Therefore, there are three possible scenarios for the future of the Turkey-EU relations.

Firstly, the end of the accession process, at Turkey’s or the EU’s initiative. The most critical point in this scenario will depend on who takes the first step. The EU seems to expect Turkey to withdraw its application, while Turkey seems to wait for the EU to abort the process. One way or another, the end of the accession process would mean a huge crisis between Turkey and the EU, a crisis which would likely have an impact on the entire international system.

The second scenario is to have Turkey and the EU develop a different type of relationship, to establish something less than membership. This is probably the best scenario for the EU, but not as attractive for Turkey. Turkey had been suspicious of these type of proposals, and it had been

doubtful of the Union for the Mediterranean initiative for this reason.<sup>34</sup> The German and French center-right governments proposed the so-called “privileged partnership,” which Turkey refused, as it did not provide any advantage over being outside of the EU altogether.<sup>35</sup>

The last scenario is Turkey adhering to the EU. To ensure this, both sides would need to draw a new roadmap. Even if the EU is able to make a coherent decision, it is certain that a positive approach towards Turkey would not emerge immediately.

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<sup>34</sup> For more information, see: <http://ufmsecretariat.org>.

<sup>35</sup> For more information, see: Dedeoğlu, Beril and Gürsel, Seyfettin. *Türkiye-Avrupa Birliği Sarmalında Ayrıcalıklı Ortaklık Eleştirisi [Privileged Partnership Critique in Turkey-European Union Spiral]*. Hoşgörü Yayınları, İstanbul, 2011.

*Part III*

**Foreign Policy of the Transatlantic  
Partners on Current Crises:  
Divergent or Coordinated Policies?**



## *Chapter Eight*

# **Turkey and its Transatlantic Partners in the Wider Black Sea Region: The Turkish Perspective**

*Enes Bayraktar*

The wider Black Sea region is comprised of six coastal states: Turkey, Bulgaria, Romania, Ukraine, Russia, and Georgia, and covers the economically, culturally, and politically adjacent regions related to these six countries. In 2004, the Black Sea Economic Cooperation (BSEC) organization was the first to use the term “wider Black Sea” in its program, in order to justify the membership of non-coastal states to BSEC. The organization currently consists of 12 member states: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey, and Ukraine. Since 2007, the EU has accepted this terminology to define the region, with the exception of Serbia and Albania. However, based on its military and security strategy, NATO’s definition covers a much broader geography, including the region spanning from the Caucasus to eastern and southern Europe.<sup>1</sup> This study uses the “wider Black Sea region” in its broadest sense, the same definition used by NATO strategists.

Regardless of how it is defined, the wider Black Sea region constitutes one of the most important strategic areas for European energy, trade, and military security. However, since the end of the Cold War, the transatlantic partners have neglected this region in their strategic planning because they believed that with the fall of communism the Russian threat has been eliminated indefinitely. In 2010, the heads of state and government at the NATO summit in Lisbon adopted a new strategic concept for the defense and security of the members of the NATO. In this document, NATO strategists evaluated the “threat of a conventional attack against NATO territory” as very low and concluded that “Euro-Atlantic territory is at peace.”<sup>2</sup> Merely four years after this conclusion Russia had invaded eastern

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<sup>1</sup> Vladova, Galya. “A Region at A Crossroads: New Realities and Policies for the Black Sea Region.” *Drc Summer School*, Summer 2013, pp. 80-81.

<sup>2</sup> North Atlantic Treaty Organization (NATO). “Active Engagement, Modern Defense, Strategic Concept for the Defense and Security of the Members of the North Atlantic

Ukraine, annexed Crimea, and began to intimidate NATO members and partners in the region through diverse hybrid war techniques.

Today, as a result of developments in Ukraine, and Russia's actions in the wider Black Sea and Eastern Europe, many EU and NATO member countries (e.g., Poland, Romania, and Bulgaria) have felt threatened by a rising Russian influence. So, "for the first time since the Cold War, it is no longer impossible to imagine the possibility of Moscow extending its control along the northern coast of the Black Sea. This would position Russia to exert greater pressure on NATO members Romania and Bulgaria, the Danube region, and, among other targets, the maritime energy fields of Romania's exclusive economic zone (EEZ)."<sup>3</sup> Consequently, Russia's actions in the last decade, spanning from the invasion of South Ossetia in Georgia in 2008 to Ukraine in 2014, constitute the most serious challenge to the post-Cold War order in Europe. The latest NATO Summit held in Warsaw on July 8-9, 2016 confirms this evolution. In the declaration that was published during the Summit, the North Atlantic Council lists—in addition to terrorism and instability in the Middle East—Russia's activities among the most unprecedented range of security challenges facing NATO today. In the same document, NATO declared that it is taking further steps to contain and balance Russia in Eastern Europe and the Black Sea region.<sup>4</sup>

However, considering the transatlantic partners' inadequate handling of the Georgian and Ukrainian crises and the rising Russian influence in the Black Sea, Eastern, and Southern Europe in the last decade, it is difficult to claim that NATO can achieve this goal under the current policies. There are many reasons for the above-mentioned failures, yet the most striking reason seems to be the transatlantic partners' disarray when confronting and attempting to balance Russia. Unsurprisingly, Russia is well aware of the frictions and fissures among the transatlantic alliance and is deploying a number of policies to weaken NATO's deterrence. As the bipolar Cold War order ceased to exist, transatlantic partners are now

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Treaty Organization, Adopted by Heads of State and Government in Lisbon." [http://www.nato.int/nato\\_static\\_fl2014/assets/pdf/pdf\\_publications/20120214\\_strategic-concept-2010-eng.pdf](http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_publications/20120214_strategic-concept-2010-eng.pdf).

<sup>3</sup> Bugajski, Janusz and Doran, Peter B. "Black Sea Rising: Russia's Strategy in Southeast Europe." *Center for European Policy Analysis Strategic Report*, No. 1 (February 2016).

<sup>4</sup> North Atlantic Treaty Organization (NATO). "The Warsaw Declaration on Transatlantic Security, Issued by the Heads of State and Government Participating in the Meeting of the North Atlantic Council in Warsaw 8-9 July 2016." [http://www.nato.int/cps/en/natohq/official\\_texts\\_133168.htm](http://www.nato.int/cps/en/natohq/official_texts_133168.htm).

facing multiple challenges and threats (e.g., terrorism, migration, and other rising powers). Therefore, Russia is not their only concern, and it is difficult to bring together a coherent policy on Russia when taking into consideration the concerns of all transatlantic partners.

In this regard, with NATO's second-largest army, Turkey is one of the most significant countries in the Black Sea region to counter Russian aggression. Turkey defended NATO's southern flank during the Cold War against the Soviet Union and has balanced Russia in the Black Sea region in the post-Cold War era. However, due to increasingly divergent interests in the post-Arab Spring era, Turkish transatlantic relations have become extremely volatile. The weak response to the failed coup attempt in Turkey by the Fethullahist Terrorist Organization (FETÖ) and their support for YPG (People's Protection Units) in Syria, which is run by a designated terrorist organization (PKK) complicate these relations further. Thus, converging interests between transatlantic partners and Turkey is extremely difficult but at the same time important if transatlantic partners are seriously attempting to balance Russia in the wider Black Sea region.

This chapter analyzes policies in the wider Black Sea region in light of the Ukrainian crises. To understand the recent changes in the balance of power in the region, we must first analyze the post-Cold War era and understand these developments in a historical context. Therefore, this chapter first looks at the policies of NATO and the EU towards the former Warsaw pact countries in the post-Cold War era. This era is looked at in two periods: EU and NATO expansion, and Russian reaction to these expansions. The last section analyzes Turkey's and the West's reaction to Russian policies in the wider Black Sea region after 2007. The chapter concludes with concrete policy advice for policymakers to ensure solid cooperation between Turkey and its transatlantic partners in the wider Black Sea region.

## **Missed Opportunities in the Wider Black Sea**

Following the end of the Cold War, the international system had turned into a unipolar structure with the United States as its sole hegemon. There was a sense of euphoria and optimism among western liberal intellectuals. There was no longer a viable alternative to the capitalist liberal economic system, and the U.S. military and financial might led scholars such as

Francis Fukuyama to suggest that we had reached “The End of History.”<sup>5</sup> The expectation was that democracy and liberal values would ultimately conquer the globe. However, considering the rise and fall of many powers and civilizations throughout history and looking at the three decades after the end of the Cold War, this outlook turned out to be naïve and impetuous. Today, the triumph of a global liberal order or a unipolar international system led by U.S. seems anything but certain.

On the contrary, the West’s economic and military dominance over the world has been increasingly challenged by emerging actors such as China, Brazil, and India. Not only is this true in the areas mentioned above, but it is also the case in ideological terms. There is increasing resistance against the expansion of liberal values in the world. Thus, the assumption of a rapid enlargement of liberal values has not materialized. Liberal values did expand, but this is mainly the case in Eastern and Southern Europe. Even after three decades of transition and many initiatives, the process is still not completed and countries vital for wider Black Sea security (e.g., Ukraine, Georgia, Moldova, Belarus, and Serbia), have not integrated into western institutions like NATO and the European Union.

In the meantime, Russia, a former rival of the West, was bogged down with economic problems, political instability, and a bloody insurgency in Chechnya and the Caucasus region. Consequently, in the first two decades after the end of the Cold War, Russia developed a counter-policy towards these developments in its surrounding region. Starting with Russian military intervention in South Ossetia in 2008, Russia began employing a much more aggressive strategy to reverse or at least stop the integration of its immediate neighborhood into Western institutions. In this regard, the first two decades of the post-Cold War era represent a missed opportunity for the transatlantic partners to integrate the former Warsaw Pact countries into its institutions; it seems that EU officials and NATO strategists thought that they have infinite time to achieve their goals. However, the developments after 2008 proved that the window of opportunity was closing in the first two decades following the end of the Cold War. Many

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<sup>5</sup> “The triumph of the West, of the Western idea, is evident first of all in the total exhaustion of viable systematic alternatives to Western liberalism [...]. What we may be witnessing in not just the end of the Cold War, or the passing of a particular period of post-war history, but the end of history as such: That is, the end point of mankind’s ideological evolution and the universalization of Western liberal democracy as the final form of human government [...] But there are powerful reasons for believing that it is the ideal that will govern the material world in the long run [...]” Francis Fukuyama, *The End of History? The National Interest* (Summer 1989), pp. 1-6.

reasons, including the shift of focus to the War on Terror since 9/11, economic problems, enlargement fatigue in the EU, and resistance of oligarchs and corrupt political elites supported by Russia have prevented a successful transition for those countries. Yet, one should acknowledge that the transatlantic partners were not fully ready for the immense task of transforming these countries, and more importantly, they were not aware that the window of opportunity was rapidly closing.

As mentioned above, NATO and the EU played an important role in the transition of former communist Warsaw Pact countries into democracies and free market systems. Emboldened with the end of Cold War, the U.S., NATO, and the EU began slowly expanding their influence into former Russian areas of influence (i.e., the Caucasus, Eastern- and Southern Europe). Both institutions expanded their membership to those countries and deployed initiatives to facilitate necessary changes in the former Warsaw Pact countries.

With a certain degree of coordination, the transatlantic partners began deploying three strategies to transform former-Warsaw Pact countries and integrate them into Western institutions.<sup>6</sup> Firstly, both the EU and the U.S. supported many NGOs, media, and think tanks to promote democracy and human rights in those countries. Billions of dollars were invested through official and non-official mechanisms to achieve this goal. Secondly, starting with the end of Cold War, NATO had expanded in three phases. In 1999, with the Czech Republic, Hungary, Poland; in 2004, with Bulgaria, Estonia, Lithuania, Latvia, Romania, Slovakia, Slovenia; and in 2009 with Croatia and Albania becoming NATO members. Furthermore, during the Bucharest Summit held in 2008, NATO countries agreed that Georgia and Ukraine could become NATO members in the future. However, as the result of mounting Russian pressure, Ukraine stopped pursuing membership in 2010. Montenegro became the 29th NATO member country after all 28 allies ratified the Accession Protocol in May 2017. According to the NATO official website, Bosnia and Herzegovina, Georgia, and the Former Yugoslav Republic of Macedonia are future aspiring members.<sup>7</sup> Thirdly, EU expansion into Central and Eastern Europe. In 2004, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia,

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<sup>6</sup> Meersheimer, John. "Why the Ukraine Crisis is the West's Fault." *Foreign Affairs*, September/October 2014. <http://www.foreignaffairs.com/articles/141769/john-j-mearnsheimer/why-the-ukraine-crisis-is-the-west-s-fault>.

<sup>7</sup> North Atlantic Treaty Organization (NATO). "Member Countries." [http://www.nato.int/cps/is/natohq/topics\\_52044.htm](http://www.nato.int/cps/is/natohq/topics_52044.htm).

the Czech Republic, and Southern Cyprus joined; in 2009 Slovenia and Bulgaria; and in 2013 Croatia became members of the European Union.

The EU developed a number of initiatives targeting non-member countries, in an effort to increase cooperation in the wider Black Sea region. In 2008, the EU launched the Black Sea Synergy (BSS) initiative, which includes Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine. The main goal of BSS is to increase cooperation and address the region as a whole, rather than focusing on bilateral relations. Yet, the main foreign policy strategy of the EU vis-a-vis the former Soviet Union countries is the Eastern Partnership (EaP) initiative, covering Ukraine, Moldova, Belarus, Azerbaijan, Armenia, and Georgia. The main aim of this initiative is to prepare these countries for a possible EU membership through intense cooperation.<sup>8</sup>

Yet “the existence of groupings of countries that require different types of EU approach has resulted in the implementation of a complexity of policy instruments, the signing of a huge number of multilateral agreements and the launching of wide-ranging bilateral and sectoral activities in the region.”<sup>9</sup> Considering these problems, Russian resistance, and the number of countries involved in these policies, it is no wonder that there is a huge issue of coordination and coherence in the overall strategy of transatlantic partners vis-a-vis the wider Black Sea region.

Furthermore, “the focus on bilateral mechanisms and the application of a differentiated approach towards Russia, Turkey and the ENP partner countries are considered main challenges in future” involvement in the wider Black Sea region. Realizing these shortcomings, the EU Parliament passed a resolution in January 2011, calling for the European Commission to develop an EU Black Sea strategy.<sup>10</sup> However this has yet to materialize.

## **Russia’s Reaction and the Changing Balance of Power in the Black Sea Region**

As mentioned above, Russia was disgruntled about the expansion of the EU and NATO to former Warsaw Pact countries in the wider Black Sea

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<sup>8</sup> Vladova, Galya. “A Region at a Crossroads: New Realities and Policies for the Black Sea Region.” *Drc Summer School*, Summer 2013, pp. 87-88.

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

region, which it considered its area of influence. However, Russia was preoccupied with enormous domestic economic and political problems in addition to an insurgency in the Caucasus. Still, Russia showed clear opposition to NATO interventions in Bosnia and Herzegovina and Serbia, and tried to maintain its influence in the former Warsaw Pact countries through bilateral agreements and initiatives. NATO and the EU tried to address Russia's concerns and strengthen dialogue and cooperation by launching a series of initiatives with Russia.<sup>11</sup> The recent developments in the region demonstrate that the EU and NATO were not successful.

In fact, Russia has gradually become more aggressive in its opposition to the transatlantic partners' policies in the wider Black Sea region. Putin's uninterrupted reign since 1999 and increasing oil and gas revenues are the main factors in the resurrection of Russian opposition to the West, and relations have deteriorated as a result. Russia considered NATO's missile defense system in Eastern Europe and the orange revolutions in Georgia (2003) and Ukraine (2004) as part of a broader strategy to contain and encircle Russia with an ultimate goal of regime change. Russia's interpretation explains the military interventions into Georgia and Ukraine.

In a speech during the Munich security conference in 2007, Putin made it clear that Russia considered these developments a clear violation of the security guarantees given to the Soviet Union at the end of the Cold War. Furthermore, when Putin declared that the "unipolar model is not only unacceptable but also impossible in today's world,"<sup>12</sup> he was signaling that Russia would challenge the post-Cold War *status quo* in Europe and else-

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<sup>11</sup> Russia's entrance to the North Atlantic Cooperation Council in 1991 and the Partnership for Peace program in 1994, the establishment of the NATO-Russia Founding Act in 1997 and the NATO-Russia Council (NRC) in 2002. The EU also adopted a similar approach and signed the Partnership and Cooperation Agreement (PCA) with Russia in 1997 and the Strategic Partnership agreement in 2003, defining the following policy areas: The economy and the environment, freedom, security and justice, external security, research and education, and culture.

<sup>12</sup> "I think it is obvious that NATO expansion does not have any relation with the modernization of the Alliance itself or with ensuring security in Europe. On the contrary, it represents a serious provocation that reduces the level of mutual trust. And we have the right to ask: against whom is this expansion intended? And what happened to the assurances our western partners made after the dissolution of the Warsaw Pact? Where are those declarations today? No one even remembers them. But I will allow myself to remind this audience what was said. I would like to quote the speech of NATO General Secretary Mr. Woerner in Brussels on 17 May 1990. He said at the time that: the fact that we are ready not to place a NATO army outside of German territory gives the Soviet Union a firm security guarantee. Where are these guarantees?" <http://www.washingtonpost.com/wp-dyn/content/article/2007/02/12/AR2007021200555.html>

where. The real turning-point in relations between Russia and the West came during the Bucharest Summit (in April 2008), when NATO declared that despite Russian objections, Ukraine and Georgia would receive NATO membership after fulfilling membership conditions.<sup>13</sup> After only five months (in August 2008), Russia intervened in Georgia, citing Georgian intervention in South Ossetia. That same month, Russia recognized the independence of the two breakaway regions, South Ossetia and Abkhazia. Breaking international law with the military intervention and the recognition of independence, Putin made it quite clear he no longer plays by the rules of the post-Cold War era. Thus, it was no surprise that when the pro-Russian president of Ukraine (Yanukovich) was ousted by an orange revolution-style uprising, Russia's response was to first invade Crimea and eastern Ukraine and then to annex Crimea, going against all international agreements and laws.

Taking into account Russia's actions and policies in the last decade in the wider Black Sea region, Russia's strategic goal is to establish a Eurasian pole of power under Russian control that would counter Western influence in the region. Russia seeks to achieve this goal through three interrelated policies: Firstly, it pressures its neighbors to integrate into the Eurasian Economic Union and Collective Security Treaty Organization that are under Russian control; secondly, it tries to neutralize countries like Ukraine and Georgia by pressuring them not to become part of NATO or EU through direct and indirect interventions; and thirdly, Russia aims to influence the countries that are already part of the EU or NATO through energy dependency, cracks in the NATO Alliance, or pro-Russian elites in those countries so that they do not oppose Russian objectives in the region.<sup>14</sup> Furthermore, Russia is also actively supporting far right movements and employing fake news and cyber attacks as an effective tool to cause chaos and instability in western countries.

To achieve its goals, Russia is employing conventional methods such as military interventions and occupations in Ukraine and Georgia, but also non-conventional methods such as hybrid war techniques. In this

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<sup>13</sup> North Atlantic Treaty Organization (NATO). "NATO Welcomes Ukraine's and Georgia's Euro-Atlantic Aspirations for Membership in NATO. We agreed today that these countries will become members of NATO." [http://www.nato.int/cps/in/natohq/official\\_texts\\_8443.htm](http://www.nato.int/cps/in/natohq/official_texts_8443.htm).

<sup>14</sup> Bugajski, Janusz and Doran, Peter B. "Black Sea Imperatives: Ensuring NATO Security And American Interests For The Incoming U.S. Administration" Strategic Report No.3, November 2016. [https://Cepa.Ecms.Pl/Files/?Id\\_Plik=3088](https://Cepa.Ecms.Pl/Files/?Id_Plik=3088), p.3.

regard, the frozen conflicts in the wider Black Sea, (the Nagorno Karabagh conflict in Azerbaijan, South Ossetia, and Abkhazia in Georgia, Transnistria in Moldova, and recently in the Donbas region in Ukraine), have been used by Russia as an effective tool to pressure these countries not to integrate with Western institutions.

However, with the Russian invasion of Crimea and the establishment of Russian control in Abkhazia:

- Russia has increased its coastal control of the Black Sea considerably when it annexed Crimea and the occupied Abkhazia and Donbas region in Ukraine;
- Russia has also invested in its sea fleet and increased its troops and strategic weapons stationed in Crimea;
- Russia has also considerably increased its *de facto* exclusive offshore economic zone in the Black Sea;
- Russia took control of the strategically important military port of Sivastapol confiscating Ukrainian Navy vessels stationed there.

As a result of these changes, the balance of power has shifted in favor of Russia in the Black Sea region. Consequently, in September 2016, the Russian chief of staff declared that Russia had achieved military superiority over the Black Sea as result of recent developments. In his statement, General Valeriy Gerasimov claimed that the country's Black Sea fleet is now stronger than the Turkish navy, and even openly declared that Russia is now capable of targeting the Bosphorus straits.<sup>15</sup> In return, at a meeting of Balkan nations in Istanbul, the Turkish President issued a stark warning when he told NATO Secretary General Jens Stoltenberg, "you are absent from the Black Sea [...] the Black Sea has almost become a Russian lake, if we don't take action, history will not forgive us."<sup>16</sup>

It is no coincidence that the Russian chief of staff only mentioned the Turkish navy, as it is the only navy in the Black sea that could effectively resist a Russian attack. Other navies stationed in the Black Sea, such as those from Romania and Bulgaria are no match for the Russian navy. Therefore, NATO is trying to increase its presence in the Black Sea by deploying naval task forces to visit Bulgaria and Romania and holding reg-

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<sup>15</sup> Kucera, Joshua. "Russia Claims 'Mastery' Over Turkey in Black Sea." *Eurasianet*, September 25, 2016. <http://www.eurasianet.org/node/80636>.

<sup>16</sup> "Almost a 'Russian lake': Erdogan Calls for Greater NATO Presence in Black Sea." *Russia Today*, May 11, 2016. <https://www.rt.com/news/342670-nato-black-sea-russia/>.

**Figure 1: Russian military presence in the Crimean Peninsula and the Black Sea before and after the Annexation of Crimea**

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|--|----------------------------|---|
| January 2014<br>(before the<br>annexation)               | Soldiers                   | 12.5  |
|  | Armored Vehicles           | 116   |
|  | Artillery Pieces           | 24  |
|  | Fighter Jets               | 22  |
|  | Helicopters                | 37  |
|  | Warships                   | 26  |
|  | Submarines                 | 2   |
| May 2016<br>(about two years<br>after the<br>annexation) | Soldiers                   | 23.9  |
|  | Armored Vehicles and Tanks | 613   |
|  | Artillery Pieces           | 162   |
|  | Fighters Jets              | 101   |
|  | Helicopters                | 56  |
|  | Warships                   | 34 from Ukrainian sources<br>49 from Russian sources  |
|  | Submarines                 | 4   |
|  | Missile launchers          | 16 missile system<br>3K60 BAL, K-300 Bastion, S-300 PMU<br>8 missile systems<br>S-400 Triumph |

Source: Costea, Catalin Alin. "The Russian Federation and the Implementation of the A2/AD System in the Black Sea: Risks and Threats to Romania." *The Market for Ideas*, January-February 2017. <http://www.the-marketforideas.com/the-russian-federation-and-the-implementation-of-the-a2-ad-system-in-the-black-sea-risks-and-threats-to-romania-a122/>.

ular military exercises. Yet, NATO's presence is limited because of the Montreux convention, which limits both the tonnage and duration of non-coastal state warships in the Black Sea.

To sum up, Russia has built an effective A2/AD (anti-access/area denial) capacity in the Black Sea region that can threaten vital sea lanes such as mouth of Danube river and the Turkish straits, along with the strategic energy transportation routes between Central Asia, the Caucasus, and Europe.

## **Transatlantic Partners in Disarray, and the Impact on the Wider Black Sea Region**

Among the transatlantic partners, Turkey occupies a unique geographic location, which puts it in close relation to many strategic regions; the Middle East, North Africa, the Eastern Mediterranean, Caucasus, and the Balkans. Among these, the wider Black Sea region is significant for Turkey's grand strategy for a number of reasons. Firstly, for centuries, Russian expansion towards the south was a major threat to the Ottoman Empire and Turkey's territorial integrity. Balancing and countering Russia has always been a vital national security issue. It is worth noting that the Soviet territorial claims towards Turkey pushed it into becoming a member of NATO immediately following World War II (WWII). Secondly, Turkey has a common history and culture, but most importantly, it has deeply engrained economic relations with countries of the wider Black Sea region.

Thus, Turkey welcomed the end of Cold War and the dissolution of the Soviet Union, which eliminated the Soviet threat and at the same time opened up a vast geography to Turkish influence, closed during the Cold War era. Therefore, one of Turkey's first initiatives (following the end of Cold War) was to call for the establishment of BSEC, founded as a regional economic organization in 1992.<sup>17</sup> Although it was not successful in terms of economic cooperation, BSEC offered a unique platform for countries of the wider Black Sea region.

Regarding the transatlantic partners' initiatives and policies in the region as outlined in previous sections, Turkey followed two goals. Firstly, Turkey established military superiority in the Black Sea region in the post-Cold War era. Secondly, Turkey aimed to create a peaceful region to increase economic cooperation and integration. Following this strategy, Turkey supported the membership of the wider Black Sea countries into NATO and the EU, while at the same time reducing unnecessary tensions with Russia. In this regard, Turkey was not supportive of NATO naval presence in the Black Sea.

The recent developments in the region and the shift in the balance of power in favor of Russia have become a real challenge to the post-Cold War order in Europe. However, the response of transatlantic partners to these developments was weak and inadequate. The main problem is not

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<sup>17</sup> The Black Sea Economic Cooperation, "BSEC." <http://www.bsec-organization.org/Information/Pages/bsec.aspx>.

Russia's dominance, but rather the transatlantic partners' incoherent approach that prevents them from formulating and employing an effective strategy to balance Russia's influence.

In this regard, we should also mention the recent EU-U.S. (i.e., Merkel-Trump) tensions within the NATO Alliance, significantly decreasing NATO's deterrence against Russia. German chancellor Angela Merkel statement, "the times when we could fully count on others are over to a certain extent. I have experienced this in the last few days [...] We Europeans must really take our destiny into our own hands," thus indicating a fundamental shift in the transatlantic alliance.

In addition, Turkey has fundamental policy differences on vital issues with the EU and the U.S. For one, due to cultural and religious differences between Turkey and Europe, the EU has not successfully integrated Turkey into EU after decades of negotiations. Furthermore, certain European countries (e.g., Germany, Belgium, and Austria) are acting as safe havens for terrorist organizations such as the PKK (Kurdistan Workers' Party), DHKP-C (Revolutionary People's Liberation Party/Front), and FETÖ, by allowing them to carry on their fundraising and recruitment activities under the umbrella of NGO pursuits. Turkey also has differences with the U.S. The Obama administration's decision to include the YPG (a segment of PKK), against its fight against ISIS in Syria creates a vital national security threat to Turkey. The Trump administration's decision to continue with this policy complicates relations even further. To make matters worse, certain transatlantic partners do not only cooperate or provide safe havens for these terrorist organizations, they also impose an embargo on Turkey by not selling it strategic weapons systems or components for Turkey's fight against terrorism.

## Conclusion and Policy Recommendations

Considering the gravity of the threat stemming from the Russian resurrection, the transatlantic partners are facing an existential threat to the post-Cold War order in Europe. Certain analysts are warning that "if left to run its course, the practical outcome of the Russian strategy would result in the restoration of the Yalta-Potsdam post-World War II order, in which Moscow dominated Eurasia and half of Europe."<sup>18</sup> In this regard, one

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<sup>18</sup> Bugajski, Janusz and Doran, Peter B. "Black Sea Rising: Russia's Strategy in Southeast Europe." *Center for European Policy Analysis Strategic Report*, no. 1 (February 2016), p.4.

should also note that similarly to WWII, Russia and the West seem to be fighting against a common enemy: International terrorism. It is clear that Russia is misusing the transatlantic partners' focus on fighting terrorism after 9/11 to further its own agenda, as it is currently doing in Syria. In this context, it is worth citing a recent statement of Russian President Putin, in which he tries to downplay the Russian threat and draw attention to terrorism as a common enemy. During his visit to France, Putin told the French newspaper *Le Figaro*, "What is the major security problem today? Terrorism. There are bombings in Europe, in Paris, in Russia, in Belgium. There is a war in the Middle East. This is the main concern. But no, let us keep speculating on the threat from Russia [...] Therefore, we should not build up tensions or invent fictional threats from Russia, some hybrid warfare, etc. You made these things up yourselves and now scare yourselves with them and even use them to plan your prospective policies."<sup>19</sup>

We should remember that the last time the Soviet Union and the West fought against a common enemy, the Soviet Union took control of half of the Europe. The occupation of South Ossetia, Crimea, and Southeastern Europe should be a wake-up call for the transatlantic partners. It is essential that the West develops a coherent and concrete strategy to counter Russian ambitions in the wider Black Sea region.

As a start, it is essential to realize that the current situation in the wider Black Sea region is not the result of Russia's power, but rather a consequence of the disunity and disagreement within the transatlantic alliance. Russia is profiting from these disparities to further its own agenda. Therefore, it is essential to solve current tensions between the EU and the U.S., Turkey and the EU, and Turkey and the U.S. More concretely, to balance Russia, NATO needs to increase its naval presence in the Black Sea region. Considering the Montreux convention limitations regarding the duration and tonnage for non-littoral states' navy presence, NATO should follow a two-track strategy in the Black Sea. Firstly, it should continue to deploy its naval forces to the Black Sea despite the limitations and hold regular military drills with littoral NATO countries such as Turkey, Romania, and Bulgaria. Secondly, in the long-run NATO should realize that the best way to counter Russia is to strengthen the military capabilities of coastal NATO countries.

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<sup>19</sup> "Stop inventing fictional threats from Russia." Putin told *Le Figaro*, *Russia Today*. May 30, 2017. <https://www.rt.com/news/390225-putin-russia-fictional-threats/>.



## *Chapter Nine*

# **Turkey's Policy in the Black Sea Region: Oscillating between Pragmatism and Opportunism**

*Nona Mikhelidze*

The Georgian-Russian war in August 2008 and the ensuing Russian recognition of South Ossetia and Abkhazia's independence, along with the Ukrainian crisis (since 2013) and Russian incorporation of Crimea have posed new challenges for European and American foreign policy in the Black Sea region. The conflicts have generated new sources of instability for the entire post-Soviet space, highlighting a new form of Russian revisionism. These developments have shown the limits of Western policies in perceived Russian spheres of influence. In the context of these dynamics, Turkey, with its close ties to major power-players in the region, is confronted with new challenges and opportunities: Challenges driven by foreign policy choices Ankara has to make in the face of Russian assertiveness, and opportunities generated by Turkey's potential role as a broker in providing energy security and conflict resolution within and beyond the region.

Since the early 1990s, Ankara has been an important strategic, economic, and political actor in the Black Sea region. Turkey's regional role has mainly taken the form of trade and cooperation in international energy projects. This was enhanced by linguistic, ethnic, and religious bonds tying Turkey to Azerbaijan. Ankara has attributed great importance to guaranteeing access to Caspian energy resources and creating secure transport routes for the distribution of oil products to the West. However, Turkey has also aimed to play a political role in the region, contributing to political change and economic development by strengthening its interdependence with countries of the region. Turkey is a member of the Black Sea Economic Cooperation (BSEC), which aims to develop regional cooperation among the states of the wider Black Sea area. This includes Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey, and Ukraine. On May 1, 2017, Turkey took over the Chairmanship of BSEC, claiming to make every effort to achieve a considerable degree of progress in all areas of cooperation. Moreover, Turkey

participates in the EU's Black Sea Synergy, an initiative aiming to foster regional cooperation through sectoral (rather than political) projects.

Turkey's regional role has developed in the context of its relations with major powers: The EU, the U.S., and Russia. Turkish foreign policy is based on its goals to join the EU, develop a strategic relationship with the U.S., but also on cultivating closer relations with Russia. Turkey's role in its neighborhood is also a means to enhance its global strategic relevance. Turkey provides a pivotal link for the EU and the U.S. to the South Caucasus and Central Asia. Along with this, Ankara has also been developing closer relations with Moscow in terms of trade and energy cooperation. Turkey's deepening ties with Russia can be attributed in part to the "cold showers" Ankara has received (or perceived to have received) from both the EU (in the context of the accession process) and the U.S. (in the context of the war in Iraq and the Kurdish question).

Bearing this in mind, this chapter examines Turkey's strategic objectives in the Black Sea region with particular attention to security, trade, and energy issues. The chapter focuses on Turkey's priorities in these fields and examines whether Ankara's policymaking has been driven by a strategic partnership with its neighboring countries, or rather by a pragmatism that is often perceived as opportunism. Does Turkey still have an interest in becoming a leader in the region? Is it interested in becoming an energy hub? Was/is there any pressure from Russia on Ankara to prevent additional non-Russian gas supplies to be transited through Turkey? How does Ankara perceive the competition between two geopolitical axes that have emerged? On the one side, NATO (and Turkey as a NATO member) develops military cooperation with two Black Sea countries (i.e., Ukraine and Georgia), while on the other side Turkey builds political partnership with Russia. The same issue emerges when it comes to the development of the Southern Gas Corridor on the one side (thus an alternative to Russian resources), and on the other side an increase in bilateral energy relations with Moscow. When it comes to territorial conflicts in the region (e.g., Crimea and Abkhazia), how are the relations balanced with Russia? How are relations with Georgia changing in a context where Ankara is actively engaged with Abkhazia? The leitmotif underpinning these questions is the prospect for conflict resolution and regional energy cooperation in the wider Black Sea region.

## **Politics and Conflicts in the Black Sea Region**

The end of the Soviet Union and the emergence of new independent states in the Black Sea and Caspian region caused a radical shift in the foreign political-economic policies of Ankara. Turkey's penetration in this region began with an offer for a free market economy and cooperation on international energy projects. Ankara was important in guaranteeing access to Caspian energy sources as well as create partnerships in the Black Sea basin in order to secure transport routes for distribution of oil products to the West. Turkey, as a member of BSEC, has participated in a number of initiatives; in trade and economic development, energy, transport, and environmental protection as well as customs, education, and tourism, among others. However, Ankara's foreign policy concept has never included a vision or strategy for the Black Sea region. The official website of the Turkish Foreign Ministry does not list "Black Sea" in its description of regional policy interests, and the Black Sea basin is not even mentioned under the section "Maritime issues." This clearly hints to the lack of perception of the Black Sea as a region.<sup>1</sup> At the same time, it also indicates that Ankara has no interest in becoming a leading actor of any regional project or organization (e.g., BSEC, Black Sea Naval Co-operation Task Group (BLACKSEAFOR)).<sup>2</sup>

Turkey's skepticism of BSEC could be justified when it comes to the decision-making process within the organization, as all decisions have to be taken unanimously, making it difficult to move forward on a number of issues. It is difficult to imagine that Russia and Georgia, for example, or Armenia and Azerbaijan, or Turkey and Armenia, could agree on issues related to security or energy diversification.<sup>3</sup> Therefore, Ankara has opted to develop bilateral relations with littoral Black Sea states.

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<sup>1</sup> Republic of Turkey - Ministry of Foreign Affairs, <http://www.mfa.gov.tr/synopsis-of-the-turkish-foreign-policy.en.mfa>.

<sup>2</sup> Mikhelidze, Nona et al., "The Moscow-Ankara Energy Axis and the Future of EU-Turkey Relations", Cologne, University of Cologne, September 2017, 18 p. (FEUTURE Online Papers ; 5), [http://www.feuture.uni-koeln.de/sites/feuture/pdf/D5.3\\_Online\\_Paper.pdf](http://www.feuture.uni-koeln.de/sites/feuture/pdf/D5.3_Online_Paper.pdf).

<sup>3</sup> Tanrisever, Oktay F. "Turkey and Russia in the Black Sea Region: Dynamics of Cooperation and Conflict." Center for Economic and Foreign Policy Studies (EDAM), Black Sea Discussion Paper Series - 2012/1.

## Bilateral Relations in the Black Sea Region

### *Ukraine and Georgia*

Ankara defines its relationship with Ukraine as strategic, and Turkey is the second-largest trade partner for Ukraine. The Ankara-Kiev partnership has been framed around security, the economy, and tourism. In particular, more than 280,000 Crimean Tatars living in Ukraine and predominantly in Crimea, now annexed by Russia, have been considered an important element in strengthening bilateral relations between Turkey and Ukraine. In the framework of humanitarian assistance, Ankara has financed a number of initiatives (worth more than 25 million dollars) related to housing projects in Crimea, and humanitarian assistance for IDPs (Internally Displaced Persons) from the Donbas region. According to Turkey's foreign ministry, Ankara and Kiev cooperate in several international and regional organizations, such as the UN, the Council of Europe, OSCE, and BSEC. Furthermore, cooperation takes place in the military sphere on a bilateral basis and within the context of the NATO-Ukraine Commission, BLACK-SEAFOR, and Operation Black Sea Harmony.<sup>4</sup> In 2017, Turkey and Ukraine signed a visa-free regime for its citizens, in order to facilitate human contact and further enhance their relationship. The countries also signed an agreement on a ferry connection, with 186 weekly rides between the two countries.

Similarly developed are the bilateral relations between Turkey and Georgia in terms of the economy, energy infrastructure, and security. Visa requirements have also been mutually abolished. Turkey has been (and remains) Georgia's single largest trade partner with a turnover worth more than 777.9 million dollars.<sup>5</sup> According to Eurasianet, even if the Georgian government does not release figures on the levels of Turkish investment in Adjara (an autonomous republic in Georgia bordering Turkey), it represents roughly 80-90 percent of all foreign investment in the region.<sup>6</sup> However, development of economic and trade relations between Turkey and Georgia goes hand in hand with the growing political dependence of

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<sup>4</sup> "Relations between Turkey and Ukraine." Republic of Turkey Ministry of Foreign Affairs. <http://www.mfa.gov.tr/reasons-between-turkey-and-ukraine.en.mfa>.

<sup>5</sup> "Real friends? Georgia-Turkey relations in the wake of the July 15 coup attempt." *The Central Asia-Caucasus Analyst*, August 10, 2016. <https://www.cacianalyst.org/publications/analytical-articles/item/13388-real-friends?-georgia-turkey-relations-in-the-wake-of-the-july-15-coup-attempt.html>.

<sup>6</sup> "Georgians Wary of Turkey's Rising Influence in Batumi." *Eurasianet.org.*, March 9, 2012. <http://www.eurasianet.org/node/82751>.

Tbilisi on Turkey. The Georgian government has been forced to close a number of Turkish schools in Georgia, allegedly run by the supporters of Fethullah Gülen.<sup>7</sup> The Georgian Prime Minister, Kvirikashvili, was the first leader to call and express solidarity to President Erdoğan soon after the failed military coup.

However, Turkey has preferred to build relationships with both Ukraine and Georgia through bilateral formats rather than engage with them in multilateral and regional fora. Ankara has assumed that certain disputes on territorial issues and energy security were the main hindrance to a strategic partnership within the region. Indeed, the unresolved status of regional conflicts (Crimea, Donbas region, Abkhazia, South Ossetia, and Nagorno-Karabakh), where Russia is seen as a supporter of secessionism, have been contentious issues between Ankara and Moscow. Officially, Turkey supports the territorial integrity of Ukraine and Georgia and does not recognize the annexation of Crimea by Russia or the *de facto* independence of Abkhazia and South Ossetia. Moreover, Ankara supports the Euro-Atlantic aspirations of Georgia and Ukraine. However, Turkey has adopted a cautious approach to the territorial conflicts in the region.

### *Russia*

Indeed, the deepening Ukrainian crisis puts Turkey in a difficult diplomatic position with Russia. At stake are on the one hand Ankara's commitments to its Western allies and its cultural kin, the Crimean Tatars, and on the other its economic and political relationship with Moscow. Turkey's dependence on imported resources limits the margin of its maneuvering in foreign policy, especially in its relations with Russia. This dependence amounts to nearly 74 percent of imported energy resources, and an expected increase of 4 percent of Turkish annual demand until 2020.<sup>8</sup>

Moreover, Russia has long been Turkey's second-largest trading partner. The two countries have claimed that their mutual trade volume is expected to grow and triple to some 100 billion dollars in years to come.<sup>9</sup> Alongside with the energy field, major Russian investments in Turkey are in the

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<sup>7</sup> President Erdoğan has accused Gülen of attempting to overthrow the Turkish government by orchestrating a military coup in 2016.

<sup>8</sup> Tuncay, Babali. "The Turkey, Russia, Iran Nexus: Economic and Energy Dimensions." Center for Strategic International Studies, Paper prepared for an international workshop: The Turkey, Russia, Iran Nexus: Economic and Energy Dimensions, March 29, 2012.

<sup>9</sup> "Turkey: Ankara and Moscow bury the Syria Hatchet (for now)," *Eurasianet.org*. December 7, 2012.

telecommunications and tourism sectors. Activities of Turkish construction firms in Russia are another pillar of economic relations.

That is why Ankara has remained passive to defend the rights of the Muslim Turkic Tatars, which have opposed the Russian annexation of Crimea. Furthermore, although Turkey has supported Ukraine's territorial integrity and sovereignty in all official declarations, statements regarding Crimea have been made without mentioning Russia. Indeed, Turkey has always avoided making geopolitical choices between Russia and the transatlantic community when related to Eastern Europe and the South Caucasus. During the Georgian-Russian war of 2008, Turkey tried to balance between the West and the Kremlin by preventing NATO's entering of the Black Sea basin, pointing to the 1935 Montreux Convention. This limited the access of non-littoral powers into the Black Sea through the Turkish Straits.<sup>10</sup>

"Turkey is taking a cautious approach," observed Turkish foreign policy specialist Sinan Ülgen, "On the one hand, it attaches importance to territorial integrity of nation states; it has a kinship with the Crimean Tatars and it is a NATO member [...] But on the other, there is a deep economic engagement with Russia and, on top of that, there is a personal relationship between Putin and Erdoğan."<sup>11,12,13</sup> That explains why Turkey did not go as far as the U.S. in imposing sanctions against Russia.<sup>14</sup> Indeed, in contrast also to the EU, Canada, Australia, Japan, Switzerland, and Norway, Turkey did not apply any bilateral sanctions against Russia. This certainly demonstrates an avoidance to confront Russia, one of its key energy suppliers, directly.<sup>15</sup>

Turkey buys around 58 percent of its natural gas and 12 percent of its oil from Russia.<sup>16</sup> Heating and electricity production in the entire Turkish territory is largely provided for by natural gas imports from Russia. Around

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<sup>10</sup> Mikhelidze, Nona et al., op. Cit.

<sup>11</sup> "Turkey-Russia relations: a very pragmatic affair." *Today's Zaman*, December 11, 2012.

<sup>12</sup> Balcer, Adam. "Dances with the Bear: Turkey and Russia After Crimea." *Global Turkey in Europe*, Working paper N8, July 9, 2014.

<sup>13</sup> Once, President Erdoğan claimed that he and President Putin spoke on the phone almost every day. Since 2003, President Erdoğan has met or spoke with President Putin around 35 times.

<sup>14</sup> Dorian Jones, "Ukraine Crisis Puts Strain on Turkey-Russia Ties", *EurasiaNet.org*. 7 May 2014, <http://www.eurasianet.org/node/68351>.

<sup>15</sup> "Turkey's Energy needs limit diplomatic efforts for Crimea." *Today's Zaman*, March 16, 2014.

<sup>16</sup> Ibid.

42 million cubic meters of daily Russian natural gas comes from Ukraine. In the case of an interruption, the Marmara region and Istanbul would face dire gas shortages, as the amount of gas lost cannot be imported from anywhere else.<sup>17</sup> There is neither enough storage capacity for natural gas nor reserve infrastructure for electricity generation in order to overcome a potential energy crisis. That is why “the risk of an energy shortage is such a major threat for Turkey that it could easily overshadow diplomatic maneuvers.”<sup>18</sup>

### *Abkhazia*

Ankara's policy has been ambiguous not only towards the annexation of Crimea and the ongoing war in Ukraine, but also towards the Georgian-Abkhaz conflict. Turkey has a large Abkhaz minority (ca. 500,000 people), descendants of the so-called Muhajirs, who left Abkhazia in the second half of the 18<sup>th</sup> century and emigrated to Turkey. Even though Ankara does not recognize the *de facto* independence of Abkhazia, it still maintains economic relations with the region, thus violating the law on occupation adopted by the Georgian Parliament soon after the August 2008 war with Russia.<sup>19</sup> In 2009-2010, more than 60 Turkish ships were captured by the Georgian authorities near Abkhazia. Despite these incidents, the volume of trade between Turkey and Abkhazia has kept growing, and in 2013 it constituted around 600 million dollars.<sup>20</sup> Moreover, several Turkish construction companies are present in Sokhumi and contribute to the development of the local economy.<sup>21</sup>

According to Abkhaz sources, about 60 percent of imports in Abkhazia come from Turkey while around 45 percent are exported from Turkey.

<sup>17</sup> “Energy minister says will ask Russia to lower gas prices.” *Today's Zaman*, June 19, 2014.

<sup>18</sup> “Turkey's Energy needs limit diplomatic efforts for Crimea.” *Today's Zaman*, March 16, 2014.

<sup>19</sup> Abkhazia has been under the economic blockade since 1996, although Moscow began lifting the sanctions in 2000. In 2008, it recognised Abkhazia's independence and paved the way to the full-fledged economic and military cooperation with the region. The cooperation that has nothing or little of partnership, but makes Abkhazia a vassal state to the Kremlin. During the Russian-Turkish dispute over war plane incident, the *de facto* Abkhaz authorities has been forced to join Russian sanctions against Turkey, causing huge damages to its economy, as 18 percent of its trade is with Turkey.

<sup>20</sup> These numbers cannot be found in official records. Instead, it stands for the foreign trade traffic taking place between Turkey and Russian through the Sochi port.

<sup>21</sup> “A new era in Turkey-Abkhazia relations, by Hasan Kanbolat.” *AW Abkhaz World*, September 2, 2017. <http://abkhazworld.com/aw/analysis/1256-a-new-era-in-turkey-abkhazia-relations-by-hasan-kanbolat>.

Relations stretch beyond the economy, as Ankara used to send its senior diplomats to Sokhumi. In 2014, it even organized the polling process in Istanbul for Abkhaz illegal presidential elections. However, Raul Khajinba, the *de facto* president of *Abkhazia*, once complained that Turkey has been rather opportunistic towards Abkhazia and used to exploit the region for cheap commodities. “Buy-sell is what we call that relationship. We cut down our forests and sell it to the Turks. They build other things out of it and sell [it] elsewhere. But, if we were building products with our own people and the help of Turkish investment then that would be an equal relationship, but right now they are just getting things from us, just taking.”<sup>22</sup>

### *Caucasus Stability and Cooperation Pact*

Even though Turkey has shown ambiguity towards territorial conflicts, it has tried to create some initiatives to resolve ethno/political disputes in the Black Sea region. In the aftermath of the Georgian-Russian war in August 2008, then-Turkish Prime Minister, Recep Tayyip Erdoğan launched a new proposal for a Caucasus Stability and Cooperation Pact (CSCP). The main goal of the pact was a conflict resolution in the South Caucasus through developed regional cooperation. Armenia has been cautiously enthusiastic about this initiative and declared its readiness to cooperate without any preconditions. Underlining that the resolution of the Nagorno-Karabakh conflict was possible only if Azerbaijan recognized the right of the people of Nagorno-Karabakh to self-determination and if Nagorno-Karabakh had a land border with Armenia. Baku, by contrast, greeted this proposal with skepticism, acknowledging that “Turkey wants to push Azerbaijan towards compromise and also make sure Armenia plays a more pragmatic role.”<sup>23</sup> Azerbaijan continues to reject any collaboration between Ankara and Yerevan, in a fear that Turkey would use this initiative as a pretext to open its borders with Armenia. Baku in fact uses the border issue as an instrument to exert pressure on Yerevan regarding Karabakh and the liberation of the adjacent occupied territories.

The Turkish-Armenian border was closed during the war in Nagorno Karabakh, and the relationship between the two countries has been tense because of the Armenian genocide claims (and Turkish denial of these

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<sup>22</sup> Clayton, Nick. “What is Turkey doing in Abkhazia?” Heinrich Boell Stiftung. January 16, 2014. <https://ge.boell.org/en/2014/01/16/what-turkey-doing-abkhazia>.

<sup>23</sup> Mir-Ismail, Alman. “Responding to Georgia Crisis, Turkey seeks new Caucasus Security Initiative.” *Eurasia Daily Monitor* (Volume: 5 Issue: 161, 2008). <https://jamestown.org/program/responding-to-georgia-crisis-turkey-seeks-new-caucasus-security-initiative/>.

claims). In short, Azerbaijan declared that it would not participate in the CSCP and rejected the inclusion of Armenia in regional projects unless the issue of Karabakh was resolved. The Nagorno-Karabakh conflict is also responsible for the failure to ratify signed historical documents: The “Protocol on the establishment of diplomatic relations” and the “Protocol on the development of bilateral relations” in 2009—by then-Turkish Foreign Minister Ahmet Davutoğlu and his Armenian counterpart Edward Nalbandian.

Another shortcoming of the Turkish-led CSCP platform is that its member states do not share a common objective and vision about resolving their problems. First and foremost, Russia has no interest in promoting any regional cooperation aimed at the economic development of the South Caucasian countries, which would in turn facilitate their integration into Euro-Atlantic institutions. Also, the involvement of the secessionist regions in this pact is unclear. Surely, they would like to participate on equal terms in this initiative, yet the metropolitan states are bound to reject the inclusion of the *de facto* republics in any type of talks on equal terms. Cooperation on a CSCP platform seems impossible also for Tbilisi and Moscow. Georgia considers Russia part of its conflicts and asserts that the Kremlin will maintain the *status quo*. Tbilisi affirms further that it will not collaborate with Moscow until Russian forces remain on Georgian territory.

It is hard to believe that Ankara has not taken these circumstances into consideration. It is more likely that Ankara is simply trying to maintain the *status quo* in order to avoid major complications in the region. The CSCP initiative is also a means to remain neutral in the conflict configurations, treading carefully with Moscow while not offending the external and regional partners in the Black Sea region. Indeed, Russia, along with Armenia, has been rather favorable to the Turkish proposal. Moscow does not expect Ankara's direct support in its “near abroad” policies and favors Ankara's neutrality in the region. Furthermore, this pact keeps Western actors at arm's length in the South Caucasus, as both the EU and the U.S. are excluded from this initiative.

### **Energy Security and Turkey's Limits of its Political Maneuvering with Russia**

The Black Sea region carries geopolitical importance for Turkey, therefore the inter-regional and international projects, such as the Baku-Tbilisi-Ceyhan (BTC), Baku-Tbilisi-Erzurum (BTE), Baku-Tbilisi-Kars

(BTK) railways and especially the Southern Gas Corridor (SGC) initiative have been strongly supported. The Southern Gas Corridor will provide the resources to Europe from the Caspian basin and the Middle East, and it will become a fourth major gas supply route to the EU, after those from Russia, Algeria, and Norway. Furthermore, the SCG is a way of bypassing Russia.

Turkish foreign policy in the Black Sea region is determined by its desire to be a hub for gas supply between Europe, the Caspian basin, Russia, and Middle East. Energy security has long been a vital priority for Ankara's foreign policy. Its relationship with regional producers has been determined by Turkey's goal to be a transit country between the Caspian Sea and Europe, serving as an alternative to Russian energy dominance in the region. Presently, Russia exports not only its own natural gas resources to Europe but re-exports those of Kazakhstan and Turkmenistan at very high price. This is one of the main motives behind the Turkish willingness to contribute, along with Caspian and Western players, to the creation of an alternative corridor.

In this context, Caspian producers, and in particular Azerbaijan, are of particular importance to Turkey. Azerbaijan is a supplier of Caspian resources for Turkey's internal market, and at the same time an enabler for transit projects.<sup>24</sup> In 2011, Azerbaijan's SOCAR began the construction of a large oil refinery in Izmir (which will decrease Turkey's dependence on imported petroleum) and purchased a 51 percent share of PETKIM, a giant petrochemical complex in Turkey. In coming years, Baku also plans to make a 21 billion dollar-investment in Turkey.<sup>25</sup>

The main pillars in Turkish-Azerbaijani energy relations are the BTC, BTE, and now Trans-Anatolia Natural Gas Pipeline (TANAP). Through BTE, Turkey receives 6.6. bcm of Azerbaijani natural gas deriving from the Shah Deniz I field. In 2011, the then-Prime Minister and now President Erdoğan, and Azerbaijani President Alyev signed two agreements defining the terms for Turkey in purchasing Shah Deniz II gas and for Azerbaijan to transport its gas over Turkish territory. The agreements strengthened Turkey's position as a regional hub. The Turkish Petroleum Corporation (TPAO) increased its share in the Shah Deniz II gas field. TPAO bought

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<sup>24</sup> Kardas, Saban. "The Turkey-Azerbaijan Energy Partnership in the Context of the Southern Corridor." IAI Working Paper 14104 March 2014.

<sup>25</sup> Aras, Bulent. "Turkish-Azerbaijani Energy Relations." *Global Turkey in Europe*, IAI Policy Brief 15, April 2014.

a 10 percent share from the French company TOTAL for 1.45 billion dollars. By doing so, Turkey became the second-largest majority shareholder of Shah Deniz, after BP. Thus, Turkey will now produce natural gas for the next 50 years from the 468-square-kilometer Shah Deniz field to meet its own needs and to sell gas to Europe. This is the largest international investment by a Turkish company to date.<sup>26</sup>

With TANAP, Azerbaijan will become the top provider of foreign direct investment (FDI) in Turkey, amounting to 21 billion dollars.<sup>27</sup> TANAP is an 1,841-kilometer-long pipeline and will carry 16 bcm of Azerbaijani gas to Europe crossing Georgia and Turkey, building a bridge between Caspian producers and Western consumers with Turkey as an energy exchange center.<sup>28</sup> Ankara will purchase 6 bcm and the rest will be directed to Europe through the Trans-Adriatic Pipeline (TAP). The construction started at the beginning of 2015 and is scheduled to be completed in 2017. Azerbaijan owns 70 percent of shares and Turkey owns the remaining 30 percent. Feasibility reports have been completed on 21 Turkish provinces where the pipeline will traverse. Reports on environmental and social effects have also been finalized. Turkey will meet its own needs from terminals planned to be constructed in Eskisehir and western Thrace.<sup>29</sup> TANAP keeps a possibility of expanding capacity by up to 24 bcm of additional gas volumes from Turkmenistan, Iran, and Northern Iraq.<sup>30</sup> By the 2020s, Baku plans to provide additional quantities of gas to Europe from Caspian offshore fields (Absheron, Umid, and ACG Deep).

The economic rationale for Turkey for these investment projects and energy initiatives is clear. As for the political dimension of Turkish involvement in the Southern Gas Corridor, some experts argue that by opting for TANAP (and TAP) and thereby discarding the Nabucco pipeline, Ankara attempts to balance its foreign policy between Russia and the

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<sup>26</sup> Cetingulec, Mehmet. "Looking to Europe, Turkey increases investment in Azeri gas," *Al Monitor*, <http://www.al-monitor.com/pulse/originals/2014/08/turkey-europe-azerbaijan-russia-tanap-natural-gas.html#>

<sup>27</sup> Kardas, Saban. "The Turkey-Azerbaijan Energy Partnership in the Context of the Southern Corridor." IAI Working Paper 14104 March 2014.

<sup>28</sup> "Regional Hub Turkey Becoming Energy Exchange Center." *Today's Zaman*, November 14, 2013.

<sup>29</sup> Cetingulec, Mehmet. "Looking to Europe, Turkey increases investment in Azeri gas," *Al Monitor*, <http://www.al-monitor.com/pulse/originals/2014/08/turkey-europe-azerbaijan-russia-tanap-natural-gas.html#>

<sup>30</sup> Schleifer, Yigal. "Turkey: In pipeline deal with Russia, did Ankara get a bargain it can't afford?" *EurasiaNet.org*, January 11, 2012.

West. Nabucco planned to deliver gas to the Eastern European countries that were supposed to receive gas from the Russian South Stream pipeline launched by Gazprom in response to Nabucco. From the beginning, Russia made several attempts to block Nabucco. Moscow even decided to pay more for gas purchasing in Central Asia in order to prevent the flow of the resources to the alternative routes. At a certain point, Turkey withdrew its support for Nabucco and began lobbying for TANAP and TAP<sup>31</sup> The latter pipeline will provide natural gas to Southern Europe rather than to states that are dependent on Russian resources. By promoting these two alternative projects, Ankara attempts to manage its competition with Russia.

Since the late 1990s, Turkey has tried to keep the dialogue open with both the Western and the Russian camps. In doing so, it contributed to the establishment of the Baku-Tbilisi-Ceyhan oil pipeline and South Caucasus Natural gas pipeline (Baku-Erzurum-Ceyhan). On the other hand, Turkey also agreed to construct Blue Stream gas pipeline with Russia in addition to the existing Western Russia-Turkey Natural Gas Pipeline and granted Moscow with the permission of creation of the South Stream. The agreement on the construction of the Blue Stream pipeline was signed in 1997 for a 25 year-period, guarantying 16 bcm of natural gas per year for Turkey.<sup>32</sup> Due to the highly profitable trade relations between Turkey and Russia, the Turkish private sector lobbied in favor of the project. With this, Turkey became the second-largest importer of Russian gas after Germany. "All these contracts, visits, agreements, and projects indicate that Turkey has a different rank now [...] At the center of the world's major energy projects, Turkey is drawing attention and praise from the world."<sup>33</sup> This is how Ankara interpreted the mutually excluding (from a geopolitical perspective) projects.

From the beginning, the Blue Stream project has been considered a rival to the pipelines coming from the Caspian basin, and particularly to the Trans-Caspian natural gas pipeline envisaged to bring energy resources from Turkmenistan to the Western market. Therefore, the Blue Stream was highly criticized by the U.S. and some regional actors in Central Asia

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<sup>31</sup> Erdogdu, Erkan. "Turkey's Energy Strategy and its Role in the EU's Southern Gas Corridor." Istituto Affari Internazionali, February 14, 2014.

<sup>32</sup> "Natural Gas Crisis Looms as Relations with Russia Worsen," *Today's Zaman*, September 3, 2008.

<sup>33</sup> "Opposition, Government Clash over Energy Deal with Russia," *Today's Zaman*, August 12, 2009.

and the Caucasus. The then-President of Turkmenistan, Sapar Murat Turkmenbashi, stated openly, "Turkey pays 114 U.S. dollars per a cubic meter of natural gas from Russia. Turkmen gas will cost just 79 U.S. dollars and Turkmenistan's 23 trillion cubic meter reserves are enough to meet Turkey's need for next 500 years. Turkey does not need the Blue Stream project. Turkey and Turkmenistan are one nation and two states. We have to speed up the Turkmen pipeline project. Russia does not want Turkmen gas to reach the world market and the Blue Stream project will only benefit Russia."<sup>34</sup> Critics of the project argued that it would only increase Russia's influence on Turkey and consequently cause a deterioration of Ankara's relations with Washington D.C.

However, the major challenge to access Turkmenistan's and Kazakhstan's resources is a legal and political dispute around the delineation of the Caspian Sea. Ankara has remained skeptical on the potential realization of the Trans-Caspian pipeline. As a result, it opted for the Blue Stream, a geopolitically problematic pipeline.<sup>35</sup>

In 2009, Turkey and Russia signed 20 protocols in a number of areas, followed by another agreement signed in 2010 on the construction of the Akkuyu Nuclear Power Plant. The Russian state-owned Rosatom began building Turkey's first nuclear power plant in the port of Mersin, to further increase Turkey's energy links with Russia. As President Erdoğan put it, the event marked the beginning of a "new era" in bilateral relations. Also in 2010, the High Level of Strategic Cooperation between Turkey and Russia (i.e., a common government meeting) was established, paving the way for intense bilateral meetings. In 2010, Turkey and Russia agreed to establish visa-free travel for trips up to thirty days.

Finally, in 2012, Ankara granted Russia permission to construct the South Stream pipeline through Turkey's Black Sea territorial waters. South Stream was supposed to bring some 63 bcm of Russian natural gas to Europe. In exchange, Ankara secured significant price concessions from Gazprom, as Moscow agreed to renegotiate long-term oil-indexed gas contracts. The decision to negotiate transit access for cheaper price was criticized by the EU. Turkey's decision was perceived as a fundamental

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<sup>34</sup> "Turkey's Foreign Policy towards the Russian Federation," *The Journal of Turkish Weekly*, October 25, 2004.

<sup>35</sup> Kardas, Saban. "Turkey-Russia Energy Relations: the limits of forging cooperation through economic interdependence." *International journal*, Vol. 67, No. 1, Winter 2011-2012.

risk for the feasibility of the Southern Gas Corridor initiative.<sup>36</sup> Because of controversy due to non-compliance with the European Union competition and energy legislation (such as the Third Energy Package which stipulates the separation of companies' generation and sale operations from their transmission networks), the South Stream pipeline project has been abandoned and substituted by Turkish Stream (TurkStream). This latter project is expected to bring Russian gas to Turkish coast by way of the Black Sea.

The realization of the project was uncertain, and relations between Turkey and Russia worsened after Russia's Su-24 jet took part in an anti-terrorism operation in Syria and was downed by the Turkish Air Force in November 2015. Russia quickly introduced sanctions against Turkey, banning the import of Turkish fruit and vegetables, the sale of charter holidays for Russian to Turkey, and construction projects with Turkish firms in Russia. The visa-free travel regime between Turkey and Russia had also been suspended. However, in late June 2016, Turkish President Erdoğan apologized for the incident and bilateral relations improved. In July 2016, following a reconciliation meeting in Moscow, President Putin and President Erdoğan signed a long-delayed deal to build the TurkStream pipeline. TurkStream would enable Russia bypass Ukraine as a main transit country for Russian gas towards the European markets, thus creating enormous problems for Ukraine's state revenues and more general to the country's economy.

## Conclusions and Recommendations

For many years, it was assumed that "Turkey was automatically going to follow the policy line that the U.S., Europe and NATO wanted; [this] is not the case anymore."<sup>37</sup> The country is highly dependent on imported energy resources and this dependence clearly limits Ankara's political maneuvering. Turkish foreign policy in the Black Sea region is based on two pragmatic considerations: (1) using energy issues as a leverage to foster regional economic cooperation; and (2) developing relations with Russia, Ukraine, Georgia, and Azerbaijan.

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<sup>36</sup> Koranyi, David and Sartori, Nicolò. "EU-Turkish Energy Relations in the Context of EU Accession Negotiations: Focus on Natural Gas," *Global Turkey in Europe*, IAI Working Paper 05, December 2013.

<sup>37</sup> "Energy on agenda as Turkish leader visits Russia," *Reuters*, January 11, 2010.

Turkish-Russian relations have always consisted of a complex set of geopolitical games, and energy issues have significantly decreased the possibility of a divergence between the two countries. Moreover, energy has transformed a historical rivalry into an enhanced bilateral partnership. When it comes to Russia, Turkey has always put its economic interests before its political strategy. The private sector has played a very important role in this approach. Turkey has the advantage of directly purchasing energy resources from all the main producers in the region. Thus, on the one hand, Turkey has tried to reduce its dependence on Russian gas by building TANAP, but on the other hand it has granted Moscow the possibility to increase its energy supply to the West through TurkStream. Consequently, Ankara has remained passive in protesting Kremlin's aggressive policies in the Black Sea region and has decided to pursue its own political goals pragmatically. Turkey has generally supported Western positions in the region, but at the same time, it does not want to alienate itself from Moscow. Turkey will most likely continue to balance between the East and the West, avoiding to take sides and calling for a peaceful solution of the crisis in Eastern Europe and the South Caucasus.

In this context of unresolved territorial conflicts, partnership-like relations between Turkey and the countries in the Black Sea region will most likely remain subordinate to the Ankara-Moscow relationship. Even if bilateral relations are developing between Turkey and Ukraine and Turkey and Georgia, these relations are not based on common values but rather on opportunism and economic reciprocity. It seems that these countries are moving in opposite directions when it comes to their foreign policy orientation. Turkey has tended to distance itself from the West, while the others have continued to steadily develop their relationships with Euro-Atlantic institutions.

As for Turkey's relations with Azerbaijan and Armenia, here the Nagorno-Karabakh conflict prevents cooperations with Armenia. The so-called rapprochement (with the signed document between Yerevan and Ankara) resulted in a complete failure. The same goes for the Caucasus Stability and Cooperation Pact (CSCP). Baku and Yerevan are unlikely to collaborate on such platforms in the short- and medium term. It is also doubtful that Ankara will succeed in improving its relations with Yerevan to such an extent that it is able to influence Armenia to make compromises that are acceptable for Azerbaijan. It is more likely that these initiatives will represent further steps in maintaining the *status quo* in a manner that is acceptable for Russia.

Bearing in mind that the full harmonization of Turkish policies in the Black Sea region with those of Russia are unlikely, it is highly unexpected that Ankara will develop a strategic vision for this region in the near future. It is even more unlikely that Turkey will harmonize its policies with its transatlantic partners. As was mentioned before, Ankara will not challenge Russia's positions in the region. Consequently, the region will witness a weakened presence and influence of transatlantic institutions. Realistically speaking, there is no basis to hope for a sudden development of multilateralism and regionalism in the Black Sea basin.

However, there is still room left for cooperation between the West and Turkey in this troubled region. Namely, the transatlantic community should opt to develop a strategy of thematic cooperation with select countries in the region. For example, the West could engage with Turkey on a conflict resolution process in the Black Sea region, as it is in both actors' interests to stabilize the region. To this end, the West should explore ways to use Ankara as a mediator in the Abkhaz-Georgian conflict. Turkey is a vital partner for Georgia and for Abkhazia with certain leverage to influence local policies. The West can engage with Turkey in Crimea-related issues as well. In order to maintain some contacts with the peninsula and contribute to the defense of human rights of Crimean Tatars, the EU could use Turkey's historical connections with the region. Moreover, the West should support further development of the Southern Gas Corridor and (in the framework of this project) help with the implementation of the TANAP pipeline. As for NATO's activities in the Black Sea region, it is unlikely that Ankara will revise the 1935 Montreux Convention. Therefore, NATO activities in the Black Sea will likely remain limited.

## *Chapter Ten*

# **Turkey and its Transatlantic Partners in the Wider Mediterranean: The European Perspective**

*Eduard Soler i Lecha and Melike Janine Sökmen*

Geopolitically, economically, and culturally, the wider Mediterranean is an indispensable region for Turkey and the European Union. Although at different instances, extents, and pace, both actors have had a significant impact on the region. While the Arab Spring revealed the strengths, but also the limits of these actors' influence on the region, this period also led to a moment of convergence. Praised and promoted by Europe, the Turkish model initially stood out as an example for Middle Eastern and North African countries facing political transformation.

This convergence was challenged in the aftermath of the Arab Spring, eventually leading to a failure for both sides. In the longer term, neither of the two actors' policies were able to keep up with the changing realities of the region. The shifting strategies increasingly disengaged the European Union and Turkey from one another, along with their outlook on the region.

How does Europe position itself regarding the crises in the wider Mediterranean neighborhood, and what role does Turkey play in this equation? This chapter presents how the European Union and Turkey have responded to various crises in the wider Mediterranean region, and sets forth when and where the strategies and policies have converged, collided, or followed separate tracks. The chapter concludes by analyzing the policies of both sides and looks for a way out of the current deadlock in relations.

### **Living with Complicated Neighbors**

The Mediterranean region has always been a priority for the EU's foreign policy and especially for some its influential member states. The EU tried to intensify bilateral relations with all countries in the region, particularly through trade agreements and reform programs under the Euro-

pean Neighborhood Policy (ENP), but also by investing in region-building endeavors such as the Euro-Mediterranean Partnership and the Union for the Mediterranean (UfM). Taken together, Europe expected these mechanisms to contribute to making the region more peaceful, stable, and prosperous. The EU, as once stated by Romano Prodi, (former President of the European Commission), aimed at building a ring of friendly, stable, and well-governed countries.<sup>1</sup>

Some parallels can be found between this EU approach and former Turkish Prime Minister Ahmet Davutoğlu's doctrine of "zero-problems with neighbors." In the end, both approaches fell short in reaching their intended goals. The EU is now surrounded by a ring of fire composed of increasingly defiant, unstable, and economically vulnerable countries. Turkey, in the meantime, entertains problematic relations with almost all of its neighbors.

Both Turkey and the EU initially thought that the Arab Spring could serve as an opportunity, and both tried to adapt their policies and instruments to the situation at hand. The EU reviewed the ENP<sup>2</sup> accordingly. However, the EU's response, articulated through further incentives for reform and new technical instruments, was mainly a bureaucratic exercise, and differed significantly from Turkey's response. By presenting itself as a source of inspiration for nascent democracies in the region, and trying to expand its area of influence, Turkey's approach to the Arab Spring was a genuine political approach.

Several years before the onset of the Arab Spring, Turkey's image had been shifting from a Westernized, secular militant actor to a country embracing and promoting its Muslim identity and Ottoman heritage. Turkey was presented as a case demonstrating that democracy and Islam were compatible, with the AK Party (Justice and Development Party) serving as an example for other actors linked to political Islam. Turkey's pro-democracy stance soon clashed with its economic and security interests

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<sup>1</sup> Prodi, Romano. "A Wider Europe—A Proximity Policy as the key to stability." Peace, Security and Stability International Dialogue and the Role of the EU, *Sixth ECSA-World Conference* (December 5-6 2002). [http://europa.eu/rapid/press-release\\_SPEECH-02-619\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-02-619_en.htm)

<sup>2</sup> See: European Commission and High Representative of the Union for Foreign and Security Policy reports, "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean." COM (2011) 200 final (2011a); "A New Response to a Changing Neighbourhood. A review of European Neighbourhood Policy." COM (2011) 303 final (2011b); "Review of the European Neighbourhood Policy." JOIN (2015) 50 final (2015).

in the Arab Spring context, but its initial foreign policy responses were still complementary and even mutually reinforcing with those of the EU.<sup>3</sup> The EU's financial and institutional resources and Turkey's cultural proximity and popularity among the Arab people seemed to pave the way for complementary policies in the region.<sup>4</sup>

However, two elements limited the possibility of cooperation on this particular front: Strained EU-Turkey relations, and the perception in Europe that Turkey was becoming increasingly authoritarian and repressive. As argued by Fuat Keyman, rather than looking at Turkey as a model, the EU's instrumentalist and functionalist vision framed Turkey only as a buffer state.<sup>5</sup> In this notion, the EU was still willing to work with Turkey on practical issues such as the handling of the refugee crisis.

## The Arab Spring and Beyond

The Arab Spring proved to be a tough test for both the EU's and Turkey's foreign policy. From the EU's perspective, the Arab Spring did not only come as a surprise, but also caught the member states unprepared, in the midst of a financial crisis. On the other hand, the precarious balance of Turkey's "zero problems with neighbors" gradually collapsed through the course of the Arab Spring, as it was largely established on the basis of good relations with leaders of the autocratic regimes that were now the targets of protests.

### Tunisia

Tunisia is perhaps the only success story of the Arab Spring. Following the ousting of long-time president Ben Ali, the country swiftly entered a track of democratization under the Islamist Ennahda party, forming a coalition with secular parties. The new elections that took place in 2014

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<sup>3</sup> See: Soler i Lecha, Eduard. "The EU, Turkey, and the Arab Spring: From Parallel Approaches to a Joint Strategy?" in *GMF Mediterranean Paper Series* (2011). [https://www.files.ethz.ch/isn/134202/TocciEtAl\\_TurkishModel\\_Nov11\\_final.pdf](https://www.files.ethz.ch/isn/134202/TocciEtAl_TurkishModel_Nov11_final.pdf)

<sup>4</sup> Eralp, Nilgun Arisan. "The Possibility of a 'Transformational Partnership' Between Turkey and the EU: Will 'Opportunity' Become a Reality?" in *Europe in Dialogue* 3 (2012) p. 19. [http://www.tepav.org.tr/upload/files/13370626854.The\\_Possibility\\_of\\_Transformational\\_Partnership\\_Between\\_Turkey\\_and\\_the\\_EU\\_Will\\_Opportunity\\_Become\\_Reality.pdf](http://www.tepav.org.tr/upload/files/13370626854.The_Possibility_of_Transformational_Partnership_Between_Turkey_and_the_EU_Will_Opportunity_Become_Reality.pdf)

<sup>5</sup> Keyman, Fuat. "Turkish foreign policy in the post-Arab Spring era: from proactive to buffer state." *Third World Quarterly* 37, no. 12 (July 15, 2016). <http://www.tandfonline.com/doi/full/10.1080/01436597.2016.1199260>

were won by Nidaa Tounes, a secular party tasked with forming a new government. Tunisia's transition to democracy became the lone exception of what many had hoped would happen in the Arab countries following the 2011 protests. However, six years after the revolution, Tunisia's economy is struggling with currency devaluation, trade deficits, and high unemployment rates.<sup>6</sup> This is problematic because socio-economic needs were one of the main drivers behind the revolution. Additionally, Tunisia had to cope with terrorism and other security threats spilling over from neighboring Libya.

Due to its geographical proximity and symbolic importance, Tunisia became a priority for Europe's neighborhood policy. In addition to a close cooperation between the EU and the democratically-elected government to support political and economic reforms, security became an increasingly prominent topic in EU-Tunisia relations, particularly in the approach of individual states such as France, the United Kingdom, and Italy. Among other reasons, European countries' concerns mainly stem from Tunisia's proximity to Libya and the problems that haunt it: Terrorist attacks in tourist hotspots, a large number of Tunisians joining the ranks of ISIS, and human trafficking.

Turkey's interest in Tunisia was based on different grounds. The AK Party government was particularly attracted by the emergence of Ennahda as a central political force in Tunisia. With the fall of Ben Ali, relations improved significantly and Turkey's presence in Tunisia became more prominent. From Ankara, the ideological proximity between Ennahda and the AK Party was perceived as means to enlarge Turkey's sphere of influence. For Tunisia, relations with Turkey became a highly-politicized issue and secularist circles presented it as a move towards further Islamization. For Brussels and other European capitals, Turkey's activism in Tunisia was not perceived as a direct threat, but contributed to the idea that the strategies of the EU and Turkey in the post-Arab Spring context (with regards to Tunisia) were following different paths.

### *Egypt*

The EU's response to political developments in Egypt epitomizes its overall response to the Arab Spring. As with Tunisia, the EU tried to scale

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<sup>6</sup> Ghilès, Francis. "Tunisia's Future Lasts a Long Time." *CIDOB Notes Internacionals* 171 (April 2017). [http://www.cidob.org/es/publicaciones/serie\\_de\\_publicacion/notes\\_internacionals/n1\\_171/tunisia\\_s\\_future\\_last\\_a\\_long\\_time](http://www.cidob.org/es/publicaciones/serie_de_publicacion/notes_internacionals/n1_171/tunisia_s_future_last_a_long_time)

up its support mechanism through a reviewed ENP and welcomed the participation of the Muslim Brotherhood in an inclusive and sustainable transition to democracy that started with the ousting of Hosni Mubarak.

In contrast, Turkey's reaction revealed its high expectations and subsequent frustrations. It is worth noting that, already in 2011, Ahmet Davutoğlu, (then-Foreign Affairs Minister) referred to the creation of an "axis of democracy of the two biggest nations in our region, from the north to the south, from the Black Sea down to the Nile Valley in Sudan."<sup>7</sup>

The differences in their approach were visible in the way Turkey and Europe reacted to the growing polarization in Egypt in 2013. When the democratically-elected Islamist President Morsi was removed by a military *coup d'état* in the summer of 2013, the EU was not able to shift its cautious attitude to a more proactive one. Instead, it expressed disapproval of Morsi's policies, but refrained from describing the events as a coup.<sup>8</sup> After the initial decision to freeze weapons exports and repeated statements calling for Egyptian authorities to bring the transition back on track, the EU, but even more so the member states, showed their willingness to work with the new Egyptian authorities. Turkey, on the other hand, was extremely critical not only of the Egyptian military, but also of the EU for not taking a solid stance against the coup, the removal of Morsi, and the clampdown on the protesters. Since 2013, bilateral relations between Cairo and Ankara are at an all-time low. Egypt's attempt to block a statement by the United Nations Security Council (UNSC) that called for respect to the democratically elected government of Turkey right after the coup attempt in July 2016 best exemplifies the state of relations between the two countries.

The widening gap in perceptions and policies of Turkey and its European partners towards Egypt is symptomatic of their increasingly divergent positions towards the post-Arab Spring Middle East. Conflicting views on this highly-politicized issue are likely to prevent a more structured cooperation between Ankara and the European capitals.

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<sup>7</sup> "Turkey Predicts Alliance with Egypt as Regional Anchors." *The New York Times*, September 18, 2011. <http://www.nytimes.com/2011/09/19/world/middleeast/turkey-predicts-partnership-with-egypt-as-regional-anchors.html>

<sup>8</sup> Karacasulu, Nilufer and Karakir, Irem Askar. "EU-Turkey Relations in the Context of the Middle East after the Arab Spring." *Insight Turkey* Vol. 16 No. 4 (2014) p. 212. [http://file.insightturkey.com/Files/Pdf/07\\_karacasulukarakir\\_5.pdf](http://file.insightturkey.com/Files/Pdf/07_karacasulukarakir_5.pdf)

## Regional Conflicts

### *Syria*

The war in Syria represents a collective failure, including for the EU and Turkey, not only because of the incapacity to stop the destruction of the country, but also because of its destabilizing spillover to the wider region. Turkey, with its 900-kilometer-long border with Syria, is directly affected by this instability, happening simultaneously with a new wave of violence between the PKK and Turkish security forces on Turkish soil. The effects of the Syrian conflict were felt in Europe through the refugee crisis, increasing radicalization, and terrorist attacks in several European cities.

At first, the position of the EU and Turkey was not very different from each other: Both entities tried to convince Assad to accommodate the demands of the demonstrators, then realized that this was an impossible mission, and demanded for Assad to step down. However, they differed in approach. The EU opted for sanctions, while Turkey preferred military intervention in addition to sanctions. In response to the escalation of violence by the Syrian regime, the EU introduced restrictive measures, most of them in the form of economic sanctions.<sup>9</sup> Turkey also applied sanctions but went a step further by actively supporting the opposition and asking the international community to intervene militarily. Some European countries, (France in particular), were also willing to engage in such an operation, but they were a minority in the EU. The onset of a civil war and the international community incapacity to put pressure on Assad pushed Ankara to adopt a more interventionist and unilateral approach, deploying military troops in the north of the country, through the “Euphrates Shield” operation. In this process, the main objective shifted from removing Assad to pushing ISIS away from Turkey’s borders and preventing a PKK-controlled corridor on Turkey’s southern border.

Turkey’s growing stakes in this conflict were reflected by a greater prominence in the diplomatic attempts to reach a solution. This became evident in late 2016, with Turkey’s mediation with the rebels to end the siege of Aleppo and its active involvement in the Astana talks. More recently, in May 2017, together with Iran and Russia, Turkey signed a deal

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<sup>9</sup> See: “European Union Restrictive measures (sanctions) in force.” [http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures\\_en.pdf](http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures_en.pdf)

calling for the setup of de-escalation zones in Syria, an important step towards ceasefire.

The EU, its member states, and the US choose to count on the outcome of the Astana talks rather than to take the role as mediators in Syria, and thus have very limited leverage in this setting. One could argue that having a NATO member as part of the process could reassure them that, (albeit in an indirect way), they are represented in the settlement. But they felt sidelined because Turkey's involvement was a by-product of rapprochement with Russia, and Moscow presented the Astana talks as a manifestation of the decline of the Western influence in the Middle East.

### *Libya*

In contrast with Syria, European countries took the driving seat in the military operation that put an end to Gaddafi's rule in Libya. Turkey, this time, was more reluctant. Both the EU and Turkey welcomed the transition process that started right after the intervention, but neither were able to impede the Libya's collapse in 2014. In fact, all international players contributed to the fragmentation of Libya's political system as they all tried to build strategic alliances with different local actors to promote their interests in particular parts of the country.

One of the characteristics of post-Gaddafi's Libya has been the mounting fragmentation in domestic politics due to the intervention of regional powers in Libyan affairs. Libya turned into a field of confrontation between forces sympathetic and antipathetic toward the Muslim Brotherhood. Countries that considered the Brotherhood a threat to their regime's security (Egypt after the fall of Morsi, and the United Arab Emirates right from the outset) became the main backers of the alleged anti-Islamist Tobruk government and its strongman, Khalifa Haftar. On the other hand, Turkey and Qatar entertained contacts with the Tripoli government, characterized by its close ties to the Brotherhood. Thus, it can be argued that Libya became an extension of the ideologically motivated Ankara-Cairo rivalry.

Europe's position on Libya followed a different reasoning. The issue of irregular migration from the Libyan coast to Europe and the fight against local ISIS fragments dominated the agenda. For the EU, the creation of a legitimate and effective governmental body that could control the entire Libyan territory was a priority. As such, Europeans became one of the main backers of the UN-sponsored Government of National Accord

(GNA) and welcomed the rapprochement between this government and the Misrata militias, with whom several countries—Italy in particular—established direct contact. Today, Libya is not a major contentious issue between Turkey and the EU but it is not an area of cooperation either. They follow different strategies but do not see each other as rivals or obstacles.

## The Domestic Effects of Regional Conflicts

### *The Kurdish Question*

The war in Syria opened up space for Kurdish groups to act as key players, intensifying Turkey's threat perception and further endangering relations with its transatlantic partners vis-à-vis the Kurdish question. The siege of Kobane by ISIS forces in 2014 has been a turning point in the West's perception of the Kurds. The PYD, a group that is often presented by Ankara as PKK's franchise in Syria, capitalized on the resistance of this city and through its affiliated militias (i.e., the YPG) proved to be an effective force in repelling ISIS territorial extension. Once considered relatively weak, fragmented, and secluded actors by Western eyes, Syrian Kurds became increasingly important regional players. They even openly received support from the West and after the siege of Kobane, were seen as the secular pioneers of the war against ISIS, in a way, stealing Turkey's spotlight. Gradually, Kurdish fighters became a substitute for Western boots on the ground. The siege of Kobane also brought attention to the Kurdish diaspora in Europe, enabling the diaspora members to shape the debates on the Kurdish question in their host states, even influencing policymakers in Europe.<sup>10</sup> They used this traumatic episode and the YPG confrontation with both ISIS and Turkey to depict Turkey as a hostile country not only against the Kurds, but also against Europe's security interests in the region.

Turkey does not hold back from pushing the U.S. and the EU to make a choice between Turkey and the YPG/PYD, but the U.S. and the EU are making great efforts to avoid the all-or-none principle of Turkey, which

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<sup>10</sup> The extensive media coverage of the demonstrations against the war, especially in countries hosting a Kurdish diaspora played a significant role in bringing attention to Kobane and the Kurds' role in the war. See: Baser, Bahar. "The Kurdish Diaspora Response to Kobane: Uniting Kurds Under One Roof?" *Oxford Diasporas Program*, 2014. [https://www.academia.edu/9537488/The\\_Kurdish\\_Diaspora\\_Response\\_to\\_Kobane\\_Uniting\\_Kurds\\_Under\\_One\\_Roof](https://www.academia.edu/9537488/The_Kurdish_Diaspora_Response_to_Kobane_Uniting_Kurds_Under_One_Roof)

puts the Kurdish question in deadlock for all parties. The different priorities, fighting ISIS and preventing a YPG/PYD advance for Turkey, restrain the efforts for cooperation leaving the two sides on the edge of conflict.

Similarly, Turkey has hardened its position regarding the possible independence of areas under control of the Kurdistan Regional Government (KRG) in Iraq, particularly since Massoud Barzani decided to move forward with the results of the September 25 referendum. At the time of writing, the impact of the event has endangered traditionally good relations between Erbil and Ankara and this has served as an opportunity for Turkey to mend ties with Baghdad and Tehran. On this particular issue, the EU has decided to keep a low profile, even though it is concerned with the possible emergence of a new conflict in an already volatile Middle East.

In fact, the Europeans are more concerned about the management of the Kurdish issue within Turkey, as this directly affects Europe through the Kurdish diasporas in various European countries. The end of the peace talks between Turkey and the PKK in the summer of 2015, combined with the arrest of politicians, journalists, academics, and civil servants on terrorism claims (starting in 2016) contributed to the increasing tension between Turkey and its transatlantic partners. Since then, Ankara has often accused European and U.S. policies of “feeding terrorists,” and some Turkish pro-governmental columnists went even as far as blaming the West for deliberately trying to weaken and divide Turkey.<sup>11</sup> This hostile attitude towards the West has spread not merely to pro-government actors, but also to nationalist and even opposition circles, reigniting an updated Sèvres syndrome.<sup>12</sup> The Kurdish question has been a source of constant friction in the relations between Turkey and its European partners, likely to grow into an even bigger obstacle in years to come.

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<sup>11</sup> “Erdoğan accuses Germany of abetting terrorists.” *Hürriyet Daily News*, April 12, 2017. <http://www.hurriyetdailynews.com/erdogan-accuses-germany-of-abetting-terrorists.aspx?pageID=238&nID=111921&NewsCatID=510>; Dedeoglu, Beril. “Sponsor states behind terrorism in Turkey,” *Daily Sabah* (21 March 2017), <http://www.dailysabah.com/columns/beril-dedeoglu/2017/03/21/sponsor-states-behind-terrorism-in-turkey>

<sup>12</sup> A common sentiment of being encircled by enemies and threats is often referred to as the “Sèvres syndrome,” after the treaty that partitioned the Ottoman territories among the European powers, followed by the war of independence. See: Arango, Tim. “Turkey’s Suspicious Mind-Set Has Been a Century in the Making.” *New York Times*, September 12, 2016. [https://www.nytimes.com/2016/09/13/world/what-in-the-world/turkey-conspiracies-sevres-syndrome.html?\\_r=0](https://www.nytimes.com/2016/09/13/world/what-in-the-world/turkey-conspiracies-sevres-syndrome.html?_r=0)

### *The Fight Against ISIS*

The scale of the ISIS attacks in European capitals, and the problem of European nationals joining the jihadist group had a negative impact on Europe's national security perception. The EU response, (specifically of certain member states), has been to support the U.S.-led anti-ISIS coalition through military assistance, weapon supplies, and training of the Peshmerga and Iraqi security forces.<sup>13</sup> France, once again, went a step further by bombing ISIS targets in Northern Syria. Turkey, on the other hand, joined the coalition in September 2014 with a rather low profile. This changed after the ISIS attack in July 2015 in Suruç, followed by Turkey's declaration of war against the organization and the opening of NATO's Incirlik base to the U.S.-led coalition.

In the fight against ISIS, Europeans attribute different roles to Turkey. They've termed it a transit zone for ISIS to and from Europe but also a buffer zone that prevents ISIS' progression to Europe. In one way or another Turkey is seen as an indispensable partner to protect Europe from further terrorist attacks. Yet many in Europe blame Turkey for not doing enough, particularly in the period 2013-2015. Turkey's targeting of YPG forces was perceived as undermining the overall anti-ISIS campaign. Additionally, Turkey's assistance to Islamist factions in Northern Syria, particularly in the Idlib province, was seen as contradictory with the overall aim of an anti-jihadist strategy. Such different understanding of the threats stemming from Syria has prevented more ambitious anti-terrorist cooperation.

### *The Refugee Crisis*

The refugee crisis, one the most destructive effects of the war in Syria, will have a long-term impact on EU-Turkey relations. The underprepared and panic-driven reaction of the EU countries to the refugee crisis badly affected the EU's image, and drastically impacted internal solidarity. By 2017, one year after the signing of a refugee deal between Turkey and the EU, Turkey hosted about three million Syrian refugees, with less than 4,000 transferred to EU countries.<sup>14</sup>

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<sup>13</sup> Hayder Al-Khoei, Ellie Geranmayeh, and Mattia Toaldo. "After ISIS: How to Win the Peace in Iraq and Libya." *ECFR* (2017). [http://www.ecfr.eu/publications/summary/after\\_isis\\_how\\_to\\_win\\_the\\_peace\\_in\\_iraq\\_and\\_libya\\_7212](http://www.ecfr.eu/publications/summary/after_isis_how_to_win_the_peace_in_iraq_and_libya_7212)

<sup>14</sup> Gogou, Kondylia. "The EU-Turkey deal: Europe's year of shame." *Amnesty International* (2017). <https://www.amnesty.org/en/latest/news/2017/03/the-eu-turkey-deal-europes-year-of-shame/>

At the start of the war in Syria, the welcoming attitude by the Turkish government of Syrian refugees was a relief for EU countries, fearing a worsening of the economic crisis, social, and security problems. Amid a period of growing distance between the EU and Turkey and the political stalemate regarding Turkey's accession, an EU-Turkey joint action plan was drafted in October 2015. The plan included significant incentives for Turkey (e.g., speeding up the accession negotiations and visa-free travel for Turkish citizens) in return for cooperation in preventing illegal migration to the EU.<sup>15</sup> The result was a refugee deal that came into effect on March 2016. However, the EU's initial praise and support for Turkey did not last long.

The human rights and legal issues surrounding the deal, the non-materializing of the EU promises, and the increasingly defiant attitude of the Turkish government risk backfiring. Not only did the refugee deal turn into a bargaining chip between the two sides, but the politicization of the refugee crisis has made it a potential source of conflict in mutual relations.

## **The Traditional Diplomatic Agenda**

### *Arab-Israeli Conflict*

This decades-old conflict has been one of the main drivers of geopolitics in the Middle East. European countries and the EU have consistently supported a two-state solution and have been actively engaged in diplomatic efforts through the Quartet in providing financial support to the Palestinian authorities. There are many aspects on which Turkey and the EU coincide in their views on this issue, such as their criticism of the separation wall and the proliferation of settlements, but they disagree on how to deal with Hamas.

Europe's priority has been to join forces with other global powers, (particularly with the U.S.), to explore the possibility of regional initiatives such as the Arab Peace Initiative. Brussels, Paris, and London have not seen Turkey as a critical player on this issue, even when Turkey tried to become a player in the Middle East process. The exception was when Turkey mediated between Israel and Syria in 2008 and between the Hamas

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<sup>15</sup> Toygur, Ilke and Benvenuti, Bianca. "The European response to the refugee crisis: Angela Merkel on the move." *IPC-Mercator Policy Brief* (2016) p. 3. [http://ipc.sabanciuniv.edu/wp-content/uploads/2016/06/IlkeToygur\\_BiancaBenvenuti\\_FINAL.pdf](http://ipc.sabanciuniv.edu/wp-content/uploads/2016/06/IlkeToygur_BiancaBenvenuti_FINAL.pdf)

and Fatah. The prospects for increased EU and Turkey involvement in peace efforts are limited. Even if that would happen, it is not likely that either side would recognize the other as a partner, in order to increase its leverage over the other.

### *Iran and the Nuclear Deal*

The election of Hassan Rouhani as the President of Iran in 2013 brought new hope to cease tensions between Iran and the international community regarding its nuclear plan. The EU seized this opportunity by investing heavily in finding a diplomatic solution through its High Representative for Foreign and Security Policy. A deal was finally reached in 2015, which the EU considered a confirmation of its effective sanctions-policy and the success of its persistent multilateral diplomacy.

Well before this negotiation process, Turkey tried to take on the role as a mediator between Iran and the West.<sup>16</sup> This was in tune with its “zero-problems with neighbors” approach and interest in developing bilateral relations with Iran. Yet neither the U.S. nor the EU welcomed this move.

The increasing regional rivalry between Turkey and Iran (following the war in Syria) is likely to prevent Turkey from playing the role of a mediator if new tensions were to arise between Iran and the West. In the meantime, Europeans will try to detach the Syria issue from their relations with Iran and turn the improving ties into an economic opportunity. Turkey’s stakes in the Middle East will not allow Ankara to follow a similar line.

### **The Recent Gulf Crisis**

The Gulf region has not lacked conflict and tension, and the recent escalation between a Saudi-led group of countries and Qatar is an additional destabilizing element. Riyadh accuses Doha of sponsoring terrorism and interfering in the domestic affairs of its neighbors. Qatar’s believes that the Saudis and their allies are limiting Qatar’s independence. Turkey has played a major role in this crisis; a condition for the Saudi bloc to end their blockade against Qatar was the closure of the Turkish military base in Qatar. Turkey has openly supported Qatar, vowing to increase its military presence in the country.

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<sup>16</sup> The best example was the attempt by Turkey and Brazil to explore alternative diplomatic channels in 2010.

In contrast, Europe tried to remain neutral on the issue. Nevertheless, there were contradictory messages from different EU states. If Europe had decided to become actively involved, this could have opened space for dialogue between Ankara and the Europeans. Europe's low profile in a crisis directly affecting Turkey may reinforce Ankara's view that Europe has little leverage over Middle Eastern affairs. In other words, Europe's lack of involvement only contributes to Ankara's conviction that in order to preserve its interests, it should give priority to actors that do have leverage in the region (i.e., the U.S., Russia and Iran).

## **Conclusion**

The wider Mediterranean is not an exception to the ongoing tensions between Turkey and the EU. As seen in this chapter, both Turkey and the EU are interested in this region becoming more stable and prosperous. However, they do not necessarily agree on how to achieve this goal. It is not a coincidence that in the very moment we witness a deterioration of EU-Turkey relations, we also observe a growing perception gap on issues such as the fight against terrorism, or on how to deal with political Islam at the center of policies towards the wider Mediterranean. Turkey feels abandoned by the EU, and Europeans no longer see Turkey as a model or as a source of inspiration for the region.

Despite all their differences, the EU and Turkey can agree that they both failed in their attempts to transform the region. They can also agree that alliances are shifting rapidly and that endangering long-term alliances such as (e.g., NATO) is a risky exercise. Both sides should critically assess their decisions in the last few years, and recalibrate whether alternative ways could—or should—have been explored. Finally, they should acknowledge that despite the current tensions, they are bound to work together—if for nothing else, because they have common (and complicated) neighbors.

The current situation in both Turkey and the EU, along with the growing instability in the Middle East, will not help lessen tensions. At this stage, the most one could expect is for all parties to realize how big the stakes are, and to try and recognize each other's legitimate grievances, keeping all channels of communication open.



## *Chapter Eleven*

# **Turkey and the Western Balkans: Stable Relations and Deepening Cooperation**

*Mehmet Uğur Ekinçi*

Because of its geographical proximity and historical, social, and cultural ties, the Western Balkans region is of particular interest to Turkey. Since the 2000s, in parallel to its foreign policy activism, Turkey intensified political dialogue, economic relations, public diplomacy, and cultural activities with this region. In the late 2000s, Ankara began playing an active role in regional politics and started several important initiatives to establish regional cooperation and mediation. However, following the Arab Spring, the emergence of new security risks and instabilities caused Turkey to concentrate primarily on the Middle East and slow down its political initiatives elsewhere, including in the Western Balkans. Turkey prioritized stability in its political relations, strengthening economic, social, and cultural ties with the region. Due economic shortcomings, unemployment, and the risk of irregular immigration, Western Balkan governments have been careful to maintain good relations with Turkey.

This chapter provides a general overview of relations between Turkey and the Western Balkans, and discusses Turkey's contributions to regional peace and stability in the region where the geopolitical dynamics are worryingly volatile.

## **Turkey's Approach to the Balkans**

As Turkey formally opposes “artificial differentiation” among Balkan countries,<sup>1</sup> it does not have a separately tailored policy for the Western Balkans, but instead adopts a uniform approach to the Balkan region as a whole. Since the 1990s, Turkey's policy for the Balkans has shown continuity in terms of political objectives, main concerns, and general principles. After the Cold War ended, political observers and decision makers in

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<sup>1</sup> Çavuşoğlu, Mevlüt. *2017 Yılına Girerken Dış Politikamız [Our Foreign Policy at the Turn of 2017]*. December 9, 2016, p. 48. [http://www.mfa.gov.tr/site\\_media/html/2017-yili-basinda-dis-politikamiz.pdf](http://www.mfa.gov.tr/site_media/html/2017-yili-basinda-dis-politikamiz.pdf)

Ankara were worried that the traditional, cautious Turkish foreign policy would not work within the new, uncertain world order, and that Turkey should adopt a more proactive foreign policy.<sup>2</sup> In other words, they wanted Turkey to become more economically involved outside its borders and establish a stronger political presence.<sup>3</sup> In line with this thinking, Turkey's main political objectives in the surrounding regions have been twofold. In the short and medium term, Turkey has aimed to develop economic partnerships and establish a strong economic presence. In the long term, Turkey aimed to become a more influential regional power, ideally a pivotal state across different regions.

Turkey's main concerns in approaching the Balkans can be categorized under three broad headings.

1. The first pillar is related to security. Due to the geographical closeness of the region, any crisis or conflict in the region can easily impinge on Turkey's own security, and may cause complications such as organized crime and immigration. A peaceful atmosphere in the region, on the other hand, would lay the groundwork for further regional cooperation, economic partnerships, trade, and tourism—all of which bring significant economic and political benefits to Turkey. The maintenance of peace and stability in the region is important also because the bulk of Turkey's trade with Europe is carried out via the Balkans.
2. Turkey's second concern is economic. Since the early 1980s, Turkey has followed neo-liberal economic policies, which involve an export-led growth strategy and a focus on private sector investments abroad. Like in other regions, Turkey desires to further its economic relations with the Balkans, and for this to happen, economic development of the region is crucial.
3. The third concern is socio-cultural. Because of a common history, cultural proximity, and social bonds, Turkey has a special interest in the Balkans. Besides, Turkey assumes the responsibility to support the Turkish and Muslim populations inhabiting the region, especially in terms of economy, education and social services.

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<sup>2</sup> Sayarı, Sabri. "Turkish Foreign Policy in the Post-Cold War Era: The Challenges of Multi-Regionalism." *Journal of International Affairs*, vol. 54, no. 1, 2000, pp. 169-182.

<sup>3</sup> These views were voiced by politicians, diplomats, and intellectuals of different ideological belongings. See: Öymen, Onur. *Türkiye'nin Gücü: 21. Yüzyılda Türkiye, Avrupa ve Dünya [Turkey's Power: Turkey, Europe and the World in the 21st Century]* (İstanbul: Milliyet, 1998); Davutoğlu, Ahmet. *Stratejik Derinlik [Strategic Depth]* (İstanbul: Küre, 2001).

In line with its foreign policy goals and regional concerns, Turkey has formulated two general principles for its Balkan policy, “regional ownership” and “all-inclusiveness.” The former means the exclusion of the influence and involvement of external actors as much as possible, for Balkan issues to be settled by indigenous actors. The latter, which complements the first principle, means that all parties in the region should have their say in resolving problems.<sup>4</sup>

Despite these continuities in strategy,<sup>5</sup> considerable changes have been observed in Turkey’s Balkan policy from the 2000s onwards in terms of intensity, methodology, and instruments used. In the 1990s, Ankara aimed to become more politically and economically active in the Balkans, but limitations in its social and economic capital and unfavorable domestic and international conditions made this difficult. Political instability, weak governments, terrorism, and economic crises hindered Turkey’s formulation and implementation of new foreign policy strategies. During the 2000s, the political stability under a single party government, the realization of structural and democratic reforms, and steady economic growth provided Turkey with more resources, dynamism, and self-confidence in conducting its foreign policy.

## **Approaches of Western Balkan Countries Towards Turkey**

In the Western Balkans, Turkey is acknowledged as a significant regional player. While the region has been politically oriented towards the EU since the early 2000s, economic concerns have induced Western Balkan governments to cooperate with Turkey. The 2008 global financial crisis inflicted serious strains on the Western Balkan economies, which were already weak compared to the rest of Europe. Despite some recent macro-economic progress, the imprint of the crisis is still palpable. Due to their shortfalls in infrastructure, Western Balkan countries have experienced difficulties in attracting foreign investors, while high unemployment rates

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<sup>4</sup> “Balkan Ülkeleri İle İlişkiler [Relations with Balkan Countries].” *Turkish Ministry of Foreign Affairs*. [http://www.mfa.gov.tr/balkanlar\\_ile-iliskiler.tr.mfa](http://www.mfa.gov.tr/balkanlar_ile-iliskiler.tr.mfa).

<sup>5</sup> For discussions on continuities in Turkey’s post-Cold War Balkan policy, see: Türkeş, Mustafa. “Türkiye’nin Balkan Politikasında Devamlılık ve Değişim [Continuity and Change in Turkey’s Balkan Policy].” *Avrasya Dosyası*, vol. 14, no. 1, 2008, pp. 253-280; Anastasakis, Othon. “Turkey’s Assertive Presence in Southeast Europe: Between Identity Politics and Elite Pragmatism.” in Kerem Öktem, Ayşe Kadioğlu, and Mehmet Karlı, eds., *Another Empire? Turkey’s New Foreign Policy in the 2000s*, (Istanbul: Bilgi University Press, 2012), pp. 185-208.

are causing significant socio-economic problems, brain drain, and emigration. Combined, these factors have resulted in a dire need to seek foreign investors, and Turkey's relative macroeconomic stability (in the face of the financial crisis of 2008) increased its attractiveness as a strong economic partner. Not only Turkish and Muslim circles (traditionally close with Turkey) but also non-Muslim politicians throughout the region have been calling for increased Turkish investment.<sup>6</sup> Turkey's provisions of official development assistance, particularly to underdeveloped or disaster-stricken regions, were also received with gratitude.<sup>7</sup>

The majority of ethnic Turks and Muslims inhabiting the region see Turkey as a kin state and desire more involvement in regional affairs. Among other ethnic and religious groups, however, doubts and prejudices against Turkey still linger on. The negative Ottoman-Turkish image embedded in the historical discourses of Balkan societies continues to be an important factor shaping present-day opinions about Turkey. The rise of nationalist populism in the region in recent years reinforces the traditional skepticism about Turkey, while Turkey's differences with Europe and the United States have made liberals perceive it as a rival to the Western world. As a result, political observers of different ideological stances have expressed their suspicions about Turkey's engagement in the Western Balkans, and some of them have gone as far as attributing an Islamist and expansionist motive to Turkey's involvement.<sup>8</sup>

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<sup>6</sup> "Türkiye önemli bir role sahip [Turkey plays an important role]." *trthaber.com*, November 12, 2014; "Makedonya yatırıma çağırıyor," *dba.com.tr*, April 28, 2015; "Arnavutluk'tan, Türk işadamlarına açık çek! [Blank check from Albania to Turkish businessmen!]" *Dünya*, April 30, 2015; "Karadağ Cumhuriyeti Başbakan Yardımcısı: Türkiyeli iş adamlarını çağırıyorum [Deputy Prime Minister of the Republic of Montenegro: I invite Turkish businessmen]." *Vatan*, March 1, 2016; Gül, Kayhan and Baştuğ, Emre. "Bosna Hersek Bakanlar Konseyi Başkanı Zvizdić: Türk iş adamları Bosna Hersek'e yatırım yapınlar [Zvizdić, President of the Council of Ministers of Bosnia and Herzegovina: Turkish businessmen should invest in Bosnia and Herzegovina]." *aa.com.tr*, May 22, 2017.

<sup>7</sup> "The Turkish Government delivers aid to Svilajnac, Jagodina." *Serbia Ministry of Trade, Tourism and Telecommunications website*, May 21, 2014. <http://mtt.gov.rs/en/releases-and-announcements/the-turkish-government-delivers-aid-to-svilajnac-jagodina/>; "Bosnian premier to push trade ties on Turkey visit." *aa.com.tr*, April 6, 2016; "TIKA continues to help flood-hit Bosnia-Herzegovina." *Daily Sabah*, 14 April 2017.

<sup>8</sup> See, for instance, Tanasković, Darko. *Neo-Ottomanism: A Doctrine and Foreign Policy Practice*, (Belgrade: CIVIS, 2013); Jevtić, Miroljub. "Neosmanizam versus Panislamizam." *Politeia*, no. 2 (December 2011), pp.31-46; "Balkan o državnom udaru: Vreme izazova za tursku demokratiju i vlast [The Balkans on the state assault: A Challenging Time for Turkish Democracy and Leadership]." *slobodnaevropa.org*, July 16, 2016; Vllahiu, Arbër. "Referendumi në Turqi, neootomanizëm apo rritje e autokratëve në Ballkan? [Turkey's referendum, neo-Ottomanism, or rising autocrats in the Balkans?]." *Evropaelire.org*, April 18, 2017; Karakaş,

That being said, from the 2000s on, public perceptions of Turkey improved throughout the region.<sup>9</sup> The Turkish government's adoption of new diplomatic practices and soft power instruments, the activities of Turkish NGOs, the increase in Turkish investments, and the rather unexpected popularization of Turkish TV shows and series have reinforced Turkey's visibility and image in the Balkans. This outcome was also very much linked to Turkey's emphasis on domestic reforms, development, integration with the world, peace and stability, and its economic progress during this period.

## **Areas of Importance in the Relationship between Turkey and the Western Balkans**

### *The Economy*

The economy is one of the most crucial aspects of Turkey's relations with the Western Balkans. As mentioned above, Turkey has sought to become an active economic actor in various regions of the world, a quest accelerated with high domestic economic growth during the 2000s. With its geographical and socio-cultural proximity to Turkey, the Balkans offer great potential for the development of economic relations. Turkish Ministry of Economy and the Foreign Economic Relations Board (DEİK) have encouraged Turkish businesses to focus on the Balkans and have organized various activities to bring the Turkish and Balkan private sector closer together.

### *Trade and Investments*

Generally speaking, Turkey's trade with the Western Balkans has increased throughout the 2000s. Until 2002, Turkey had only one free trade agreement (FTA) in the region (with Macedonia). Soon, bilateral FTAs were signed with all other countries of the Western Balkans,<sup>10</sup> drastically increasing the trade volume with the region. In 2002, trade between the Western Balkans and Turkey stood at about 435 million dollars, but

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Bernard. "Erdoğan želi stvoriti 'mini' Otomansko Carstvo [Erdoğan wants to establish a 'mini' Ottoman Empire]." *Vecernji List*, April 19, 2017.

<sup>9</sup> Ekinci, Mehmet Uğur. "A Golden Age of Relations: Turkey and the Western Balkans During the AK Party Period." *Insight Turkey*, vol. 16, no. 1, Winter 2014, p.116.

<sup>10</sup> The FTA with Kosovo is pending ratification, and the FTA with Croatia became obsolete with Croatia's membership to the European Union.

by 2016, this rose to 3 billion dollars, a seven-fold increase (see Table 1). The overall trade volume and Turkish imports in 2016 are the highest recorded numbers in history between Turkey and the region. Turkish exports in 2016 (slightly below the level in 2008) were also the highest since the financial crisis.

In addition to its bilateral trade relations, Turkey has encouraged regional trade cooperation. A concrete outcome of these efforts is the establishment of a trilateral economic dialogue mechanism between Turkey, Bosnia and Herzegovina, and Serbia. After the opening of a joint trade office in Istanbul in 2016, it is expected that trade among these three countries will be conducted in higher coordination.<sup>11</sup>

Until the mid-2000s, most of Turkish businesses in the Balkans operated in two countries, Romania and Bulgaria. Afterwards, a general increase, albeit with fluctuations, has been recorded in Turkey's investments in the Western Balkans. This progress is due to the overall dynamism and progress of the Turkish economy, but also because of the decrease of capital investments from European stakeholders who suffered from the effects of the global financial crisis. Turkish firms are currently operating in various sectors, including telecommunications, energy, transportation, health, tourism, construction, and finance, and the presence of at least one Turkish-owned bank in every Western Balkan country has reduced barriers for investment.

The amount of FDI outflow from Turkey to the Western Balkan countries, except Kosovo, during the 2010s is given below (see Table 2).<sup>12</sup> However, these figures are incomplete as they do not include Turkish FDI flows through third countries. According to data gleaned by the author from the central banks of respective countries, Turkish investments in the Western Balkans have recorded a more significant increase:

- In 2003, Turkish FDI stock in Albania was less than 7 million dollars. In 2013, it was measured at around 380 million dollars, making Turkey the fifth-largest investor in the country. In year 2016, Turkey ranked third in FDI inflows with 73 million dollars.<sup>13</sup>

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<sup>11</sup> Rose, Eleanor and Pantović, Milivoje. "Serbia, Bosnia Open Joint Trade Office in Turkey." *balkaninsight.com*, October 27, 2016.

<sup>12</sup> The Central Bank of Turkey does not specify FDI outflows to Kosovo.

<sup>13</sup> "Investimet e huaja arritën në gati 1 miliard euro në 2016-n, u rritën me 10% [Foreign investments amounted to almost 1 billion euros in 2016, an increase of 10%]." *gazetatema.net*, April 1, 2017.

**Table 1: Turkey's Foreign Trade with The Western Balkan Countries (In Millions of Dollars)**

|                        | 2002        |            | 2009          |             | 2016          |             | 2002-2016    |              | 2009-2016    |              |
|------------------------|-------------|------------|---------------|-------------|---------------|-------------|--------------|--------------|--------------|--------------|
|                        | Exports     | Imports    | Exports       | Imports     | Exports       | Imports     | Ex. % Change | Im. % Change | Ex. % Change | Im. % Change |
| Albania                | 79.760.797  | 3.972.887  | 273.109.889   | 4.694.093   | 304.609.648   | 20.602.168  | 281,90       | 418,57       | 11,53        | 338,90       |
| Bosnia and Herzegovina | 43.263.770  | 6.317.459  | 226.566.745   | 52.058.789  | 308.962.009   | 288.290.679 | 614,14       | 4463,40      | 36,37        | 453,78       |
| Croatia                | 42.872.854  | 9.387.634  | 214.704.550   | 107.383.710 | 277.924.653   | 133.517.378 | 548,25       | 1322,27      | 29,45        | 24,34        |
| Kosovo                 | ...         | ...        | 278.078.176   | 10.178.451  | 260.727.537   | 8.506.957   | ...          | ...          | -6,24        | -16,42       |
| Macedonia              | 101.316.280 | 14.913.715 | 283.463.840   | 39.879.037  | 378.000.161   | 82.581.069  | 273,09       | 453,73       | 33,35        | 107,08       |
| Montenegro             | ...         | ...        | 26.483.438    | 5.845.468   | 51.806.619    | 23.363.677  | ...          | ...          | 95,62        | 299,69       |
| Serbia                 | ...         | ...        | 306.468.718   | 55.896.658  | 581.775.695   | 288.236.886 | ...          | ...          | 89,83        | 415,66       |
| Yugoslavia             | 122.050.967 | 11.146.422 | ...           | ...         | ...           | ...         | 632,73*      | 2771,84*     | ...          | ...          |
| Total                  | 389.264.668 | 45.738.117 | 1.608.875.356 | 275.936.206 | 2.163.806.322 | 845.098.814 | 455,87       | 1747,69      | 34,49        | 206,27       |

\*The aggregate amount of trade with Kosovo, Montenegro, and Serbia is taken for the year 2016.

Source: Turkish Statistical Institute (TURKSTAT).

**Table 2: Yearly FDI Outflow from Turkey to the Western Balkans (In Millions of Dollars)**

|                        | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------|------|------|------|------|------|------|
| Albania                | 3    | 5    | 5    | 10   | 14   | 18   | 31   |
| Bosnia And Herzegovina | 61   | 22   | 7    | 3    | 0    | 35   | 26   |
| Croatia                | 3    | 47   | 103  | 0    | 23   | 37   | 15   |
| Macedonia              | 8    | 71   | 12   | 5    | 2    | 11   | 10   |
| Montenegro             | 4    | 0    | 0    | 11   | 0    | 11   | 15   |
| Serbia                 | 3    | 0    | 7    | 4    | 0    | 16   | 11   |
| Total                  | 82   | 145  | 134  | 33   | 39   | 128  | 108  |

Source: Central Bank of the Republic of Turkey

- Turkish investments in Bosnia and Herzegovina showed significant increase from 2006 onwards. At the end of 2005, Turkish FDI in Bosnia and Herzegovina was at only 34 million dollars. At the end of year 2016, Turkish FDI was measured around 210 million dollars.
- In Croatia, there were no significant Turkish investments before 2007. By Q2 of 2017, Turkish FDI grew to 260 million dollars.
- Turkish FDI in Kosovo between January 2008 and February 2017 amounted to 436 million dollars, making Turkey one of the leading foreign investors in this country.<sup>14</sup>
- In Macedonia, Turkish share of total FDI stocks was around 1.5 percent until 2011, when it increased more than twofold. In the first ten months of 2016, Turkey was one of the two leading investors in Macedonia, alongside Germany, with FDI inflows of 26 million dollars.<sup>15</sup>
- Between January 2006 and May 2017, Turkish FDI in Montenegro amounted to 116 million dollars, the bulk of which entered this country after 2012.

<sup>14</sup> “Zvicra dhe Turqia, investitorët më të mëdhenj në Kosovë [Switzerland and Turkey, the largest investors in Kosovo].” *telegrafi.com*, August 5, 2016.

<sup>15</sup> “Bo 2016 [In 2016, foreign investment is at the last straw].” *slobodenpecat.mk*, January 3, 2017.

- Until 2015, Turkish investments in Serbia were not more than a few million dollars. In 2015 and 2016, Turkish FDI amounted to about 45 million dollars, including the acquisition of a Serbian bank. The increase in the high-level political dialogue between the two countries is signaling that further Turkish investments in Serbia are forthcoming.<sup>16</sup>

Despite this increase in investments in the Western Balkans, Turkey's position is still moderate. Only in Kosovo and Albania has Turkey become a major player in terms of foreign investment. Turkey's share in total FDI in Macedonia is only five percent, and in Bosnia and Herzegovina, Croatia, Montenegro, and Serbia it is much lower. Between January 2008 and June 2017, the share of FDI outflows to the Western Balkans was hardly 3 percent,<sup>17</sup> which means that the region is relatively unpopular for the Turkish private sector, despite geographical proximity and strong social bonds. More than 80 percent of Turkish investment in the Balkans is in Bulgaria, Greece, and Romania, and Turkish investors continue to prefer these three countries as their primary destinations in the Balkans.<sup>18</sup> This can be attributed to convenience (i.e., Turkish businesses are more familiar with these countries), but is largely also due to structural and political problems in the Western Balkans (i.e., insufficient market liberalization, infrastructural shortcomings, legal and bureaucratic complications, and political uncertainties).

## Development Assistance

As the poorest region in Europe, its economic vulnerability not only limits Turkey's trade and investment opportunities but also poses an indirect security risk for Turkey, risking to nourish political and social instability. Since the early 1990s, Turkey has consistently provided development aid to Balkan countries to alleviate infrastructural shortcomings, accelerate development, and improve living standards. From the mid 2000s on, the

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<sup>16</sup> "Ljajić: Erdoganova poseta signal da treba ulagati u Srbiju [Ljajić: Erdogan's visit is signaling investment in Serbia]." *novosti.rs*, October 8, 2017; "Turci nam donose 4.000 radnih mesta [Turks will create 4,000 new jobs]." *novosti.rs*, October 12, 2017.

<sup>17</sup> According to the data from the Central Bank of Turkey, the exact share of six Western Balkan countries (except Kosovo) in all FDI outflow was about 2,4 percent.

<sup>18</sup> Ekinci, İbrahim. "Ucuz fiyat, yakınlık ve fırsatlar Türk yatırımcıyı Balkanlar'a çekiyor [Low prices, proximity and opportunities are drawing Turkish investors into the Balkans]." *Dünya*, February 28, 2017.

amount of financial assistance has increased considerably. In 2015, Turkey provided 154.6 million dollars' worth of official development assistance to the Western Balkan countries, the largest aid in Turkey's history to the region (see Table 3). The Turkish Cooperation and Development Agency (TİKA), which is one of Turkey's most active public institutions in the Western Balkans, provides financial and technical support to small entrepreneurs, particularly in the field of agriculture, while offering contributions to health, education, and infrastructure in less developed parts of the region. A significant portion of TİKA's budget is allocated to the restoration of Ottoman buildings and monuments with the aim of reviving the history and increasing tourism in the region.<sup>19</sup>

## Energy

Contributing to the energy security and interdependence of the Balkans through pipeline construction is a component of Turkey's economic vision towards the region. With the completion of the ongoing Trans-Anatolian Natural Gas Pipeline Project (TANAP) and the Trans-Adriatic Pipeline Project (TAP), Caspian gas will be transported to Italy via Turkey, Greece, and Albania. The Turkish Stream, officially agreed on by the Russian and Turkish governments, will carry Russian gas via the Black Sea to Turkey's border with Greece. These pipelines will also provide gas to other Balkan countries in the region pending the construction of connection lines. If the Cyprus issue is resolved, the natural gas extracted off the shores of Eastern Mediterranean countries would be cheaper to transport to the Balkans via Turkey than via the other pipelines and LNG options.

## Social and Cultural Relations

### *Tourism*

Since the late 2000s, the volume of tourism between Turkey and the Western Balkans has shown a fairly steady increase. Due to a convergence of factors such as the conclusion of bilateral visa exemption agreements, an active cultural diplomacy, and the popularity of Turkish TV shows and series, Turkey has become one of the most popular tourism destinations for people from the region. The number of visitors from Western Balkan

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<sup>19</sup> "A Political Romance: Relations between Turkey and Bosnia and Herzegovina." *Think Tank Popolari Report*, May 2014, p. 13.

**Table 3: Official Development Aid from Turkey (Gross, in Millions of Dollars)**

|                                  | 2002 | 2003 | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014   | 2015   |
|----------------------------------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Albania                          | 1,67 | 0,45 | 4,71  | 6,98  | 7,14  | 4,30  | 4,37  | 8,61  | 7,75  | 3,58  | 7,89  | 9,24  | 12,8   | 85,73  |
| Bosnia and Herzegovina           | 6,42 | 0,66 | 5,79  | 18,62 | 25,19 | 15,86 | 15,92 | 32,75 | 25,90 | 17,94 | 21,3  | 22,28 | 43,46  | 25,96  |
| Croatia                          | 0,02 | 0,03 | 0,53  | 3,21  | 0,68  | 0,85  | 0,52  | 0,13  | 0,42  | ...   | ...   | ...   | ...    | ...    |
| Kosovo                           | ...  | ...  | ...   | ...   | ...   | ...   | ...   | 20,63 | 22,13 | 22,38 | 20,00 | 15,26 | 17,73  | 9,86   |
| Macedonia                        | 0,52 | 0,32 | 4,09  | 6,57  | 5,17  | 9,18  | 9,86  | 6,00  | 28,28 | 6,76  | 12,08 | 13,19 | 14,42  | 25,55  |
| Montenegro                       | ...  | ...  | ...   | ...   | 1,46  | 1,19  | 5,25  | 2,82  | 10,10 | 2,87  | 2,75  | 13,32 | 5,92   | 3,36   |
| Serbia                           | ...  | 0,21 | 0,51  | 4,07  | 0,03  | 1,88  | 31,01 | 3,33  | 3,75  | 3,91  | 6,03  | 6,06  | 7,27   | 4,11   |
| Ex-Yugoslav States (Unspecified) | 0,04 | 0,86 | 12,65 | 16,23 | 16,15 | 25,54 | ...   | ...   | ...   | ...   | ...   | ...   | ...    | ...    |
| Total                            | 8,67 | 2,53 | 28,28 | 55,68 | 55,82 | 58,80 | 66,93 | 74,27 | 98,33 | 57,44 | 70,05 | 79,35 | 101,60 | 154,57 |

Source: OECD.

countries to Turkey increased by around 69 percent between 2006 and 2015 (see Table 4). The sudden drop recorded in 2016 reflects the general trend in Turkey's overall tourism that year due to the rise of terrorist attacks and the failed *coup d'état* of July 15.

### *Education*

Education has been among Turkey's main soft power instruments in recent decades. Due to their economic problems, Western Balkan countries have experienced difficulty in allocating a sufficient budget for education, and Turkey's support in the field is therefore welcomed. The Turkish government offers scholarship programs for university education in Turkey to hundreds of students from the Western Balkans, at the undergraduate and graduate levels. Two universities in Bosnia and Herzegovina and Macedonia (the International University of Sarajevo and the International Balkan University, respectively) are operating with Turkish funding. Turkey has continuously supported the supply of textbooks and teachers in places where ethnic Turks reside, and in the Cantons of the Federation of Bosnia and Herzegovina, where Turkish is being taught in schools.<sup>20</sup> The Yunus Emre Institute, which has offices in all the Western Balkan countries, concentrates on teaching the Turkish language and culture, while the recently-founded Maarif Foundation has sought opportunities to acquire or open schools in the region.<sup>21</sup> All these activities have increased the visibility and recognition of Turkey in the Western Balkans and consolidate the social and economic bonds between the region and Turkey. In addition to supporting human development, Turkey's educational activities are alleviating unemployment by opening new academic and professional career opportunities.

### *Religious Services and Education*

Turkey is also active in the Western Balkans in the field of religion. Turkey's Presidency of Religious Affairs and its affiliate, Diyanet Foun-

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<sup>20</sup> As of the spring of 2017, elective courses of the Turkish language are offered at around 130 schools in seven cantons of the Federation of Bosnia and Herzegovina: "Unsko-sanski kanton dobio prvi kabinet za turski jezik [The Unsko-Sanski Canton received its First Cabinet for the Turkish Language]." *aa.com.tr*, March 17, 2017.

<sup>21</sup> "Türkiye Maarif Vakfı Kosova'da faaliyetlerine başladı [Turkey's Maarif Foundation commences its activities in Kosovo]." *aa.com.tr*, April 25, 2017; "Maarif Vakfı ilk üniversite eğitimini Arnavutluk'ta başlatacak [Maarif Foundation will start its first university education in Albania]." *aa.com.tr*, May 12, 2017.

**Table 4: Western Balkan Visitors in Turkey**

|                        | 2006     | 2007     | 2008     | 2009     | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    |
|------------------------|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|
| Albania                | 50.328   | 57.601   | 63.146   | 59.958   | 49.954  | 53.141  | 59.565  | 65.113  | 76.273  | 80.032  | 83.029  |
| Bosnia And Herzegovina | 40.489   | 50.437   | 58.91    | 52.271   | 47.361  | 56.522  | 61.851  | 72.086  | 83.258  | 85.434  | 66.177  |
| Croatia                | 22.321   | 29.47    | 31.186   | 31.407   | 33.563  | 41.959  | 47.144  | 44.058  | 45.297  | 38.598  | 21.346  |
| Kosovo                 | *        | *        | *        | *        | 46.228  | 56.411  | 70.156  | 78.825  | 86.272  | 97.818  | 100.022 |
| Macedonia              | 118.387  | 93.705   | 106.645  | 107.389  | 115.541 | 130.648 | 137.579 | 140.793 | 156.138 | 167.428 | 146.008 |
| Montenegro             | *        | *        | *        | *        | 11.61   | 13.793  | 16.559  | 18.838  | 20.423  | 19.768  | 16.709  |
| Serbia                 | 163.765* | 137.100* | 170.399* | 102.202* | 113.465 | 137.934 | 157.568 | 169.988 | 189.396 | 178.997 | 110.594 |
| Total                  | 395.29   | 368.313  | 430.286  | 353.227  | 417.722 | 490.408 | 550.422 | 589.701 | 657.057 | 668.075 | 543.885 |

\*Figures for Montenegro and Kosovo were calculated under Serbia until 2010.

Source: Turkish Ministry of Tourism and Culture.

dation, maintain strong relations with the Islamic institutions in Western Balkan countries, and support the financing and staffing of religious education and services. They also provide students from the region with financial support for studying in *imam-hatip* schools and theology departments in Turkey. Many Turkey-based associations carry out religious activities in the region, while Turkish municipalities often organize circumcision ceremonies and fast-breaking dinners during Ramadan.

Following the end of the Cold War, various religious circles from the Gulf countries, North Africa, and Iran have been active in the Western Balkans, preaching Islamic doctrines stricter than the traditional-Sufi understanding of Islam. Turkey's support for religious services and education has the aim of preventing radicalism<sup>22</sup> and thus has been welcomed by some regional and international circles.<sup>23</sup>

### ***Military and Security Cooperation***

Through bilateral agreements, Turkey provides military training, logistics, and technical support for the modernization of Western Balkan military forces. Turkish and other NATO member's armed forces participate in collective military maneuvers and cooperate in international military missions. Turkey also supports local police forces through the training of officers and the supplying of equipment.

### **Political Relations**

As Turkey's economic, social, and cultural relations with the region improved, Turkey took steps to advancing its political role in the Western Balkans. In 2009-2010, during its chairmanship of the Southeast European Cooperation Process (SEECP), the Turkish government launched a number of initiatives for resolving political problems and promoting regional cooperation. Two trilateral dialogue mechanisms (Turkey-Bosnia and Herzegovina-Serbia, and Turkey-Bosnia and Herzegovina-Croatia) were launched during this period, and produced some hope for the future as

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<sup>22</sup> Özgür-Baklacioğlu, Nurcan. "Between Neo-Ottomanist Kin Policy in the Balkans and Transnational Kin Economics in the EU." *Journal on Ethnopolitics and Minority Issues in Europe*, vol. 14, no. 3, 2015, p. 66.

<sup>23</sup> Öktem, Kerem. *New Islamic Actors after the Wabbabi Intermezzo: Turkey's Return to the Muslim Balkans*, (Oxford: European Studies Center, University of Oxford, 2010): p. 24; Izeti, Metin. "Turkey and religious and cultural developments in the Balkans." *aa.com.tr*, January 24, 2016.

they yielded some (albeit symbolical) results in a short period of time. With these efforts, Turkey drew international attention as an honest broker and a rising political actor in the Western Balkans.

Following these developments, however, the emergence of political turmoil and security threats in the Middle East urged Turkey to divert its attention and energy and prevented the deepening of its political initiatives in the Western Balkans. The trilateral mechanism involving Croatia was practically discontinued after Croatia gained EU membership in 2013, and the other trilateral political leg was hampered after a minor polemic with Serbia later in the same year. Turkey's offer of mediation between Pristina and Belgrade did not bear fruit as the EU took a lead in this issue. Neither did Turkey's initiatives in the early 2010s, aimed at resolving the divide between Islamic communities in Sandzak, an intricate issue of social, economic, and political nature.

In recent years, internal political problems in Turkey and Western Balkan countries have also prevented the further deepening of political relations. Occupied by a variety of risks and instabilities, such as frequent elections, terrorist attacks, an influx of asylum seekers, and the coup attempt, have hampered Ankara to take on new political initiatives abroad. Hence, in response to alarming events and situations like the Kumanovo incident of 2015<sup>24</sup> and the years-long government crisis in Macedonia, Turkish officials have advised caution to the parties involved, instead of offering mediation as they did in the late 2000s and early 2010s. Despite occasional declarations of intent, Turkey has yet to establish high-level cooperation mechanisms with Western Balkan countries, whereas such mechanisms do exist with Bulgaria and Greece. Turkey's endeavors to promote SEECP as a regional cooperation mechanism have been insufficient to turn it into a platform significant enough to affect high politics.

Nevertheless, in these turbulent times, Turkey has managed to maintain good bilateral relations with all countries in the Western Balkans. High-level visits between are frequent, which often involve the signing of new cooperation agreements, even if of minor or technical scope. What is more important in these meetings is the continuation of high-level political dialogue. Economic cooperation has long been the main subject of discussion, where Western Balkan leaders have requested Turkey to increase its invest-

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<sup>24</sup> On May 9, 2015, an Albanian armed group clashed with the police in the Macedonian city of Kumanovo, causing 18 deaths from both sides. This incident alarmed the international community as a possible spark of a regional conflict.

ments in their respective countries. Since 2015, the refugee crisis has been another hot topic with strong concerns in the region about the socio-economic burden that the influx of refugees would bring. In bilateral meetings, local officials have applauded Turkey's role in keeping transnational refugee traffic under control, discussing possible ways of cooperation.<sup>25</sup>

The activity of the Gülen network, long present in several Balkan countries (e.g., Albania, Macedonia, and Bosnia and Herzegovina) in education, media, trade, and business became another main agenda item in recent bilateral relations.<sup>26</sup> Following the July 2016 coup attempt, the Turkish government declared the Gülenists an armed terrorist organization (FETÖ/PDY) launching a diplomatic campaign to stop or curb its activities abroad. Balkan governments have emphasized with Turkey's concerns,<sup>27</sup> and some symbolic steps have been taken. For example, Albania has prohibited the use of Turkish symbols by schools linked to this network.<sup>28</sup> Nevertheless, no extensive investigation has been launched in any Balkan country on Gülenist schools and companies so far.

## What Could Turkey Contribute to Regional Peace?

In recent years, political observers have discussed the possibility of conflict in the Western Balkans as the EU began to lose its interest and transformative capacity in the region. These discussions intensified after 2016,

<sup>25</sup> "Erdoğan: Gospodarske odnose moramo poboljšati [Erdoğan: We must improve relations]." *Vecernji List*, April 26, 2016; "Dışişleri Bakanı Sayın Mevlüt Çavuşoğlu'nun Sırbistan Dışişleri Bakanı Sayın Ivica Dačić İle Ortak Basın Toplantısı [Joint Press Conference of the Minister of Foreign Affairs, Mevlüt Çavuşoğlu and Ivica Dačić, Minister of Foreign Affairs of Serbia]." *Turkish Ministry of Foreign Affairs website*, October 5, 2016. [http://www.mfa.gov.tr/disisleri-bakani-sayin-mevlut-cavusoglu\\_nun-sirbistan-disisleri-bakani-ortak-basin-toplantisi\\_-5-ekim-2016\\_-ankara.tr.mfa](http://www.mfa.gov.tr/disisleri-bakani-sayin-mevlut-cavusoglu_nun-sirbistan-disisleri-bakani-ortak-basin-toplantisi_-5-ekim-2016_-ankara.tr.mfa).

<sup>26</sup> "Fetullah Gülen's broad Western Balkans network." *aa.com.tr*, July 28, 2016.

<sup>27</sup> Huseinović, Samir and Martinović, Marina. "Turkey's Gülen crackdown comes to Bosnia." *dw.com*, August 20, 2016; "Dışişleri Bakanı Sayın Mevlüt Çavuşoğlu'nun Bosna Hersek Dışişleri Bakanı Igor Crnadak ile Ortak Basın Toplantısı [Joint Press Conference of the Minister of Foreign Affairs Mevlüt Çavuşoğlu and Igor Crnadak, Minister of Foreign Affairs of Bosnia and Herzegovina]." *Turkish Ministry of Foreign Affairs*, November 8, 2016; "Kosova Cumhurbaşkanı Taçi: Bir Şahıs Ya Da Örgüt Türkiye Açısından Terörist İse Kosova İçin De Teröristtir [President of Kosovo Taçi: Any individual or organization regarded by Turkey as terrorist is a terrorist for Kosovo too]." *Milliyet*, December 29, 2016; "Arnavutluk FETÖ'cüler hakkında soruşturma başlatacak [Albania will investigate FETÖ members]." *Hürriyet*, May 23, 2017.

<sup>28</sup> "Ministry of Education Prohibits Turkish Symbols on Private Schools," *exit.al*, November 2, 2016.

when the United Kingdom, one of the champions of EU enlargement, decided to leave the EU and the newly elected U.S. president, Donald Trump, adopted a rather unsupportive stance towards the EU.<sup>29</sup> Russia has been filling the vacuum left by the EU by bolstering actors that are economically, ideologically, and socially related to it. This strategy clearly aims to undermine Western influence in the region, and to prevent the region's integration in Euro-Atlantic institutions as a whole. In addition to the strategic competition between Russia and the West, which is often referred to as a "new Cold War,"<sup>30</sup> the slowdown of reforms, the rise of populism and nationalism in politics, unresolved social and economic problems, and ethnic tensions all signify the fragility of peace in the Western Balkans.

Turkey has the potential to establish close relations with Western Balkan countries and communities on various grounds, perhaps more so than any other major international actor involved in the region. Shared elements in language, religion, and culture provide fertile ground for a wide range of relations between Turkey and the Western Balkans. Furthermore, common economic interests and security concerns encourage cooperation between Turkey and the region. Because of such structure of opportunity, a continuation of peace in the Western Balkans is crucial for Turkey's interests. As long as peace and stability prevails in the region, Turkey will be able to communicate and cooperate with a wide spectrum of political and social actors. In case that peace and stability is damaged, Turkey will not only have to cope with the complications caused by the conflict(s), but also be obliged to choose a side—especially if Turkish or Muslim actors are involved, thereby losing the opportunity to use its broad relationship potential.

Defined through "regional ownership" and "all-inclusiveness" principles, Turkey's Balkan policy offers the region a vision of regional peace and stability based on intergovernmentalism and interdependence. At a time when EU members are reluctant of enlargement, European initiatives (such as the ongoing Berlin Process) provide only partial encouragement

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<sup>29</sup> See, for example: Schindler, John R. "President Trump's First Foreign Policy Crisis: Balkan War Drums Beat Again." *observer.com*, January 25, 2017; "Donald Trump's rhetoric could spark war in Balkans, warns EU chief Jean-Claude Juncker." *The Independent*, January 25, 2017.

<sup>30</sup> Prelec, Marko. "New Balkan Turbulence Challenges Europe." *International Crisis Group*, April 28, 2017. <https://www.crisisgroup.org/europe-central-asia/balkans/macedonia/new-balkan-turbulence-challenges-europe>.

for regional cooperation and understanding. Turkey's vision can help Western Balkan countries resolve their problems through dialogue and allow them to cooperate through bilateral and multilateral mechanisms. This bottom-up approach can be embraced by a wide range of actors, from euroskeptics opposing Western neo-colonialism, to Russo-skeptics fearing Russian expansionism. Turkey, a NATO member and EU candidate itself, can thus play a complementary role for a fair and healthy progression of integration of Western Balkan countries and societies.

## Conclusion

Turkey's "zero problems with neighbors" policy of the 2000s has remained unfruitful in the Caucasus and the Black Sea, and became impractical in the Middle East with the dramatic changes in regional dynamics following the Arab Spring. However, even though its creator (former Prime Minister Ahmet Davutoğlu) is no longer in charge of Turkey's foreign policy, this policy has arguably continued in the Western Balkans to this day.<sup>31</sup> While the 2010s have marked significant ups and downs in Turkey's relations with major powers (i.e., the EU, the U.S., and Russia), its relations with Western Balkan governments have been relatively positive and stable.

Although Turkey's political initiatives in the region have slowed down as Ankara focused on Middle Eastern affairs, relations in economic, social, and cultural areas have continued to grow. These relations will continue even after the Western Balkan countries become EU members, as they did when Bulgaria and Romania received EU membership. However, the re-strengthening of the EU's political influence in the region will make it much harder for Turkey to establish and carry out political initiatives. On the other hand, if Turkey's EU membership perspective loses further credibility, one can expect new moves for political dialogue and cooperation.

With its potential to communicate and cooperate with a broad range of political and social actors, Turkey can bring different parties together, boost regional cooperation, and offer mediation to resolve political disputes. Turkey's assumption of such a role depends on three conditions. First, Turkey needs to revitalize its interest in the Western Balkans and pursue its political vision with greater determination. Second, Turkey

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<sup>31</sup> For further discussion, see: Ekinçi, Mehmet Uğur. "Turkey's 'Zero Problems' Era in the Balkans." *SETA Analysis*, October 2013.

should approach the region in a balanced and fair manner, avoiding preferential treatment among regional actors. Third, Turkey should maintain its image of being a strong and respectable country by exerting political stability, economic power, and democratic governance.

The EU and its member countries have not shown much interest in the affairs of the Western Balkans, and their interest will likely decrease even further after Brexit. It is telling that the EU's lack of involvement urged the United States to take action and resolve recent political crises in Macedonia, Kosovo, and Albania.<sup>32</sup> Turkish multilateral political initiatives can also help prevent unforeseen crises and conflicts that could emerge in a geopolitical vacuum. Since peace and stability in the Western Balkans is in the interest of both the EU and Turkey, Turkey's involvement in the region should be regarded favorably, and even encouraged by the EU, especially at a time when the EU is no longer the only political power in the Western Balkans. Turkey and the EU may even opt to work on a common strategy to promote regional dialogue, understanding, and cooperation. As a NATO member, Turkey's stronger political relations with the Western Balkans will also mean further consolidation of the Euro-Atlantic bloc in the region.

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<sup>32</sup> "The chaotic western Balkans take a sudden turn for the better." *The Economist*, May 19, 2017; Bieber, Florian. "Trump's presidency keeps US Balkan policy unchanged." *balkaninsight.com*, May 30, 2017.



## *Chapter Twelve*

# **Turkey in the Western Balkans: A Waning Interest**

*Alida Vračić, Edward P. Joseph, and Tea Ivanovic*

The Turkish agenda in the Balkans has changed over time, both in terms of intensity and content. The end of the Cold War and the violent dissolution of the former Yugoslavia in the 1990s were crucial for Turkey to position itself strongly in the region, and to remain involved, primarily in Muslim-populated areas. Turkey's focus was on Bosnia and Herzegovina (BiH), where Muslims were suffering under mostly Bosnian-Serb bombardment along with an internationally imposed arms embargo. Later on, during the Kosovo War in 1999 and the continuing dispute between the Former Yugoslav Republic of Macedonia and Greece over the name "Macedonia," Turkey continued to take a strong political stance. Ankara backed the ethnic Albanians in Kosovo's conflict with Belgrade, and recognized Macedonia by its constitutional name.<sup>1</sup>

Experiencing strong economic growth in the early 2000s, and with the rise of the newly formed Justice and Development Party (AK Party), the Balkans were at the center of Turkey's attention. By seemingly abandoning traditional *realpolitik* and applying new "win-win" approaches under Prime Minister Ahmet Davutoğlu, Turkey was able to carve out a meaningful role on the world stage. With fragments of Ottoman legacy, strong cultural relations that existed in the region, and the identification of "kin" communities, Turks abroad were seen as a genuine asset that would create a favorable milieu for renewed close relations with communities in the Balkans.

As Heinz Kramer stated, "Turkey is very much in favor of a lasting negotiated settlement of all Balkan issues that could become the source of future instability. To prevent such a possibility, the government seeks to establish cooperative relations with all Balkan states and promote multi-

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<sup>1</sup> Turkey insists on an asterisk accompanying any mention of "the Former Yugoslav Republic of Macedonia"; the asterisk noted that "Turkey recognizes FYROM by its constitutional name."

national regional plans that will further stability.”<sup>2</sup>As an outcome of this approach, Turkish interests in the Balkans, largely driven by Davutoğlu—who perceived it as his private project—gave priority to bringing and maintaining peace and stability in the region. In this respect, for the AK Party, resolving disputes with neighbors was vital. That, in return, required having more solid leverage, which meant the entering of a stage of activism and the promotion of trade and investment.<sup>3</sup>

Apart from becoming a member of regional initiatives, Turkey’s position as a strategic country was enhanced by the establishing of trilateral consultation mechanisms—Turkey-BiH-Croatia, and Turkey-BiH-Serbia—which meant that Turkey was assuming a key role as a mediator in the region. Initially envisaged to reassert Turkey’s influence in the Balkans—and, in particular, contribute toward creating bonds among the countries in the region—these trilateral meetings were in fact never designed to last.<sup>4</sup>The foreign ministers of Turkey, Bosnia and Herzegovina, and Serbia have come together nine times; the foreign ministers of Turkey, Bosnia and Herzegovina, and Croatia have gathered four times since 2009.<sup>5</sup>The highlight of these meetings was a first-ever meeting between Serbian President Boris Tadić and then-BiH President Haris Silajdžić in 2010. As a result, BiH sent an ambassador to Belgrade following a three-year absence. During the same year, the Serbian Parliament adopted a declaration condemning the crimes in Srebrenica. Following the Trilateral Balkan Summit held in Istanbul in April 2010, an Istanbul Declaration was adopted guaranteeing the territorial integrity of BiH.

The European Commission took note of Turkey’s activism in the Balkans in its 2010 Progress Report. “Turkey has taken many initiatives in the Western Balkans, expressing commitment to promoting peace and stability in the region. Turkey supports integration of all countries in the region both with the EU and at the Euro-Atlantic level.” That same year, Foreign Minister Davutoğlu held talks with the NATO and EU leaders, and with then-member of the Bosnian Presidency Silajdžić to advance

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<sup>2</sup> Kramer, Heinz. *A Changing Turkey: The Challenge to Europe and the United States*. Washington, D.C.: Brookings Institution Press, 2001, p. 154.

<sup>3</sup> Kemal Kirişçi, “The Transformation of Turkish Foreign Policy: The Rise of the Trading State,” *New Perspectives of Turkey*, no. 40 (2009), pp.29-57. [http://www.esiweb.org/pdf/news\\_id\\_412\\_5%20-%20Article%20Kemal%20Kirisci.pdf](http://www.esiweb.org/pdf/news_id_412_5%20-%20Article%20Kemal%20Kirisci.pdf)

<sup>4</sup> “A Political Romance: Relations between Turkey and Bosnia and Herzegovina.” *Populari*, May 2014. <http://populari.org/index.php?bGFuZz1lbiZyPTQmbD0mZT0xOTM=..>

<sup>5</sup> Ibid.

Bosnia's NATO prospects through a hoped-for Membership Action Plan (MAP).

However, despite its more broadminded approach to the region, when Turkey's kin faced serious concerns, Ankara reverted to partisan form. In the polarized 2009 debate over the future of the Office of the High Representative, Turkey blocked any move by the Steering Board of the Peace Implementation Council (PIC) to advance debate on the issue. Bosnian Serbs assessed this as a protective gesture towards the country's Bosniaks.

With the departure of Turkish Prime Minister Davutoğlu in 2016—the architect of Turkey's foreign policy in the Balkans—as well as the ongoing domestic crises after the July 2016 military coup attempt, a new course in Turkish foreign policy for the region remains to be seen. Since July 2016, Turkey has exercised pressure on Western Balkan governments to shut down Gülen-related structures (i.e., schools, universities, cultural institutions), but so-far without much success. Although Turkey enjoys some influence, especially in Bosnia and Herzegovina, Macedonia, and Kosovo, these institutions did not comply with Turkish requests. Given that domestic regional school curricula and the education system are not ranking well in terms of quality, Turkish structures still offer much better prospects for students and youth in the region, so the government did not respond to demands to shut down these educational structures. Disappointed with this development, Turkey recently scrapped a bilateral diploma acceptance deal with Macedonia after the authorities in Skopje failed to close schools and organizations suspected of links to Fethullah Gülen.<sup>6</sup> Similar patterns can be seen elsewhere. Thus, if the events of July 15 were to evaluate the depth of influence Turkey can project over the region, it proved to have much less authority than it claims. Having said that, Turkey continues to use established relations by sending ministers to the region, playing a rational role, promising new economic investments, trade deals, and announcing more bilateral projects in the near future. With the refugee flows from Syria, tense relations with the EU and Germany, and terrorism at home, Turkey has not been active in the Balkans, or at least less so compared to previous years.

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<sup>6</sup> Marušić, Sinisa Jakov. "Turkey Scraps Diploma Deal with Macedonia." *Balkan Insight*. January 24, 2017. <http://www.balkaninsight.com/en/article/students-shocked-over-scrapping-of-macedonia-turkey-diploma-deal-01-23-2017>.

## Economic Influence

For Turkey, the Western Balkan markets are not particularly attractive; the population is small, and the purchasing power is generally low. In areas of external trade—around 60 percent of which is with the EU—capital investment, and banking, the Western Balkans mainly depend on Germany, Italy, Austria, Greece, France, and Hungary. Banks in the Western Balkans are mainly controlled by Italy, Austria, Greece, and France.<sup>7</sup>

The dynamics of economic relations between Turkey and the Western Balkan countries have remained largely unchanged over the last decade, despite promises in political speeches across the Western Balkans. Although Turkey has played an important political role in the region, its economic performance has not outperformed EU countries such as Italy and Germany. In economic terms, Turkey shows (to a certain extent) that it supports only Muslims in the region. Rhetorically, the aim is to work holistically with everyone, but in reality, Muslim groups receive special attention and benefits. The Yunus Emre Cultural Center<sup>8</sup> has opened three offices in BiH, none of which are located in Republika Srpska.<sup>9</sup> Out of 25 branch offices of the Turkish Ziraat Bank in BiH, only one is located in Republika Srpska (in Banja Luka)<sup>10</sup> and out of all the investments in large-scale production, none have been made in Republika Srpska. The Turkish Cooperation and Coordination Agency (TIKA) has program coordination offices in almost all parts of the region. However, it is mostly active in areas typically populated by Muslims. TIKA's activity fund concentrates 50 to 70 percent of its resources to restoration. "As a result, it has rebuilt or participated in the rebuilding of numerous monuments of Ottoman cultural and historical significance in BiH—bridges, fountains, residences, and mosques—over a period of two decades. Yet, exact numbers that systematically testify to their activities are almost impossible to come

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<sup>7</sup> Reljić, Dušan. "The Western Balkans: Accessing the Union," *SWP-Point of View* (Berlin: SWP), August 28, 2012.

<sup>8</sup> The Yunus Emre Foundation is a public foundation founded under the law dated May 5, 2007. The Foundation had 5,653 establishments to promote Turkey and its language, history, culture, and art. It makes related information and documents available for users across the world, provides services to educators in the Turkish language, culture, and art, improves relations between Turkey and other countries, and increases cultural exchange. For more information, see: <http://www.yee.org.tr>.

<sup>9</sup> Bosnia and Herzegovina has two entities: The Federation of Bosnia and Herzegovina and Republika Srpska.

<sup>10</sup> "A Political Romance: Relations between Turkey and Bosnia and Herzegovina." *Populari*, May 2014.

by, as even TIKA itself does not keep track of significant cultural and historical monuments they assist in rebuilding.”<sup>11</sup> Unlike the other 22 major international donors in BiH, TIKA has not yet joined the Donor Coordination Forum (DCF), established in 2005 with the intention of increasing aid-efficiency in BiH and strengthening BiH’s leadership in its own development.

The Turkish Cultural Yunus Emre Centers have offices in Albania, BiH, Kosovo, Macedonia, and Romania. These centers have been active in spreading the teachings of the Turkish language in public schools. As a result, during the 2012-2013 academic year, numerous primary and secondary schools in Sarajevo began offering Turkish as an elective course—so far, 4,863 students have participated in these courses. The *Diyanet* (Turkey’s “Presidency for Religious Affairs” which nourishes religious relations), plays a major role in relations between Turkey and the countries of the Western Balkans. In addition, the Gülen movement has been very active in the Balkans<sup>12</sup> but has come under investigation in Bosnia and Herzegovina, where, in 2016, public action has led to investigations in the schools’ operational structures, which are claimed to be ignoring domestic education rules and procedures. Thus far, no evidence of a breach has been found.

Turkish media are also attempting to establish themselves in the Western Balkans. Turkey’s state-run broadcaster TRT now offers internet news and radio programs in the Balkans, and the Anadolu Agency news service in BiH has gained popularity. However, the Turkish entertainment industry has had the most success. Turkish soap operas have developed enthusiastic fan bases throughout Eastern Europe.<sup>13</sup> According to the Turkish Ministry of Culture and Tourism, when the soap operas first entered the world market, they were valued at 25,000–35,000 euros per episode. “Today, the programs sell for 145,000–360,000 euros an episode. Turkish soap operas broadcast daily are very popular in BiH, with 47 covering 2,235 minutes of programming on only one TV channel a week (which is exactly a day

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<sup>11</sup> “A Political Romance: Relations between Turkey and Bosnia and Herzegovina.” *Populari*, May 2014.

<sup>12</sup> The Gülen movement also runs a number of schools in Albania, Macedonia, and Kosovo.

<sup>13</sup> Mehmet Huseyin Bilgin, Ender Demir, and Davor Labas. “The Impact of Turkish TV Series on Turkey’s Image: Evidence from Eastern Europe,” in *Entrepreneurship, Business and Economics*, Mehmet Huseyin Bilgin and Hakan Danis (eds.). (Volume 1, Cham: Springer, 2016): pp. 565–578.

and a half every week of soap operas), enhancing Turkey's soft power on the international stage by popularizing Turkish culture."<sup>14</sup>

## Turkey's Cooperation with its Transatlantic Partners in the Region

### *Bosnia and Herzegovina*

The legacy of Ottoman rule profoundly marked BiH's society and some of its most prominent features. Islam as a religious heritage, Ottoman-influenced art, and 6,878 common Turkish words are just a few of the reasons why Bosnia is seen by many as the "miniature of the Balkans," and why Sarajevo especially holds a very special place in the hearts of Turks.<sup>15,16</sup> According to polls, a majority of BiH citizens—as much as 60.2 percent—see Turkey as a friendly country.<sup>17</sup> At the same time, this fondness is, according to statistics, more pronounced among Bosniaks (Bosnian Muslims), as 72.5 percent of them like Turkey the most out of all foreign countries and would want to live there in a hypothetical case of having to live abroad.<sup>18</sup>

In the 1990s, Turkey's interest was directed in particular toward BiH, and a number of parliamentary sessions were dedicated to the 1992–1995 war. The opposition parties criticized Turkey's "inaction" during the war, advocating for a unilateral intervention in BiH<sup>19</sup> and for Turkey to position itself as an ally of the Bosnian Muslims (Bosniaks).<sup>20</sup> Even though Ankara was adamant about who the aggressor was and who the victims were, the

<sup>14</sup> "A Political Romance: Relations between Turkey and Bosnia and Herzegovina." *Populari*, May 2014.

<sup>15</sup> Škaljić, Abdulah. *Turcizmi u srpsko-broavatskom jeziku* [Turkish expressions in the Serbo-Croatian language], 6th issue (Sarajevo, 1989).

<sup>16</sup> "A Political Romance: Relations between Turkey and Bosnia and Herzegovina." *Populari*, May 2014, p 5.

<sup>17</sup> A survey conducted by the Wise Men Center for Strategic Studies (BILGESAM) on how Turkey and Turkish people are perceived in the Balkans. The survey was carried out at different universities in the countries, with respondents including both students and academics, and involved 2,127 face-to-face interviews (June, 2012).

<sup>18</sup> *Ibid.*

<sup>19</sup> Ekinci, Didem. "The War in Bosnia and Herzegovina and Turkish Parliamentary Debates (1992–1995): A Constructivist Approach," *Uluslararası İlişkiler* 6, no. 22 (Summer 2009): pp. 37–60.

<sup>20</sup> The term "Bosniak" replaced "Muslim" in the 1990s as the name the Bosnian Muslims used for themselves. See: Lampe, John R. "Bosnian conflict." *Encyclopædia Britannica*, May 9, 2016. <https://www.britannica.com/event/Bosnian-conflict>.

Turkish government followed the line of action that was in line with the NATO framework.<sup>21</sup> It offered diplomatic and public support to the authorities in Sarajevo, but it was reluctant to completely sever relations with Serbia.<sup>22</sup> However, Turkey's political elites acknowledged that it was the Muslims who were being killed on European soil, and there was a call for Turkey to defend its kin community. In 1992, Turkish President Süleyman Demirel made a powerful speech calling for more assertive action, "I can say a new wave of bloodshed is coming. I stated my worries to world leaders after my return from BiH. I continue to voice the drama of our Bosnian brothers at every international forum and bilateral contacts."<sup>23</sup>

Turkey actively participated in United Nations Protection Force (UNPROFOR) activities. After the Dayton Agreement was signed in 1995, Turkey increased its military presence to brigade levels for the transformed NATO-led Implementation Force (IFOR), which would become the Stabilization Force (SFOR) in 1996.<sup>24</sup> That same year, Turkey and BiH signed two bilateral agreements that established the cooperation between the two countries in the fields of military training, defense industry infrastructure, military technology, scientific research and development, and military medicine.<sup>25</sup> The second agreement had two objectives: First, to bring the Muslim-Croat forces up to equivalence with the Bosnian Serb Forces by the time IFOR leaves the country, and second, to bring the Bosnian army closer to NATO standards. The agreement implied regular visits by high-level officials and delegations, participation in exercises as observers, the training of military personnel, and contributions to the "Train and Equip Program."<sup>26</sup> Efforts to train the Bosnian army went hand-in-hand with security concerns brought up by the United States

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<sup>21</sup> "A Political Romance: Relations between Turkey and Bosnia and Herzegovina." *Populari*, May 2014. *Populari* interviewed Kemal Hakkı Kılıç, Head of the Balkans Department within Diyanet in Ankara, Turkey, on October 21, 2013.

<sup>22</sup> Ekinci, Didem. "The War in Bosnia- Herzegovina and Turkish Parliamentary Debates (1992-1995): A Constructivist Approach," *Uluslararası İlişkiler*, Volume 6, No 22 (Summer 2009): pp. 37-60.

<sup>23</sup> Sami Süleyman Gündoğdu Demirel was a Turkish politician and statesman who served as the ninth president of Turkey from 1993 to 2000. He previously served as the Turkish prime minister five times between 1965 and 1993. He was the leader of the Justice Party (AP) from 1964 to 1980 and the leader of the True Path Party (DYP) from 1987 to 1993.

<sup>24</sup> Demir, Metehan. "Turkey's Training of Bosnian Continues as Fate of the Federation Remains Hazy," *Turkish Daily News*, August 30, 1996, cited in Ekinci, *Turkey and the Balkans in the Post-Cold War Era*, p.254.

<sup>25</sup> "Turkey, Bosnia Sign Military Cooperation Accord." *Turkish Daily News*, August 12, 1995, cited in Ekinci, *Turkey and the Balkans in the Post-Cold War Era*, p. 252.

<sup>26</sup> *Ibid*, p. 252.

regarding the presence of foreign fighters in BiH. Having the image of an unpredictable country with a weak state apparatus, Bosnia and Herzegovina was considered fertile soil for Islamic extremists.<sup>27</sup> BiH troops were trained by the Turks with American M60 tanks—part of the 98.4 million dollars-worth of U.S. military hardware that was supposed to be shipped to BiH under the condition that all Iranian fighters would leave the country.<sup>28</sup>

Turkey considered itself a bridge between BiH and the international community. Its lobbying for BiH to gain membership in the Organization for Security and Co-operation in Europe (OSCE) was one way to demonstrate that.<sup>29</sup> Turkey's efforts to bring BiH closer to NATO culminated in 2010, when Foreign Minister Davutoğlu held talks with Anders Fogh Rasmussen, Secretary-General of NATO and EU term president; Spanish Foreign Minister, Miguel Angel Moratinos; and then-President of BiH, Haris Silajđić to help Bosnia and Herzegovina's participation in MAP.<sup>30</sup> The Turkish embassy served as a NATO contact for BiH while also acting as a mentor in the process. "Although this role is usually assumed by a NATO member for a duration of one year, Turkey has—based on its explicit expression of strong interest—been able to keep it for two consecutive years. NATO foreign ministers had assured BiH that the country would be included in MAP if they made the necessary reforms. Having no influence over Republika Srpska—a Serb-majority populated area and an entity within BiH—Turkey was left with no leverage in further negotiations between the two entities to deliver reforms. A compromise has not been reached, and to date BiH has not participated in MAP.<sup>31</sup>

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<sup>27</sup> Ibid, p. 253.

<sup>28</sup> Akıncı, Uğur. "General Bir: Turkey Won't Allow Bosnia Follow Fanatics," *Turkish Daily News*, June 8, 1996, cited in Ekinci, *Turkey and the Balkans in the Post-Cold War Era*, p. 253.

<sup>29</sup> Kut, Sule. "Turkish Diplomatic Initiatives for Bosnia-Herzegovina," *Balkans: A Mirror of the New International Order*, ed. Günay Göksu Özdoğan and Kemali Saybaşılı (Istanbul: Eren, 1995), cited in Dilek Barlas, "Turkey and the Balkans: Cooperation in the Interwar and Post-Cold War Periods," *Turkish Review of Balkan Studies*, Foundation for Middle East and Balkan Studies, (Volume 4, Annual 1989/99): pp. 65–80.

<sup>30</sup> The Membership Action Plan (MAP) is a NATO program of advice, assistance, and practical support tailored to the individual needs of countries wishing to join the Alliance. Participation in MAP does not prejudice any decision by the Alliance on future membership.

<sup>31</sup> İnan Rüma, "Turkish Foreign Policy towards the Balkans: Overestimated Change within Underestimated Continuity?" in *Turkey in the 21st Century: Quest for a New Foreign Policy*, ed. Özden Zeynep Oktav (Farnham: Ashgate, 2011), pp. 135–157.

Turkey believes that the integration of BiH into Euro-Atlantic structures is vital for sustainable stability, not only in BiH, but in Southeast Europe as a whole. The decision taken at the NATO Foreign Ministers Meeting in Tallinn in 2010 to invite BiH to join MAP is an important step in this direction. Turkey points to the urgency of initiating the MAP process for BiH, along with a strong engagement from the international community to help solve the registration of the military property issue during the MAP cycle. As a reflection of its support, the Turkish Embassy in Sarajevo assumed the responsibility of being the NATO Contact Point Embassy for the period 2011-2012.<sup>32</sup>

More recently, reflecting the religious-political leadership of President Erdoğan, Turkey has intensified the Islamic “kin” orientation of its Balkan policy, damaging its bid for a regional mediator role. In July 2014, the Turkey and BiH defense ministries planned a naval military exercise in Neum, the lone BiH sea exit. The visit of two Turkish military vessels had only been arranged with representatives of the Bosniak side; Croat and Serb representatives in the BiH presidency objected to this and refused entry to the Turkish naval ships, raising tensions in domestic political discourse. One of the two ships was named after the famous Turkish Grand Vizier, Sokullu Mehmed Pasha, which for the Serbian and Croatian politicians in BiH represented a hint at neo-Ottomanism.<sup>33</sup>

Ankara has cultivated particularly close relations with the Bosniak member of the BiH Presidency, Bakir Izetbegović, who hews towards Erdoğan’s AK Party Islamist orientation. Izetbegović took part in a teleconference with then-Presidential candidate Erdoğan, during which he stated that, if Erdoğan is elected president, he would not only act as president of Turkey but also as president of BiH, a president of all Muslims. “You have restored the pride, the dignity of the Islamic nation. Therefore, here we all stand before you, out of respect for the first-class Muslim leader. Therefore, raise the flag high for our leader, for our Prime Minister Tayyip Erdoğan.

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<sup>32</sup> “Turkey’s and NATO’s views on current issues of the Alliance.” Republic of Turkey Ministry of Foreign Affairs. Accessed September 9, 2017. [http://www.mfa.gov.tr/ii---turkey\\_s-contributions-to-international-peace-keeping-activities.en.mfa](http://www.mfa.gov.tr/ii---turkey_s-contributions-to-international-peace-keeping-activities.en.mfa).

<sup>33</sup> Pavlović, Djordje. “The Future of the Trilateral Cooperation among Bosnia and Herzegovina, Turkey, and Serbia.” *SAM Report, Center for Strategic Research, Republic of Turkey, Ministry of Foreign Affairs*: p. 28. <http://sam.gov.tr/wp-content/uploads/2016/03/SAM-Report.pdf>.

He carries our flag, he carries our pride, [and] he carries the flag the late Izetbegovic carried in the Bosnian bloody war,”<sup>34</sup> Izetbegović exulted.

Reciprocity came shortly afterwards, when the AK Party and Erdoğan himself threw full support behind Izetbegović’s second-term run for the Bosniak seat of BiH Presidency, a gesture that provided a significant boost to his campaign, and the Balkan service of Turkey’s state-owned Anadolu Agency promoted Izetbegović during his campaign. In addition, on the eve of the 2014 BiH general elections, the Bosnian branch of Turkey’s state-owned Ziraat Bank granted the state of BiH a loan of 50 million dollars—Izetbegović was there to publicly receive the new line of credit. While Bosniak officials have embraced Turkey as a role model and enjoy direct access to Ankara, their Croat and Serb counterparts are increasingly put-off by Turkey’s bias.

### ***Kosovo***

Following the conflict between Serbia and Kosovo in 1999, and Kosovo’s unilaterally declaring of its independence from Serbia in February 2008, Deputy Prime Minister Ali Babacan stated that Turkey welcomed the independence of Kosovo,<sup>35</sup> supports the EU’s mediation in the conflict, and has invested in Kosovo’s stability and economy.<sup>36</sup>

However, in October 2013, Serbian President Tomislav Nikolić cancelled an announced trilateral meeting in response to then-Prime Minister Erdoğan’s statement in Kosovo: “Kosovo is Turkey and Turkey is Kosovo.” Nikolić called it “an aggression without arms.”<sup>37,38</sup>

Turkey currently takes part in the NATO operation KFOR in Kosovo with 350 military personnel, and it took over the leadership of the Multi-national Task Force South (MNTF(S)).<sup>39</sup>

<sup>34</sup> “Izetbegovic Calls for Turkish Involvement.” Srna, August 10, 2014. <http://www.srna.rs/novosti/228799/izetbegovic-calls-for-turkish-involvement-.htm>.

<sup>35</sup> “Statement of H. E. Ali Babacan, Minister of Foreign Affairs of the Republic of Turkey, regarding the Recognition of Kosovo by Turkey,” February 18, 2008.

<sup>36</sup> “Turkey’s influence in the Western Balkans.” European Parliament. July 2017. [http://www.europarl.europa.eu/RegData/etudes/ATAG/2017/607300/EPRS\\_ATA\(2017\)607300\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/ATAG/2017/607300/EPRS_ATA(2017)607300_EN.pdf).

<sup>37</sup> “Serbia accuses Turkish PM of meddling in country’s affairs.” *Middle East Online*, October 25, 2013. <http://www.middle-east-online.com/english/?id=62178>.

<sup>38</sup> “Serb president wants apology from Turkey over Kosovo.” MINA, October 26, 2013. <http://macedoniaonline.eu/content/view/24154/46/>.

<sup>39</sup> “Turkey’s International Security Initiatives and Contributions to NATO and EU Operations.” Republic of Turkey Ministry of Foreign Affairs. [http://www.mfa.gov.tr/iv\\_-euro](http://www.mfa.gov.tr/iv_-euro)

## *Macedonia*

In the 1990s, when Macedonia declared independence from the former Yugoslav republic in 1991, the two nations embarked on much closer relations. Joint animosity toward Greece made this cooperation even stronger. “With a provisional name of the Former Yugoslav Republic of Macedonia in order to become a member of the UN, Macedonia tightened relations with Turkey, which earned the unwavering loyalty of many Macedonians after Ankara became the second country—Bulgaria was first—to publicly support Skopje’s declaration of independence and use the name “Macedonia” in 1991.”<sup>40</sup>

Following its declaration of independence in September 1991, Macedonia faced an amalgam of economic, political, and military weakness. It could not receive aid or borrow on the financial markets, as it was not officially recognized. Turkey’s provision of oil and humanitarian aid in this period proved vital for Macedonia. Former Foreign Minister Hikmet Çetin’s landmark visit to Macedonia in late 1993 brought certain projects to life, such as the East-West Motorway passing through Albania, Macedonia, Bulgaria, and Turkey. By 1995, approximately 30 agreements were signed between the two states, an indication of growing relations.<sup>41</sup>

Culturally, relations were strong. The second-largest city in Macedonia, Bitola, a place where Mustafa Kemal Atatürk<sup>42</sup>—the founding father of modern Turkey—lived and studied, is an almost inevitable stop on the journey for many Turks.<sup>43</sup> An estimated six million people living in Turkey today have ancestors who live in Macedonia.

Unlike the 1990s, when Macedonia managed to avoid an armed conflict, 2001 was a time of insurgency. Ethnic Albanian rebels calling themselves the National Liberation Army launched attacks on Macedonian security

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<sup>40</sup> “Statement of H. E. Ali Babacan, Minister of Foreign Affairs of the Republic of Turkey, regarding the Recognition of Kosovo by Turkey,” February 18, 2008.

<sup>41</sup> Agreement on Trade and Economic Cooperation (1995), Agreement on the Prevention of Double Taxation (1995), Agreement on Mutual Promotion and Protection of Investments (1995), Agreement on Mutual Promotion and Protection of Investments (1995), Free Trade Agreement (1999), and Memorandum of Understanding (2003).

<sup>42</sup> Mustafa Kemal Atatürk was born in Thessaloniki (now Greece) in 1881 and attended military school in Bitola from 1896 to 1899. His father was born in the village of Kodzadzik in western Macedonia. He went on to become an army officer during the First World War and president of the newly founded Republic of Turkey in 1923.

<sup>43</sup> Duridanski, Darko. “Macedonia-Turkey: The Ties That Bind,” *Balkan Investigative Reporting Network*, February 14, 2011.

forces, which in turn started a counter-insurgency campaign. "With U.S. and European diplomatic intervention, the parties signed a framework agreement on August 13 amidst the deadliest violence to date."<sup>44</sup> Turkey played an important role by providing military aid to Macedonia. "Macedonian officials said they did not want military support from Turkey, yet added that they would like Turkey to assume a more effective role in NATO."<sup>45</sup>

In general, Turkey supports the idea that NATO's door should remain open to European democracies willing and able to assume the responsibilities and obligations of membership. In this notion, Turkey welcomed the accession of Bulgaria, Romania, Slovenia, Slovakia, Estonia, Lithuania, and Latvia to NATO as of March 29, 2004, which constitutes the largest-ever enlargement of the NATO alliance with the belief that it will further contribute to the consolidation of security and stability in the Euro-Atlantic region. Albania and Croatia were invited to join NATO at the Bucharest Summit in April 2008, and formally became members when the accession process was completed on April 1, 2009.

Macedonia has, like Albania and Croatia, been participating in MAP in preparation for its possible NATO membership. Turkey believes that NATO membership for Macedonia is of great importance for the maintenance of peace and stability in the Balkans. Turkey also welcomed the decision taken at Foreign Ministers Meeting on December 3-4, 2009 to invite Montenegro to join MAP, and in July 2017 Montenegro became the alliance's 29th member.

"In March 2010, Davutoğlu, the Turkish foreign minister, met his Macedonian counterpart, Antonio Milososki, in Skopje and fully expressed his nations support in one sentence: 'The citizens of the Republic of Macedonia, wherever they are in the world can, if they need help, call the embassies of Turkey. They will get help, as they are Turkish citizens.'<sup>46</sup> Davutoğlu did not fail to convey a message of support on similar occasions,

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<sup>44</sup> Kim, Julie. "Foreign Affairs, Defense, and Trade Division WikiLeaks Document Release," *Congressional Research Service Report RL30900 Macedonia: Country Background and Recent Conflict*, p.3. <http://www.mit.edu/afs.new/sipb/contrib/wikileaks-crs/wikileaks-crs-reports/RL30900.pdf>

<sup>45</sup> "Üsküp'e Savunma Yardımı" [Skopje Defense Help], *Cumhuriyet*, March 18, 2001, and "Turkey Condemns Violence, Refugee Inflow Continues", *Turkish Daily News*, March 22, 2001, in İkinci, *Turkey and the Balkans in the Post-Cold War Era*.

<sup>46</sup> "Üsküp'e Savunma Yardımı" [Skopje Defense Help], *Cumhuriyet*, March 18, 2001, and "Turkey Condemns Violence, Refugee Inflow Continues," *Turkish Daily News*, March 22, 2001, cited in İkinci, *Turkey and the Balkans in the Post-Cold War Era*.

“Turkey gives great attention to the political stability and prosperity of Macedonia because it is the heart of the Balkans. That is why Ankara was one of the first countries that recognized Macedonia under its constitutional name. I believe that the path of Macedonia towards the EU should be opened and the Turkish support for NATO membership for Macedonia will continue.”<sup>47</sup> During the past two decades, Turkey has been one of the most fervent supporters of Macedonia’s accession to NATO. Over the years, Turkey has donated military equipment and provided Macedonia with numerous trainings and courses for officers and non-commissioned officers. On December 24, 2010, the ministers of defense of Turkey and Macedonia signed an agreement on military-financial cooperation. Reportedly, more Macedonian generals from the Macedonian army speak Turkish than English.<sup>48</sup>

### Turkey’s Activism as Seen from the Balkans

Major drivers of Turkey’s new foreign policy have been centered on the nation’s history, culture, and geopolitical position. Politically, Turkey puts the Balkans at the center of five intersecting regions, including the Black Sea, the Caucasus, the Middle East, and the Eastern Mediterranean. Providing more access to the region is seen as a matter of domestic national priority, as Turkey is considered by many Turks to be a partially Balkan country—not solely by virtue of location, but also for its well-preserved culture, cuisine, and customs in terms of food and social life.

However, a clear separation of sentiments toward Turkey is visible in the Western Balkans. Whereas the political elites in the Western Balkans unanimously display almost divine devotion to the Turkish political establishment and nurture good relations, citizens with more liberal views dread the possibility of Turkey becoming more influential in the region. In Bosnia and Herzegovina, the popularity of Turkey—driven through political speeches and campaigns—has become a tenet of Bosniak politics, and stories of the good life under the Turks are overwhelmingly a part of the state politics. Alija Izetbegović talks about leaving BiH on a deathbed to President Erdoğan as an *emanet*—an inheritance to be taken care of. It has become a mainstream anecdote that Bosniak political elites have empow-

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<sup>47</sup> Ibid.

<sup>48</sup> Žarko Petrović and Dušan Reljić, “Turkish Interests and Involvement in Western Balkans: A Score-Card,” *Insight Turkey*, Volume 13, no. 3 (2011): pp. 159-172.

ered Turkey and given them unprecedented opportunities for realizing their foreign policy ambitions. The demand for a greater Turkish presence—not only economically but also in everyday life—by the establishments in parts of BiH similarly shapes the perception that Turkey offers an alternative for the Balkans, one that is different from the European Union.

Even among Muslims in the Balkans, Kosovo, Albania, BiH, and Macedonia there is no unified approach toward Turkey, and even more so to its policies and open interference in the region. Concessions given to Turkey in exchange for the desperately needed economic projects are not welcomed by all. In 2015, Turkey demanded the closure of *Hizmet* schools in Albania, which sparked a fierce reaction from the Albanian chief of the socialist ruling party in Albania, “The Turkish president visited us and wanted us to close schools. How did he say that? As a brother? As a friend? No. He said that as if he is our father. If we Albanians have our father, it should be Skender-beg, Ismail Kemal. We [Albanians], have no father outside of Albania. This request put before us is unacceptable, we [Albanians], are not a Turkish colony.”<sup>49</sup> The vassal-based<sup>50</sup> relationship is still problematic for many Muslims in the region, and the scholarly elite throughout the region rejects this notion strongly. Although a significant number of ethnic Turks living in the Balkans undeniably feel a strong religious and cultural affinity with Turkey, the citizens of the Western Balkan region are more likely to see themselves as part of the larger European Union. A large majority still considers membership within the European Union to be “a good thing”<sup>51</sup> and views EU membership as the paramount goal of their domestic transformation.

## The European Union Question

Turkey’s domestic conflicts and its tarnished record regarding human rights and the rule of law have diminished its image internationally. In

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<sup>49</sup> “Albanski parlament Erdoanu: ‘Mi nismo turska kolonija i nemamo oca izvan zemlje!’” [Albanian Parliament to Erdoğan: “We are not a Turkish colony and we have no father outside Albania.”] *Dnevni Avaz newspapers*, May 19, 2015. <https://goo.gl/ND7ONE>.

<sup>50</sup> Definition of “vassal” (in the feudal system): a person granted the use of land, in return for rendering homage, fealty, and usually military service or its equivalent to a lord or other superior; feudal tenant”; source: <http://www.dictionary.com/browse/vassal>.

<sup>51</sup> Regional Cooperation Council. Public opinion survey, *Balkan Barometer*, 2016, p. 51, [http://www.rcc.int/seeds/files/RCC\\_BalkanBarometer\\_PublicOpinion\\_2016.pdf](http://www.rcc.int/seeds/files/RCC_BalkanBarometer_PublicOpinion_2016.pdf).

July 2016, forces within the Turkish military attempted a coup, which has since dramatically changed the domestic political scene. Fethullah Gülen, a Muslim cleric who lives in self-exile in Pennsylvania, has been accused by Turkey of orchestrating the failed *coup d'état* attempt. Erdoğan accused Gülen and his supporters of creating “a state within a state” and announced that educational centers run by the Gülen movement<sup>52</sup> would be shut down. After July 15, 2016, the purge against Gülen sympathizers continued, and hundreds of thousands of people are being fired, jailed, and prosecuted. Many intellectuals and scholars have been prohibited from leaving the country, and many of them still face uncertainties. Liberal, pluralist democracy, which had been the flagship of the AK Party only a decade ago, has profoundly changed, and so did its image. The EU now seems like an overstretched goal.

Knowing the conditionality limitations in the Balkans, applying only EU solutions to specific national issues does not always bear results. Instead of looking at Turkey as a competitor, the EU should include Turkey into multilateral activities in the Western Balkans (e.g., through the Berlin Process). An alienated and authoritarian Turkey could bring increasing levels of uncertainty to the region. Throughout the 1990s, Turkey proved to be a trustworthy partner in multilateral activities, and its participation in military and civilian missions contributed to fostering stability in the region. In the last decade, Turkey has shown a noteworthy level of political pragmatism, and it may well be a valuable partner in the process. If the EU and Turkey share interests in the Western Balkans, there should be a way to accommodate different approaches. The point would be to seek dialogue and initiate cooperation in fields where shared interests exist.

The promise from the June 2003 EU-Western Balkans summit, which resulted in the Thessaloniki Declaration affirming explicitly that “the future of the Balkans is within the European Union,” is long overdue. The European Union conditionality toolbox that worked well in previous enlargements has lost its power. With the exception of Croatia, all of the countries that began the process of joining in 2013—after 10 years of negotiations—are far from full EU membership. A series of demands from the European side toward the Western Balkan countries were often lacking in consistency. The credibility of the EU was further eroded by arbitrarily

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<sup>52</sup> The Gülen movement (*Hizmet* in Turkish) is a worldwide civic initiative rooted in the spiritual and humanistic tradition of Islam and inspired by the ideas and activism of Fethullah Gülen. See: <http://bit.ly/2azrj1e>.

applying conditions to the Western Balkans. Croatia, for example, signed its Stabilization and Association Agreement (SAA) as early as 2001 and became a candidate for EU membership in June 2004. At that time, the International Criminal Tribunal for the former Yugoslavia gave its opinion that Zagreb's cooperation was a positive element, despite the fact that indicted Croatian General, Ante Gotovina, had not been handed over. In BiH, the SAA negotiating process largely depended on compliance with the police reform conditions set by the Office of the High Representative—conditions that had never existed for any other country.

The change of leadership in the European Commission in 2014, the “five-year freeze”<sup>53</sup> on enlargement, the rise of “illiberal democracies” in the EU, and the EU's inability to counterbalance negative views on enlargement in the member states resulted in an almost complete power vacuum in the Western Balkan countries. To counter negative trends and launch more durable prospects for the region, the German government launched the Berlin Process in 2014 following a series of high-level visits to the region,<sup>54</sup> restating the importance of supporting the region's bid for membership in the EU. Forgotten commitments have been reinvigorated by a new roadmap, whose main focus is on the economy, connectivity, civil society, and youth. A target date for the accession of Serbia is 2022–2025, provided that other bilateral issues do not create more stumbling blocks. Lasting stability and economic development serve as the major rationale for providing support, but a weak state of democracy in the region plays a significant role, too. In a best-case scenario, no country in the Western Balkans will join the EU before 2020, and with Turkey's waning interest in Balkan politics, much of the progress to be made will take place in the Western Balkans itself.

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<sup>53</sup> “When it comes to enlargement, [...] this has been an historic success [...]. However, the Union and our citizens now need to digest the addition of 13 member states in the past ten years. The EU needs to take a break from enlargement so that we can consolidate what has been achieved among the 28. This is why, under my Presidency of the Commission, ongoing negotiations will continue, and notably the Western Balkans will need to keep a European perspective, but no further enlargement will take place over the next five years.” Accessed August 31, 2017. <https://goo.gl/jnnmRf>

<sup>54</sup> The Berlin Process, a five-year timetable launched by Germany in order to underline the commitment to EU-enlargement towards the Western Balkans region. The focus of the initiative is on countries in the Western Balkans that are not yet EU members: Albania, BiH, Kosovo, Macedonia, Montenegro, and Serbia.

## Conclusion

Turkey has participated in all operations led by NATO in the Balkans since 1995. It has contributed to IFOR and SFOR in Bosnia and Herzegovina, KFOR in Kosovo, and Operations Essential Harvest, Amber Fox, and Allied Harmony in Macedonia.<sup>55</sup> However, the threat of terrorism—domestic and regional—have turned Turkey's attention to its national security, and to its neighbors to the south, Syria, and Iraq, first and foremost. Even though the presence of foreign development agency TIKA testifies to the continued commitment to the Balkans, the region generates no vital security threats or relative economic interdependence that would draw Turkey in. Seemingly, the Western Balkans are no longer a priority for Ankara. As a result of Turkey's decline in interest in Balkan politics and its increased domestic and Middle Eastern focus, the diplomatic initiatives that Turkey had launched a few years before did not progress as expected.

The strong EU anchor that is missing in the Western Balkans and the uncertain future of Turkey's foreign policy direction will progressively deepen the necessity to synchronize approaches in the Western Balkans. The region's economic prospects are rather bleak due to high unemployment and social discontent. Although the EU holds instruments to bring the Western Balkans closer to the EU and ultimately improve the situation on the ground, a number of pressing issues—such as the prevailing financial crisis in the EU, the refugee inflow, terrorism, the Middle East crisis, and, finally, Brexit—have shifted the EU's priorities away from the Western Balkans. On the other hand, Turkey's current domestic political dynamics will complicate relations with the region later. If Turkey only plays its religious card as a foreign policy-making tool and verges toward more authoritarian rule and anti-Western feelings, it will asymmetrically improve its standing only with certain politicians from the region, who regard the present form of rule in Turkey to be adequate. On the contrary, if Turkey returns to economic growth, pluralism, democracy, and closer ties with the EU, its influence in the region can be as broad as it was at the beginning of the 2000s.

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<sup>55</sup> "Turkey's International Security Initiatives and Contributions to NATO and EU Operations." *Republic of Turkey Ministry of Foreign Affairs*. Accessed September 10, 2017. [http://www.mfa.gov.tr/iv\\_-european-security-and-defence-identity-policy-\\_esdi\\_p\\_.en.mfa](http://www.mfa.gov.tr/iv_-european-security-and-defence-identity-policy-_esdi_p_.en.mfa)



*Part IV*

**Turkey's Multi-Vector Foreign Policy  
and its Impact on Transatlantic  
Relations**



## *Chapter Thirteen*

# **The Transatlantic Dimension of Turkey's Strategic Rapprochement with Russia: The Turkish Perspective**

*Emre Ergen*

There is a general consensus among Turkish foreign policy scholars that Turkey can best be defined as a “middle power” in terms of its material capabilities and diplomatic influence.<sup>1</sup> This positioning has prompted Turkish leaders to effectively balance between the great powers in order to pursue national interests. In this regard, it can be argued that Turkey's relations with Russia have been largely shaped by its political and economic relations with the West.

Although Ottoman leaders in the 19<sup>th</sup> century viewed Russia as their archenemy, they still did not refrain from requesting the assistance of their powerful neighbor whenever they felt threatened by Britain, France, and other European powers. In this regard, the World War I (WWI) was a crucial turning point as it triggered the process resulting in the dissolution of the Russian and Ottoman empires. Following the Bolshevik Revolution in 1917, Russia was swept away by a civil war where the anti-Bolshevik forces received substantial military support from Britain and France. On the other hand, Turkish nationalists, united around the Mustafa Kemal Atatürk leadership, launched a war of independence against the same European invaders. The cooperation that emerged between Atatürk and Vladimir Lenin's Bolshevik government during this period paved the way for a more remarkable political and economic rapprochement between Ankara and Moscow in the 1920s and 1930s. Yet, the Turkish-Soviet understanding came to an end in 1945 when Joseph Stalin claimed the Turkish Straits and Eastern Anatolia, prompting Ankara to seek closer strategic ties with the transatlantic community and eventually join NATO in 1952. From the 1960s onwards, when Turkey became more distanced

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<sup>1</sup> See: Hale, William. *Turkish Foreign Policy since 1774* (London, New York: Routledge, 2013), p. 1; Oran, Baskin ed. *Turkish Foreign Policy 1919-2016* (Salt Lake City: The University of Utah Press, 2010), p. 9.

from its Western allies because of the Cyprus issue, the Soviet Union was once again perceived as an important equilibrant in Turkish foreign policy.<sup>2</sup>

The end of the Cold War presented a golden opportunity to initiate a breakthrough in Turkish-Russian relations. However, the two countries quickly became entangled in a new geopolitical rivalry over the newly independent Turkic states in the Caucasus and Central Asia. In this new regional context, Turkey moved closer to its transatlantic partners in order to advance its political and economic influence in the former Soviet space, while Moscow viewed Ankara's new foreign policy activism as an instrument of NATO's plans to undermine the traditionally strong Russian influence in the region.<sup>3</sup> The dynamics of Turkish-Russian relations began to change once again in the second half of the 1990s. Turkish leaders were particularly frustrated by the EU's 1997 decision to deny full membership to Turkey. Moscow, on the other hand, was alarmed by NATO's determination to expand toward the Central and Eastern European countries.<sup>4</sup> In this regard, the Turkish-Russian rapprochement—started around the period of the initiation of the Blue Stream natural gas pipeline project—can be viewed as a response to their common disillusionment with the West.<sup>5</sup>

In the new millennium, Turkish-Russian relations continued to evolve under the strong influence of the two countries' bilateral ties with the U.S. and the EU. Although Turkey's NATO membership prevented the emergence of a genuine strategic partnership, Russian leaders viewed their dialogue with an important NATO member as a valuable asset that could be utilized in their geopolitical rivalry with the West. Similarly, Ankara tended to use its developing ties with Moscow to gain leverage against its transatlantic partners and to act more independently in the Middle East, the Caucasus, and the Balkans.

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<sup>2</sup> Aydın, Mustafa. "Determinants of Turkish Foreign Policy: Changing Patterns and Conjunctions during the Cold War," *Middle Eastern Studies*, Vol. 36, No. 1 (2000), pp. 123-125.

<sup>3</sup> Sezer, Duygu Bazoğlu. "Turkish-Russian Relations: The Challenges of Reconciling Geopolitical Competition with Economic Partnership." *Turkish Studies*, Vol. 1, No. 1 (2000), pp. 68-73.

<sup>4</sup> Tanrısever, Oktay F. "Turkey and the Russian Federation: Towards a Mutual Understanding?" in Tareq Y. Ismael and Mustafa Aydın, ed., *Turkey's Foreign Policy in the 21st Century: A Changing Role in World Politics* (Aldershot: Ashgate, 2003), pp. 129-130.

<sup>5</sup> Also see: Kalashnikov, Alexander M. "'Goluboi Potok': Kak Vazhnyi Faktor Razvitiya Rossiysko-Turetskikh Otnoshenii [Blue Stream: An Important Development Factor of Russian-Turkish Relations]." *Vlast*, No. 2 (2013), pp. 100-102.

This chapter aims to evaluate the development of Turkish-Russian relations in the 2000s in light of the shifts in Ankara and Moscow's relations with the transatlantic community. It will particularly focus on three periods: 2003-2006, 2009-2010, and 2016-2017. These periods represent Turkish-Russian rapprochements when both countries confronted significant disagreements with the U.S. and EU over a number of key regional and international issues.

## **2003-2006: Repercussions of the Iraq War**

Although the political and economic relations between Ankara and Moscow had already started to improve since the initiation of the Blue Stream project in 1997, the main development that triggered a Turkish-Russian strategic rapprochement was the U.S. invasion of Iraq in March 2003. Russian President Vladimir Putin became one of the most vocal critics of the George W. Bush administration's policies regarding this issue and even signed a joint declaration with the leaders of France and Germany against the war in Iraq.<sup>6</sup> At a time when the transatlantic allies were deeply divided over this subject, Moscow's anti-war efforts coincided with the Turkish Parliament's voting down a very important motion that would have allowed the deployment of the U.S. soldiers in Turkey to facilitate the defeat of Saddam Hussein's forces.<sup>7</sup>

This development came as a shock to Washington, which was obliged to radically change its military strategy for the invasion of Iraq. It also created a major rift in the Turkish-U.S. relations until at least mid-2006. Russia, on the other hand, appreciated Turkey's decision not to actively join the Iraqi war as it was also reconsidering its relations with the Bush administration.<sup>8</sup> Although the dialogue between Russia and the U.S. improved in the wake of the 9/11 attacks, Washington's decision to launch its national missile defense program and NATO's decision to enlarge towards the three Baltic states brought the end of the honeymoon between the two countries. Russia-U.S. relations further deteriorated in the 2003-2005 period due to the color revolutions erupting in former Soviet space.

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<sup>6</sup> See the full text of the three countries' joint declaration in *The Guardian*, March 6, 2003, <https://www.theguardian.com/world/2003/mar/06/france.germany>

<sup>7</sup> "Başbakanlık Tezkeresi Onay Alamadı [Prime Ministry's Motion Failed to Receive Approval]." *NTV*, March 1, 2003. <http://arsiv.ntv.com.tr/news/203900.asp>.

<sup>8</sup> "Putin: Meclis Kararı Haftanın Olayı [Putin: Parliament's Decision is the Event of the Week]." *Radikal*, March 5, 2003.

Although it is debatable whether the U.S. or the EU were actively involved in the mass protests in Kyrgyzstan, Russian leaders believed that Western diplomatic and financial support for the opposition forces in Georgia and Ukraine was decisive in bringing about leadership changes in these two countries.<sup>9</sup>

At a time when Russia's relations with the transatlantic community were strained, a number of issues regarding Iraq started to cause serious friction between Turkey and the U.S. Ankara was concerned about Washington's improving relations with the regional Iraqi Kurdish government and criticized the U.S. for not taking effective measures against the strengthened presence of the Kurdistan Workers' Party (PKK) in Northern Iraq.<sup>10</sup> Turkey's relations with the EU also became complicated, especially after May 2004, when the Greek Cypriot government was admitted to the EU as a full member with the claim of representing the whole island—including the self-declared Turkish Republic of Northern Cyprus (TRNC). Although Turkey started accession talks with the EU in October 2005, Ankara's refusal to open its ports and airports to Greek Cypriot vessels prompted Brussels to freeze the opening of some important chapters in 2006.<sup>11</sup>

The Turkish-Russian rapprochement gained significant momentum during this period. In the economic sphere, the trade volume between the two countries reached almost 10 billion dollars in 2004, making Russia the second most important trade partner of Turkey. In 2005, the Blue Stream natural gas pipeline was completed, and more than one and a half million Russian tourists visited Turkey. The high-level official meetings between Ankara and Moscow also became quite frequent. In December 2004, for instance, Putin became the first Russian president in over thirty years to officially visit Ankara.<sup>12</sup> The two countries' positions regarding some major regional issues also became aligned. For instance, both of

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<sup>9</sup> See: "Putin Warns West Against Meddling in Ukraine." *RFE/RL Newswire*, December 7, 2004, <http://www.rferl.org/a/1143295.html> and "FSB Believes Foreign Non-Governmental Organizations Prepare New 'Velvet Revolutions.'" *Sputnik News*, May 12, 2005, <https://sputniknews.com/world/2005051239973262>.

<sup>10</sup> Çağaptay, Soner. "Where Goes the U.S.-Turkish Relationship?" *Middle East Quarterly* (Fall 2004), pp. 43-52.

<sup>11</sup> Nas, Çiğdem. "Turkey and the European Union: A Stumbling Accession Process under New Conditions," in Oktav Özden Zeynep (ed.), *Turkey in the 21st Century: Quest for a New Foreign Policy* (Surrey: Ashgate, 2011), pp. 159-180.

<sup>12</sup> "Sezer ve Putin'den 'Dostluk' Deklarasyonu ['Friendship' Declaration from Sezer and Putin]." *Radikal*, December 6, 2004.

them criticized Washington's plans to impose international sanctions against Iran and Syria, while they hosted the Hamas leadership in 2006 despite the reactions of the U.S., the EU, and Israel. A more significant example of the intensified regional cooperation between the two countries was their active participation within the framework of the Black Sea Economic Cooperation (BSEC), Black Sea Naval Co-operation Task Group (BLACKSEAFOR), and Operation Black Sea Harmony in order to prevent the extension of NATO's political and military influence in this region.<sup>13</sup>

These developments urged some analysts to claim that Turkish-Russian relations were turning into a strategic alliance.<sup>14</sup> The idea of Russian Eurasianism, which emphasizes a type of geopolitical realignment between the countries of Eurasia against the Western countries, also started to attract significant interest in Turkish political and military circles.<sup>15</sup> Yet, it is difficult to define the Turkish-Russian rapprochement as an emerging anti-Western alliance since its trajectory was largely shaped by the two countries' bilateral ties with the transatlantic community. This became particularly visible after 2006, when Ankara's relations with Washington started to improve after the two governments signed a strategic vision document.<sup>16</sup> Turkey also enthusiastically supported the U.S.-led "Greater Middle East" initiative, which planned to facilitate the emergence of a liberal democratic order in a region extending from the Persian Gulf to Central Asia—much to the dismay of Russia.

Ankara also started to actively cooperate with the EU in the Nabucco project, which envisioned the construction of a new pipeline to carry the Caspian and Middle Eastern natural gas via Turkey into Europe. The project gained momentum after the natural gas crisis between Russia and Ukraine in early 2006, urging EU countries to seek alternative routes to reduce their heavy dependence on Russian energy. In response, Moscow launched its own South Stream pipeline project designed to bypass the Ukrainian route and discredit the Nabucco scheme. At the same time,

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<sup>13</sup> Also see: Socor, Vladimir. "Moscow, Ankara Reluctant to Welcome New Black Sea Forum." *Eurasia Daily Monitor*, Vol. 3, No. 112 (2006). <https://jamestown.org/program/moscow-ankara-reluctant-to-welcome-new-black-sea-forum>.

<sup>14</sup> See: Hill, Fiona and Taşpınar, Ömer. "Turkey and Russia: Axis of the Excluded." *Survival*, Vol. 48, No. 1 (2006), pp. 81-92; Taşpınar, Ömer. "Batı'ya Kızgınlık Büyüyor [Rage Grows against the West]." *Radikal*, July 27, 2005.

<sup>15</sup> Erşen, Emre. "The Evolution of 'Eurasia' as a Geopolitical Concept in Post-Cold War Turkey." *Geopolitics*, Vol. 18, No. 1 (2013), pp. 24-44.

<sup>16</sup> "İşte Stratejik Vizyon Belgesi [Here is the Strategic Vision Document]." *Hürriyet*, July 5, 2006.

however, Turkey's inclusion in a project that openly challenged Russia's geopolitical interests in Eurasia created resentment in Moscow.<sup>17</sup>

Russia's relations with the transatlantic community also started to deteriorate significantly in the 2007-2008 period due to the Bush administration's plans to offer NATO membership to Ukraine and Georgia. This can be regarded as one of the main reasons behind Putin's speech at the Munich Security Conference in 2007, where he harshly criticized the U.S. for its unilateralist policies.<sup>18</sup> The tensions between Russia and NATO culminated in August 2008 after Moscow militarily intervened in Georgia's dispute with its breakaway republic of South Ossetia. Defeating the Georgian forces in a few days and recognizing the independence of South Ossetia and Abkhazia, Russia posed a major challenge against NATO's geopolitical influence in the Caucasus. Although Ankara tried to play the role of a mediator between Moscow and Tbilisi during this crisis, it was very much concerned about the escalation of tensions between Russia and NATO.<sup>19</sup> In this regard, the Russian-Georgian war once again demonstrated the limits of a genuine strategic rapprochement between Turkey and Russia.

### 2009-2010: A Shift of Axis in Turkish Foreign Policy?

The end of the Bush administration in 2009 signified the beginning of a new era in both Ankara and Moscow's relations with Washington. Turkey was one of the first countries visited by President Obama and the two countries confirmed the strategic nature of their relationship—redefining it as a “model partnership.”<sup>20</sup> The Obama administration also initiated a “reset” policy towards Moscow with the aim of achieving a new breakthrough in bilateral relations, which had been in a crisis since the Russian-Georgian war.<sup>21</sup>

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<sup>17</sup> Cohen, Ariel. “Europe's Strategic Dependence on Russian Energy.” *The Heritage Foundation Backgrounder*, No. 2083, November 2007.

<sup>18</sup> “Speech and the Following Discussion at the Munich Conference on Security Policy.” *Kremlin official records*, February 10, 2007, <http://en.kremlin.ru/events/president/transcripts/24034>.

<sup>19</sup> Punsmann, Burcu G. “The Caucasus Stability and Cooperation Platform: An Attempt to Foster Regional Accountability,” *ICBSS Policy Brief*, No. 13 (2009).

<sup>20</sup> Also see: Ahmet K. Han, “From ‘Strategic Partnership’ to ‘Model Partnership’: AKP, Turkish-US Relations and the Prospects under Obama,” *UNISCI Discussion Papers*, No. 23 (May 2010), pp. 77-112.

<sup>21</sup> “Barack Obama Calls for ‘Reset’ in US-Russia Relations,” *The Guardian*, July 7, 2009,

Despite the new momentum in both countries' relations with the U.S., the repercussions of the global financial crisis significantly influenced Turkish and Russian perceptions of foreign policy. At a time when the U.S. and the EU were plunged into severe economic problems, Ankara and Moscow started to act much more self-confidently increasing their influence in key regional and global political issues. While Turkey's impressive economic performance—indicated by its 9.8 percent growth rate in 2010—helped it become a center of attention for the countries in its neighborhood, Russia successfully aligned itself with rising powers like China, India, and Brazil which performed much better than the Western economies during the global financial crisis. Russia's strategic cooperation with China within the framework of BRICS and Shanghai Cooperation Organization (SCO) became particularly visible during this period. At the same time, the G-20 platform—which included both Turkey and Russia—turned into the main forum for international economic cooperation.

The shift in global economic balances coincided with Ankara's quest for an active foreign policy in its immediate region. Particularly regarding the issues in the Middle East, Turkey's approach started to become much more independent from its transatlantic partners. Apart from its rapidly improving political and economic relations with the Arab countries, Ankara became one of the most vocal supporters of the Palestinian cause. Prime Minister Erdoğan's public outburst at Israeli President Peres at the Davos conference in early 2009 was also a sign of Turkey's critical approach regarding the Israeli-Palestinian conflict. The Mavi Marmara crisis of May 2010—when the Israeli military forces intervened and killed a number of Turkish nationals on the board of a ship carrying aid to the Gaza Strip—further strained relations between Ankara and Tel Aviv. Around the same time, Turkey collaborated with Brazil in brokering a deal with Iran regarding its nuclear program. In line with their agreement in June of 2010, the two countries voted against a U.S.-initiated resolution that proposed new UN Security Council sanctions against Tehran. Analysts interpreted these developments as signs of a “shift of axis” in Turkish foreign policy.<sup>22</sup>

Russia's relations with the transatlantic community during this period were also equally complicated. Obama's reset policy failed to start a genuine

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<https://www.theguardian.com/world/2009/jul/07/barack-obama-russia-moscow-speech>.

<sup>22</sup> See: Mensur Akgün, “Turkey: What Axis Shift?” *Le Monde Diplomatique*, July 9, 2010, <http://mondediplo.com/outsidein/turkey-what-axis-shift> and Ziya Öniş, “Multiple Faces of the ‘New’ Turkish Foreign Policy: Underlying Dynamics and a Critique,” *Insight Turkey*, Vol. 13, No. 1 (2011), pp. 47-49.

rapprochement between Washington and Moscow, although it facilitated the signing of a new nuclear arms reduction treaty in April 2010 and accelerated Russia's accession to the World Trade Organization (WTO). Moscow also resumed its dialogue with NATO over some contentious issues, like the missile defense system, which the alliance in November of 2010, decided to build. Yet, while Russia's concerns about this issue could not be completely eliminated, the NATO-Russia geopolitical rivalry continued over the Caucasus and Black Sea region. Russia was also quite critical of the "Eastern Partnership" initiative launched in May 2009 with a goal of strengthening EU relations with six post-Soviet states. Regarding this issue, Moscow even accused Brussels of attempting to create new spheres of influence in the region.<sup>23</sup> It also resented the EU's "Third Energy Package" accepted in 2009, with the aim of reducing Gazprom's significant influence in the European energy market.<sup>24</sup>

The relative decline of the U.S. and the EU's influence on the global economic agenda and their unresolved issues with the transatlantic community once again brought Ankara and Moscow closer to each other. During this period, the trade volume between the two countries increased to more than 30 billion dollars, while Russia supplied around 60 percent of the natural gas consumed in Turkey. In addition, they decided to establish an intergovernmental High-Level Cooperation Council and initiated a visa-free travel regime. In 2009, Putin made another visit to Ankara and signed twenty new agreements with the Turkish government.<sup>25</sup> He also convinced the Turkish government to permit the South Stream pipeline to pass through the Turkish exclusive economic zone (EEZ), although this clearly contradicted Ankara's previous commitment to the EU's Nabucco project.<sup>26</sup> In May 2010, the two countries also signed an agreement for the construction of Turkey's first-ever nuclear power plant by the Russian state company Rosatom.

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<sup>23</sup> "EU Expanding its 'Sphere of Influence' Russia Says." *EU Observer*, March 21, 2009. <https://euobserver.com/foreign/27827>.

<sup>24</sup> "Tretii Energopaket ES i Otnosheniye k Nemu Rossii [The Third Energy Package of the EU and Russia's Attitude]" *RIA Novosti*, May 30, 2013. <https://ria.ru/spravka/20130530/933499962.html>.

<sup>25</sup> "Türkiye ile Rusya Arasında 20 Anlaşma [20 Agreements between Turkey and Russia]." *BBC Türkçe*, August 20, 2009. [http://www.bbc.com/turkce/haberler/2009/08/090806\\_putin\\_update.shtml](http://www.bbc.com/turkce/haberler/2009/08/090806_putin_update.shtml).

<sup>26</sup> "Turkey and Russia: Old Rivals, New Partners." *The Economist*, August 13, 2009. <http://www.economist.com/node/14216768>.

As the Turkish-Russian rapprochement gained momentum, some analysts viewed it as another remarkable sign of the shift of axis in Turkish foreign policy—particularly making reference to the rising anti-American public sentiments in Turkey.<sup>27</sup> However, Ankara continued to closely cooperate with its transatlantic partners on a number of strategic issues. For instance, it agreed to the deployment of the early warning radar of NATO's missile defense system in its territories, despite Moscow's discontent.<sup>28</sup> The Arab uprisings that swept across the Middle East and North Africa in late 2010 also strengthened Turkey's relations with NATO. In Libya, for instance, Turkey decided to join its transatlantic partners despite initial reservations, while Putin harshly condemned the Western military intervention launched in March 2011 comparing it to a "crusade."<sup>29</sup>

At the same time, in Syria, Ankara along with Western governments started to actively provide backing to opposition groups, while Moscow emerged as one of the main supporters of the Assad regime. The Syrian issue started to cause greater friction between Turkey and Russia after Moscow's direct airstrikes in Syria in September 2015. Ankara was particularly concerned about Russian jet assaults on the Turkish-supported opposition groups rather than on ISIS targets.<sup>30</sup> Russia's improving relations with the Syrian Kurds—especially the Democratic Union Party (PYD) and its armed wing, the People's Protection Units (YPG)—which Ankara viewed as the extension of the PKK—further strained relations.

Against this backdrop, on November 24, 2015, Turkish armed forces shot down a Russian fighter jet, on accounts that it was violating Turkish airspace.<sup>31</sup> Turkey immediately carried the issue to the NATO agenda and refused to apologize for its action, while Russia harshly responded by declaring large-scale economic sanctions against Turkey, accusing the

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<sup>27</sup> Şafak, Erdal. "Ankara-Moskova [Ankara-Moscow]." *Sabah*, February 13, 2009; "Güzel, Hasan Celal. "Rusya ile Tarihi Anlaşma [Historic Agreement with Russia]." *Radikal*, May 13, 2010.

<sup>28</sup> "Ruslar Kürecik'i Menzile Aldı [Russians Put Kürecik in Range]." *Sabah*, November 25, 2011.

<sup>29</sup> "Putin Sravnyl Vtorzheniye v Libiyu s 'Krestovym Pohodom' [Putin Compared the Invasion of Libya to the Crusade]." *Pravda.ru*, March 21, 2011, <https://www.pravda.ru/news/world/21-03-2011/1070915-putin-0>.

<sup>30</sup> "Rusya 7 Bin 200 Hava Saldırısı Düzenledi [Russia Made 7,200 Airstrikes]." *Yeni Şafak*, February 16, 2016, <http://www.yenisafak.com/gundem/rusya-7-bin-200-hava-saldirisi-duzenledi-2415461>.

<sup>31</sup> For a summary of Turkey's claims regarding Russia's incursions into the Turkish airspace see: *TRT World*, December 27, 2015. <http://interactive.trtworld.com/highlights-of-2015/ajax/infographics/infographic08.jpg>.

Turkish government of assisting ISIS and other terrorist groups in Syria.<sup>32</sup> In the following several months, the fighter jet crisis turned the Middle East into a new theatre of confrontation between Turkey and Russia. Moscow deployed its advanced S-400 air defense system in its newly acquired airbase in Syria, and virtually closed Syrian airspace for Turkish jets. As a result, Turkey had to stop its air support to the U.S.-led international coalition against ISIS, and failed to take any cross-border military measures against the PKK.

### 2016-2017: From Crisis to Rapprochement

As Russia continued to increase its military presence in the Middle East, it became harder for Ankara to play a meaningful role in the Syrian issue without solving its problems with Moscow. The Russian sanctions' negative impact on the Turkish economy were also a factor that urged Turkish leaders to seek reconciliation with Russia.<sup>33</sup> Eventually, in June of 2016, President Erdoğan wrote a letter of regret to President Putin expressing his willingness for the normalization of bilateral relations.<sup>34</sup> However, it was the sharp deterioration of the relations between Turkey and its transatlantic partners that provided a real impetus to the Turkish-Russian reconciliation. The failed coup attempt that took place in Turkey on July 15, 2016, can be viewed as a turning point in this regard.

Although the coup attempt was quickly repelled by Turkish security forces, Ankara was disappointed in the muted and hesitant reaction of Washington and Brussels. Moscow and Tehran, on the other hand, gave outright support to the Turkish government against the coup plotters. Turkey's relations with its transatlantic partners became even more strained in the second half of 2016. The reluctance of U.S. authorities to extradite the Pennsylvania-based cleric Fethullah Gülen, who Ankara accused of orchestrating the coup attempt, further alienated Washington from Ankara. On the other hand, in November of 2016, the European Parliament took a decision advising temporary suspension of the accession

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<sup>32</sup> Russia's sanctions included restrictions on the import of Turkish goods, the reintroduction of a visa regime for Turkish citizens, and the ban of selling Turkish holiday resort packages.

<sup>33</sup> "Turkey Faces Big Losses as Russia Sanctions Bite." *BBC News*, January 2, 2016, <http://www.bbc.com/news/world-europe-35209987>.

<sup>34</sup> "Vladimir Putin Received a Letter from President of Turkey Recep Tayyip Erdogan." *President of Russia*, June 27, 2016, <http://en.kremlin.ru/events/president/news/52282>.

talks with Turkey due to the government's "disproportionate repressive measures."<sup>35</sup>

The deepening rift between Turkey and its allies after the July 15 coup attempt provided a new momentum for Turkish-Russian reconciliation. At a time when Russia was also under U.S. and EU sanctions—because of its role in the Ukrainian crisis and its decision to annex Crimea in 2014—the deterioration of Turkey's relations with the West was perceived as an opportunity by Moscow to cause a new split among NATO members.<sup>36</sup> It also gave a trump card to the Putin administration, which had become increasingly concerned about NATO's plans to strengthen its military presence in Eastern Europe and the Black Sea region.<sup>37</sup>

Another issue that caused significant problems in Turkey's relations with its transatlantic partners during this period was the Syrian Kurds question. The possibility of the emergence of an autonomous Kurdish region in northern Syria became stronger in August 2016, when the U.S.-backed Syrian Democratic Forces (SDF)—in which the PYD/YPG played a leading role—liberated the town of Manbij in the west of the Euphrates River. Ankara was alarmed not only because of a strengthened military cooperation between the U.S. and PYD/YPG forces, but also because the latter came very close to achieving their goal of unifying the three Kurdish cantons in northern Syria.<sup>38</sup> Although the Putin administration had also developed relations with the Syrian Kurds and in February of 2016, even permitting them to open an office in Moscow, Washington's increased support for the PYD/YPG urged Turkey to move closer to Russia on the Syria issue.

The Turkish-Russian rapprochement gained momentum particularly after the meeting between Putin and Erdoğan in St. Petersburg in August 2016. Following this summit, the two leaders met a few more times in person and often spoke on the phone. Putin's visit to Turkey in October

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<sup>35</sup> "European Parliament Votes to Suspend Turkish Membership Talks." *Financial Times*, November 24, 2016. <https://www.ft.com/content/afa9ecd8-c324-303a-b203-2073ff1aead6>.

<sup>36</sup> "Russia Jumps for Joy over Wedge between Turkey, NATO." *The Washington Times*, August 11, 2016. <http://www.washingtontimes.com/news/2016/aug/11/russia-jumps-for-joy-over-wedge-between-turkey-nat>.

<sup>37</sup> Gürçan, Metin. "Is Turkey Turning its Stern on the West in the Black Sea." *Al-Monitor*, December 15, 2016. <http://www.al-monitor.com/pulse/originals/2016/12/turkey-russia-nato-is-ankara-changing-black-sea-policy.html>.

<sup>38</sup> "US Stance on PYD West of Euphrates a Burning Question." *Anadolu Agency*, August 13, 2016. <http://aa.com.tr/en/middle-east/us-stance-on-pyd-west-of-euphrates-a-burning-question/627735>.

2016 was particularly important as the two governments signed an agreement for the construction of the Turkish Stream natural gas pipeline, which replaced the South Stream project following its cancellation by Moscow as a reaction to EU economic sanctions.<sup>39</sup> Turkish-Russian relations also developed in the military sphere. The most important outcome of this military dialogue was Turkey's "Operation Euphrates Shield"—launched in August 2016 against the ISIS and PYD/YPG forces in northern Syria. Ankara also established a direct military hotline with Moscow and announced its interest in buying the Russian S-400 missile system to strengthen its national air defense. In addition, the two countries joined their efforts in facilitating a ceasefire in Aleppo for the safe evacuation of the civilians from the city.<sup>40</sup>

Even the assassination of the Russian ambassador in Ankara by an off-duty Turkish police officer in December 2016 could not slow down the rapprochement between Turkey and Russia. Only one day after this incident, the foreign ministers of Turkey, Russia, and Iran came together and signed the "Moscow Declaration," announcing a comprehensive ceasefire in Syria and launching a new peace process in Astana between the Assad regime and opposition groups.<sup>41</sup> This was perceived as a significant Turkish concession to Russia and Iran mainly because it signified Ankara's abandonment of its previously declared goal to remove Syrian President Bashar al-Assad from power.<sup>42</sup> It was also interpreted by many analysts as Turkey's inclusion in the Russian-Iranian axis in Syria, since the Astana peace talks largely excluded the U.S.<sup>43</sup> Most importantly, it once again indicated that despite its long-standing strategic relations with the transatlantic community, Turkey would continue to use its special ties with Russia as a

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<sup>39</sup> See: Ünver, Akin. "Russia May Block EU Energy Ambitions with Turkish Stream Pipeline." *World Politics Review*, November 7, 2016. <http://www.worldpoliticsreview.com/articles/20382/russia-may-block-eu-energy-ambitions-with-turkish-stream-pipeline>.

<sup>40</sup> For details see: Erşen, Emre. "The Turkish-Russian Dialogue in Syria: Prospects and Challenges." *Al Sbarq Forum*, January 5, 2017. <http://sharqforum.org/2017/01/05/the-turkish-russian-dialogue-in-syria-prospects-and-challenges>.

<sup>41</sup> For the full text of the document, see: *Sputnik Turkey*, December 21, 2016. <https://tr.sputniknews.com/ortadogu/201612211026428478-rusya-turkiye-iran-suriye-ortak-bildiri>.

<sup>42</sup> See, for instance: *Cumhuriyet*, December 21, 2016. [http://www.cumhuriyet.com.tr/haber/dunya/648479/Turkiye\\_nin\\_Suriye\\_politikasi\\_Moskova\\_da\\_coktu...\\_Birinci\\_madd-eye\\_dikkat\\_.html](http://www.cumhuriyet.com.tr/haber/dunya/648479/Turkiye_nin_Suriye_politikasi_Moskova_da_coktu..._Birinci_madd-eye_dikkat_.html).

<sup>43</sup> "Russia, Iran and Turkey Meet for Syria Talks, Excluding U.S." *The New York Times*, December 20, 2016. [https://www.nytimes.com/2016/12/20/world/middleeast/russia-iran-and-turkey-meet-for-syria-talks-excluding-us.html?\\_r=0](https://www.nytimes.com/2016/12/20/world/middleeast/russia-iran-and-turkey-meet-for-syria-talks-excluding-us.html?_r=0).

leverage against Washington and Brussels in order to advance its national interests in the Middle East.

## Conclusion

History shows that all major tilts towards Russia took place during periods when Ankara had sharp disagreements with its transatlantic partners. The same can also be said about Russia, as Moscow tended to prioritize its ties with Ankara when its relations with the U.S. and the EU were deteriorating. Although it is true that Turkey's membership in NATO has enabled the West to effectively contain Russia's geopolitical influence in the Black Sea and Middle East, special relations with Ankara have also granted Moscow an important opportunity to manipulate the internal dynamics of the transatlantic alliance.

Currently, Turkey and Russia are again in a phase of strategic rapprochement. In January 2017, they even made an agreement to carry out joint operations against ISIS militants in Syria. A few months later, they reached a new deal that also included Iran for setting up a number of de-escalation zones in Syria, once again largely excluding the U.S. from this process.<sup>44</sup> It is no surprise that some analysts have already started to make reference to the emergence of a new shift of axis in Turkish foreign policy towards Russia and Iran.<sup>45</sup> Turkish leaders also frequently expressed their interest in joining the SCO as a reaction to Turkey's stalled EU membership process.<sup>46</sup> Yet, it should be recalled that such shifts in Turkish foreign policy have always been temporary, and that Ankara resumed its strategic cooperation with its transatlantic allies as soon as it had resolved its bilateral problems with Washington and Brussels.

Therefore, one can conclude that the future of the current Turkish-Russian rapprochement process will once again be shaped by the trajectory

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<sup>44</sup> "Turkey, Russia, Iran Back Syria 'De-escalation Zones'," *Anadolu Agency*, May 4, 2017, <http://aa.com.tr/en/middle-east/turkey-russia-iran-back-syria-de-escalation-zones/811321>.

<sup>45</sup> Frolov, Vladimir, "The New Axis: Russia, Turkey and Iran Take over Syria," *The Moscow Times*, December 30, 2016, <https://themoscowtimes.com/articles/the-new-axis-russia-turkey-and-iran-take-over-syria-56703>. Also see: Kohen, Sami. "Suriye İçin Yeni Eksen [A New Axis for Syria]." *Milliyet*, December 20, 2016. <http://www.milliyet.com.tr/suriye-icin-yeni-eksen-dunya-ydetay-2364537>.

<sup>46</sup> Chulkovskaya, Yekaterina. "Will Turkey Leave NATO?" *Al-Monitor*, January 9, 2017. <http://www.al-monitor.com/pulse/originals/2017/01/russia-turkey-erdogan-putin-membership-shanghai-sco-eu.html>.

of the two countries' relations with the West. The policies of the Trump administration in the U.S. will be of particular importance. If Washington changes its position on the PYD/YPG issue in Syria and seeks a new rapprochement with Ankara, the Turkish government may feel more comfortable to distance itself from Moscow. Yet, as he indicated during his presidential campaign, President Trump may opt to reach an understanding with Putin in order to solve the Syrian issue. In the case of such a grand agreement between the two leaders, the regional priorities of Turkey in Syria can be overlooked by both Washington and Moscow.

At the same time, however, Turkey and Russia still have significant disagreements over a number of issues in the Middle East, the Caucasus, and the Black Sea region. It should be noted that Turkey has moved closer to Russia and Iran more out of necessity than choice, since its options in Syria became significantly reduced following the dramatic changes in the military balance in favor of the Assad regime. Yet, Moscow's improved relations with the Syrian Kurds as well as its strong support behind Assad remain major concerns for Ankara. Russia, on the other hand, is uneasy about Turkey's refusal to recognize the annexation of Crimea as well as the Turkish government's developing strategic ties with Georgia and Ukraine. The Turkish-Iranian geopolitical rivalry over Syria is also far from being resolved. All these problems may urge Ankara to strengthen its strategic dialogue with NATO and seek support from its transatlantic partners in order to guard its interests in the region. Achieving this objective without alienating Moscow will present the greatest challenge for Turkish policymakers in the coming period.

## *Chapter Fourteen*

# **The Repercussions of the Ankara-Moscow Rapprochement on Turkey's Transatlantic Relations: The American Perspective**

*Donald N. Jensen*

Russian President Vladimir Putin praised the recent high level of cooperation between Russia and Turkey in a phone conversation with his Turkish counterpart Recep Tayyip Erdoğan on June 23, 2017. “We are developing projects with Turkey the way these projects are not developing with many other partners,” President Putin said from a pipe-laying ship involved in the construction of the Turkish Stream gas pipeline (“Partners” is a frequent Putin euphemism for the United States and NATO). “When it takes us years to have administrative approval with the others,” President Putin told the Turkish leader, “we do this within several months with Turkey and this certainly comes due to your direct personal support.”<sup>1</sup>

Indeed, the speed with which bilateral relations have recovered from their low point in 2015 has been stunning. Only two years ago did Turkish pilots shoot down a Russian warplane and the two countries appeared on the verge of war. The sides showed some restraint and resorted only to insults and sanctions, but Moscow suspended visa-free travel to Russia for Turkish citizens, restricted imports of Turkish products, and discouraged tour operators from selling Turkish holiday packages.

Since then, tensions have ebbed, and a regional realignment has occurred. In June 2016, President Recep Tayyip Erdoğan apologized for the shoot down. Two weeks later, Russia's president Vladimir Putin rushed to condemn a violent coup attempt against Turkey's government. The two countries subsequently signed a large gas pipeline deal, agreed to resume work on a nuclear plant in southern Turkey worth billions of dollars and pledged to increase bilateral trade by more than fivefold, to 100 billion dollars a year.<sup>2</sup>

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<sup>1</sup> “Putin praises level of cooperation with Turkey.” *Tass Russian News Agency*. June 23, 2017. <http://tass.com/politics/953035>.

<sup>2</sup> “Turkey's snuggling up to Russia is likely to hurt it.” *The Economist*. July 27, 2017.

## Competition and Cooperation

Turkey and Russia have four areas of overlapping interests, which need to be carefully managed but provide potential for substantive cooperation:

- The Russian geopolitical retreat in the 1990s opened up the Balkans to competition from Turkey for influence.<sup>3</sup> Romania, Bulgaria, and a majority of the lands of the former Yugoslavia are all former Ottoman possessions and in their day formed the most advanced portion of the Ottoman economy;
- Turkey is a major source of Russia's consumer imports;
- Energy relations between the two countries are close. Russia is Turkey's primary trading partner, with energy accounting for the bulk of the trade volume between the two countries. Turkey depends on Russia for 65 percent of its natural gas and 40 percent of its oil imports;<sup>4</sup>
- Turkey and Russia have mutual but competing interests in the Caucasus. The Azerbaijanis, for example, do not consider themselves simply Turkic, like the Central Asians, but actually Turkish. Armenia remains both pro-Russia and vehemently anti-Turkey. Armenia and Azerbaijan are at loggerheads over Nagorno-Karabakh, a disputed territory, internationally recognized as part of Azerbaijan, but most of the region is governed by the Nagorno-Karabakh Republic, a *de facto* independent state with Armenian ethnic majority.<sup>5</sup>

Turkish-Russian relations, which were hostile during the 1990s, have generally improved in recent years, despite the dip in 2015. Formerly divisive issues such as Chechnya receded in importance. The two countries' positions converged on Iran. Trade, tourism and energy ties between the two countries grew closer. Even divisive issues after the Arab Spring such as Russia's and Turkey's divergent stance towards Syria and the Kurdistan Workers' Party (PKK) based in Turkey and Iraq generally were not an obstacle for these two countries in developing their bilateral relationship in a pragmatic way.

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<https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>.

<sup>3</sup> Bhalla, Reva, Lauren Goodrich, and Peter Zeihan. "Turkey and Russia on the Rise." Stratfor, March 17, 2009. Accessed July 12, 2017. <https://worldview.stratfor.com/article/turkey-and-russia-rise>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

## Differing Expectations

The recent rapprochement between Turkey and Russia benefits both sides. For Russia, having ties with a strategically-located NATO country such as Turkey allows the Kremlin to advance three key foreign policy goals:

- First, it can undermine the Western alliance by raising questions about Turkish loyalties. (Ankara is considering, for example, the purchase of a Russian air- and missile defense system);
- Second, Russia hopes to use Turkey as a transit point for energy exports to markets in Europe, thereby increasing its market share in Turkey<sup>6</sup> and avoiding shipping product across a now-hostile Ukraine, which has weaned itself away from Gazprom and its pipelines. To this end, Moscow has placed great expectations and money in the Turkish Stream, the gas pipeline that would allow Russia to extend its grip over Turkey's and Europe's energy markets. Turkstream will run from the southern Russian region of Krasnodar, across the Black Sea to Kiyıköy on the Turkey's coast;
- Finally, Moscow wants to use Turkey to help Russia project power in the Middle East.

For Turkey, Russia remains a useful alternative to Europe and the United States, who are often critical of Ankara's human rights record and have been reluctant to fully integrate Turkey into Western economic and political structures. After Turkey shot down the Russian plane in 2015, President Putin cut Turkey off from the Middle East. Russian fighter jets bombed Turkey's proxies inside Syria, including its ethnic cousins, the Turkmen, with impunity. Russia's missile defenses denied Turkey access to the airspace over Syria. Russian sanctions cost Turkey at least 10 billion dollars in tourism and trade revenue.<sup>7</sup> President Erdoğan's decision to improve relations again with President Putin was in part because having Russia as an enemy was so painful.<sup>8</sup>

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<sup>6</sup> Turkey already depends on Russia for 55 percent of its natural gas imports.

<sup>7</sup> "Turkey's snuggling up to Russia is likely to hurt it." *The Economist*. Accessed July 27, 2017. <https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>.

<sup>8</sup> *Ibid.*

Whenever relations with the West turn sour, Turkish officials place the issue of joining alternative regional organizations on the agenda. They sometimes argue that the government should hold a referendum on Turkey joining the Eurasian Economic Union (EAEU) and the Shanghai Cooperation Organization (SCO). Both are initiatives where Russia plays a dominant role. This has happened again in recent months. First, long-standing differences between Azerbaijan and Armenia over Nagorno-Karabakh make a rapprochement between Ankara and Yerevan, and thus Turkey's accession into the EAEU, unlikely. Second, Turkey has imposed sanctions on to Armenia due to the "genocide" claims by Yerevan. And third, Armenia, which became a member of the EAEU last year, would likely oppose Turkey's accession to the organization. If Turkey becomes a member of the EAEU, a customs union aimed at eliminating trade barriers, Ankara would have to lift sanctions, thereby accepting Armenia's argument on the "genocide" question and its position on Nagorno Karabakh. This might also jeopardize Turkey's special relationship with Azerbaijan.

### Partners in Syria

In the Middle East, President Erdoğan has come to see Russia's geopolitical agenda as closer to his own than that of his nominal Western allies. The Turkey–Russia relationship serves as a balance against Western dominance in the Middle East following the Arab uprisings. This weakens Turkey's traditional Euro-Atlantic commitment, replacing it instead with greater autonomy to pursue its regional foreign policy interests.<sup>9</sup>

Nowhere in the region are Turkey's partnerships more complicated than in Syria, where the need to align with a power such as Russia, which can satisfy its domestic political and security needs, drives an inconsistent Turkish policy.<sup>10</sup> Turkey's persistent fear of Kurdish autonomy and the ability of AK Party (Justice and Development Party) to mobilize nationalist fury among its electorate on this issue have been shaped its approach to the Syrian conflict. For Turkey, Russia is indispensable in keeping a check on Kurdish autonomy and shoring up a suffering economy. Meanwhile,

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<sup>9</sup> Turkey's Turn Toward Russia." *Carnegie Endowment*. May 16, 2017. Accessed July 27, 2017. <http://carnegieendowment.org/sada/69981>.

<sup>10</sup> Ibid.

by not taking a clear stance on the Kurdish issue, Moscow is able to keep Turkish behavior in check.

Despite longstanding and often close relations, President Vladimir Putin's views of Moscow and Ankara at first diverged on Syria. In September 2011, six months after peaceful protests against Syrian President Bashar al-Assad were harshly repressed, Ankara cut the Syrian regime loose and began to back select opposition groups. In 2013, NATO deployed Patriot missile defense batteries in southern Turkey to protect it against possible Syrian attacks. But Syria and Russia accused Turkey of allowing arms and oil trafficking to flourish with jihadist elements in Syria and Iraq, both of which share borders with Turkey.

When Russia entered the war in September 2015 to prevent the defeat of the Assad government, it did so to secure its own military and economic interests, particularly natural gas pipelines passing through Syria.<sup>11</sup> At the height of their dispute, President Vladimir Putin and President Recep Tayyip Erdoğan were even accusing each other of supporting the so-called Islamic State (ISIS).<sup>12</sup>

In a major policy turnaround in August 2016, Turkey abandoned its absolutist position on the removal of Syrian President Bashar al-Assad. By the following January, Turkey's deputy Prime Minister Mehmet Şimşek stated at the World Economic Forum in Davos that Turkey could no longer "insist on a settlement without Assad."<sup>13</sup> In exchange, Russia has allowed Turkey's army to set up a buffer zone inside Syria. Turkey also seized the chance to push ISIS back from its last border strongholds and stem the advance of American-allied Kurdish insurgents, known as the People's Protection Units (YPG). Today, Moscow and Ankara are coordinating airstrikes against it in Syria. The warming of relations continued despite the assassination of the Russian envoy to Ankara by a Turkish policeman at the end of 2016.<sup>14</sup>

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<sup>11</sup> "Russia's Syria Intervention is Not All About Gas." *Carnegie Endowment*. Accessed July 27, 2017. <http://carnegieendowment.org/sada/62036>.

<sup>12</sup> "Turkey's snuggling up to Russia is likely to hurt it." *The Economist*. Accessed July 27, 2017. <https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>.

<sup>13</sup> "Turkey's Turn Toward Russia." *Carnegie Endowment*. May 16, 2017.

<sup>14</sup> "Turkey's snuggling up to Russia is likely to hurt it." *The Economist*. Accessed July 27, 2017. <https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>.

These developments opened up possibilities for Turkey to coordinate with Russia and Iran on a diplomatic solution to the Syrian crisis.<sup>15</sup> The start of peace talks in Astana in January 2017 was significant because these three new partners were leading the process, with the United States only observing it. As European and American diplomats watched from the sidelines, in December 2016 Turkey and Russia brokered a ceasefire in Aleppo and the following month agreed on a plan to stop the fighting in the rest of Syria. Notably absent from the talks was the Syrian Kurdish PYD, which Turkey opposed for its links to the PKK. However, despite three rounds of talks, there has been little success. The fact that the Syrian opposition boycotted the third round of talks in March, allegedly under Turkish instruction, illustrates the extent to which the negotiations are yet another arena to protect respective national interests.<sup>16</sup>

On the Kurdish issue, however, the Turkey-Russia cooperation has been rocky. Turkey has told Russia it expects the closure of the PKK/PYD office in Moscow. Ankara was displeased by photos showing Russian soldiers with PKK/PYD terrorists together in Syria and the discovery of a Russian-made air defense missile found during PKK operations in Turkey. Russia, moreover, still does not recognize the PKK as a terrorist organization.

### **Fraying Ties with Washington**

Ties between the U.S. and Turkey, nominal allies, experienced ups and downs since the AK Party won national elections 14 years ago. The Bush administration viewed the AK Party as a powerful and “moderate” Islamist voice in the Muslim world following the 9/11 attacks, but the relationship became complicated after the U.S.-led invasion of Iraq. Despite the Turkish parliament’s rejection of the U.S. request to use its territory for a ground deployment to invade Iraq, President Bush maintained strong relations with Turkey under the AK Party’s leadership. President Bush supported President Erdoğan’s efforts to contain Kurdish rebels who used northern Iraq as a base to stage attacks on Turkish targets. He called the

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<sup>15</sup> “Turkey’s Turn Toward Russia.” *Carnegie Endowment*. May 16, 2017. Accessed July 27, 2017. <http://carnegieendowment.org/sada/69981>

<sup>16</sup> “Russian-backed Syria talks derailed as rebels boycott.” *Reuters*. Accessed July 2017. <http://www.reuters.com/article/us-mideast-crisis-syria-talks-idUSKBN16L0VT>.

Kurdistan Workers' Party (PKK) "an enemy of Turkey, a free Iraq and the United States."<sup>17</sup>

President Obama voiced his support for the AK Party government during the coup attempt, but the overall response from the U.S. establishment was mute.<sup>18</sup> Washington's ambivalence was expressed by the President of the Council on Foreign Relations, Richard Haass,<sup>19</sup> who told *The New York Times* that the coup attempt "presents a dilemma to the United States and European governments: Do you support a nondemocratic coup," or an "increasingly nondemocratic leader?"<sup>20</sup>

Ties with the U.S. are further strained by several other longstanding issues:

**Gülen's Fate.** President Erdoğan blamed the 2016 coup on Muslim preacher Fethullah Gülen, who lives in the U.S. state of Pennsylvania. The Turkish leader has pressed the U.S. to extradite the cleric, but so far to no avail. Turkey has carried out widespread purges of the civil service to get rid of Gülen supporters.<sup>21</sup>

**Armenia.** In April 2017, U.S. President Donald Trump termed the massacre of Armenians in 1915 "one of the worst mass atrocities of the 20th century." He did not qualify it as genocide however, though that did not prevent Turkey from sharply criticizing what it called "misinformation" and "false definitions." President Obama had said during his 2008 campaign that he would recognize the massacres as genocide, but he never used the term once he had won election.<sup>22</sup>

**Human Rights.** In April 2016, President Obama criticized a "troubling" path that President Erdoğan might be putting Turkey on with

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<sup>17</sup> "US, Turkey, step up work against PKK terrorists." *Hurriyet Daily News*. Accessed July 27, 2017. <http://www.hurriyetdailynews.com/us-turkey-step-up-work-against-pkk-terrorists.aspx?>

<sup>18</sup> "Turkey coup attempt: Reaction from around the world." *Reuters*. Accessed July 27, 2017. <http://www.aljazeera.com/news/2016/07/turkey-coup-attempt-reaction-world-160715215141043.html>.

<sup>19</sup> "Russian-backed Syria talks derailed as rebels boycott." *Reuters*. Accessed July 2017. <http://www.reuters.com/article/us-mideast-crisis-syria-talks-idUSKBN16L0VT>.

<sup>20</sup> Sanger, David E. "U.S. Finds Itself on Shakier Ground as Erdogan Confronts Mutiny." *The New York Times*. July 15, 2016. [https://www.nytimes.com/2016/07/16/world/europe/erdogan-turkey-coup-us-fear.html?\\_r=1](https://www.nytimes.com/2016/07/16/world/europe/erdogan-turkey-coup-us-fear.html?_r=1).

<sup>21</sup> "Turkey and the US: Strained Relations." *AFP*. May 14, 2016. <https://sports.yahoo.com/news/turkey-us-strained-relations-185907786.html>.

<sup>22</sup> *Ibid.*

respect to freedom of the press, a day after the two leaders met in Washington. Turkish authorities were accused of being authoritarian and of repressing the media and opposition members.<sup>23</sup>

**Iraq.** In 2003, relations deteriorated between Turkey and the U.S. when Ankara refused to allow its territory to be used during the U.S. invasion of neighboring Iraq. Turkish officials did, however, allow U.S. aircrafts to fly over the country during the subsequent fighting, and helped with supply operations and U.S. troop rotations.<sup>24</sup>

### **Ankara, Washington, Damascus ... and Moscow**

In August 2015, Turkey joined a U.S.-led coalition to fight ISIS after being hit by a deadly suicide attack near its border in July. President Erdoğan declared a “war on terrorism” aimed at the Kurdistan Workers Party (PKK) to the same extent, if not more so, than on ISIS. In August 2016, Turkey launched operation Euphrates Shield in northern Syria, targeting ISIS fighters but also Kurdish Peoples’ Protection Units (YPG). Ankara claimed the YPG was linked to PKK separatists inside Turkey, who have waged an insurgency since 1984 that has killed more than 40,000 people. But Washington backed the Syrian Democratic Forces (SDF), of which the YPG makes up roughly half, and which has been effective in fighting the ISIS group. In April 2017, Turkish warplanes struck YPG headquarters in Syria and also a pro-Kurdish militia force in Iraq. On May 9, Washington said it will authorize the arming of the YPG, a decision Turkey called “unacceptable.”<sup>25</sup>

The anti-Western sentiments that swept through Turkey in the wake of the coup dimmed in early 2017, as President Erdoğan had hopes that the Trump administration would play a stronger role in the region. Ankara expected U.S. President Donald Trump to extradite the presumed mastermind of July’s coup, Fethullah Gülen, and to sever links with the Kurdish YPG, which the Obama administration considered an effective force against ISIS, but which Turkey considers a terrorist group. Mike Pompeo, the CIA’s new chief, was in Ankara to discuss these issues on February 9, 2017.<sup>26</sup>

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<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> “Turkey and the US: Strained Relations.” *AFP*, May 14, 2016. <https://sports.yahoo.com/news/turkey-us-strained-relations-185907786.html>.

<sup>26</sup> “Turkey’s snuggling up to Russia is likely to hurt it.” *The Economist*. Accessed July 27, 2017.

President Trump congratulated President Erdoğan for his victory in the April referendum, but warned of the need to protect the “fundamental rights and freedoms” of all Turks, “regardless of their vote.”<sup>27</sup> This luke-warm reception of President Erdoğan’s victory mirrored the West’s weak condemnation of Turkey’s coup attempt in July 2016. Then, as now, it was President Putin who enthusiastically supported President Erdoğan, noting that the referendum was “exclusively an internal matter” of the Turkish republic.<sup>28</sup> This succinct support for state sovereignty illustrates the growing understanding between President Putin and President Erdoğan, whose regional ambitions, and aversion to interference in their internal affairs by a foreign power make them uncomfortable, if necessary, bedfellows.

The May 9 announcement by the Trump administration that the United States would arm fighters of the Kurdish People’s Protection Units (YPG) in preparation for an advance on the ISIS stronghold of Raqqa in Syria resulted in an angry response from Turkey.<sup>29</sup> Demanding a policy reversal, Minister of Foreign Affairs Mevlüt Çavuşoğlu noted ominously that any arms obtained by the YPG were a direct threat to Turkey—strong words from one NATO ally to another.<sup>30</sup> For Turkey, U.S. support for the Kurdish Democratic Union Party (PYD) in Syria and its armed wings, the YPG and the Women’s Protection Units (YPJ), is framed domestically as a deliberate effort to strengthen Turkey’s perceived internal enemy, the Kurdistan Workers’ Party (PKK). This fallout with the United States benefits Russia.<sup>31</sup>

After the Assad government launched a chemical attack on Khan Sheikhoun on April 4, 2017, the international outcry gave Turkey another opportunity to reformulate its Syria policy. President Erdoğan’s response—

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<https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>.

<sup>27</sup> Landler, Mark. “Trump Congratulates Erdogan on Turkey Vote Cementing His Rule.” *The New York Times*. April 17, 2017. <https://mobile.nytimes.com/2017/04/17/us/politics/trump-erdogan-turkey-referendum.html>.

<sup>28</sup> Peskov, Dmitry. “Putin commented on the referendum in Turkey.” *World.24-my.info*. April 18, 2017. <http://world.24-my.info/putin-commented-on-the-referendum-in-turkey-2/>

<sup>29</sup> Michael R. Gordon And Eric Schmitt. “Trump to Arm Syrian Kurds, Even as Turkey Strongly Objects.” *The New York Times*. May 9, 2017. [https://www.nytimes.com/2017/05/09/us/politics/trump-kurds-syria-army.html?\\_r=0](https://www.nytimes.com/2017/05/09/us/politics/trump-kurds-syria-army.html?_r=0).

<sup>30</sup> “Turkey furious at US decision to arm Syrian Kurdish group.” *Hurriyet Daily News*. Accessed July 27, 2017. <http://www.hurriyetaidailynews.com/turkey-furious-at-us-decision-to-arm-syrian-kurdish-group.aspx?pageID=238&nID=112955&NewsCatID=510>.

<sup>31</sup> “Despite tensions over Syria, Turkey is increasingly turning to Russia to secure its foreign and domestic policy needs.” *Carnegie Endowment*. <http://carnegieendowment.org/sada/69981>

now referring to Assad as a “murderer”—was decided both by moral outrage and his need to heighten nationalist sentiment leading up to the referendum.<sup>32</sup> Even though the U.S. response to the attack was similar, the two countries’ responses did not usher in realignment of Turkey’s foreign policy back toward Washington. Unilateral Turkish airstrikes on Kurdish YPG forces in Derik on April 25, moreover, dispelled possibilities of Turkish cooperation with the United States, even as the YPG forces moved toward closer collaboration with the U.S. military to secure the border and prevent further attacks on Syrian Kurdish coalition allies.<sup>33</sup>

President Putin has been stepping in to capitalize on the worsening Turkey-U.S. relationship by expanding Russia’s role in the Middle East. Moscow also needs Turkey to speed up the political process in Syria by bringing anti-regime forces to the negotiating table. Turkey in turn, wants Russian tourists, gas supplies, and help in rebuilding ties with President Assad. But when another crisis strikes, President Putin is likely to push the wedge between Turkey and NATO even deeper.<sup>34</sup>

## Strains with Europe

Turkey’s relations with Europe, meanwhile, are also faltering, in part due to Ankara’s improved ties to Moscow. The European response to the coup attempt a few months later paled in comparison with the EU’s expressions of concern over the human rights abuses that followed, leading Minister of Foreign Affairs Mevlüt Cavuşoğlu to say, “Unfortunately the EU is making some serious mistakes. They have failed the test following the coup attempt.”<sup>35</sup>

The April 16 constitutional referendum establishing an executive presidency was widely criticized by European election monitors. European

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<sup>32</sup> “Erdogan blames ‘murderer Assad’ for suspected Syria chemical attack.” *AFP via Yahoo News*. April 5, 2017. <https://www.yahoo.com/news/erdogan-blames-murderer-assad-suspected-syria-chemical-attack-145849082.html>.

<sup>33</sup> “Despite tensions over Syria, Turkey is increasingly turning to Russia to secure its foreign and domestic policy needs.” *Carnegie Endowment*. <http://carnegieendowment.org/sada/69981>.

<sup>34</sup> “Turkey’s snuggling up to Russia is likely to hurt it.” *The Economist*. Accessed July 27, 2017. <https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>.

<sup>35</sup> “Turkey warns EU it is making ‘serious mistakes’ over failed coup.” *Reuters*. Accessed July 27, 2017. <http://www.reuters.com/article/us-russia-turkey-europe-minister-idUSKCN10LOS9>.

leaders emphasized the need to safeguard Turkish democracy.<sup>36</sup> In response to rising criticism from Europe, anti-Europe rhetoric has in Turkey.<sup>37</sup> In an attempt to shore up nationalist sentiment, the AK Party's deeply unpopular Syria policy has found scapegoat in the refugee return deal the EU signed with Turkey in March 2016.<sup>38</sup> Despite Turkey's efforts to stem the tide of refugees to Europe, the EU has not lifted its visa requirements as promised. Unsurprisingly, for now at least, Turkey's long obsession with seeking EU membership has largely faded to a passing interest.

## Turkey and NATO

Turkey is unlikely to trade NATO membership for an alliance with Russia. But Turkey's reliability as a Western partner looks increasingly in doubt. Even as Turkish and Western officials pay lip service to the importance of their partnership, Turks are feeding a steady stream of hatred and conspiracy theories toward the West in general and NATO in particular. On June 25, Turkish President Recep Tayyip Erdoğan threatened the U.S. over its arming of Kurdish forces in Syria, calling for a review of the NATO military alliance in response.<sup>39</sup> "At one side, we will be together in NATO, but on the other side you will act together with terror organizations," he said in reference to the U.S.-led coalition support to the Syrian Democratic Forces (SDF), which is dominated by the Kurdish People's Protection Forces (YPG) Turkey considers terrorists. "Those so-called friends don't see any issue walking along with terror organizations who want to divide Turkey," the Turkish president added. In April, Turkey and Russia held joint naval exercises. Rumors persist in Turkey about the Kremlin's desire to establish a naval base in Mersin, where there is a growing Russian presence, according to Turkish military officials.<sup>40</sup>

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<sup>36</sup> "Lack of equal opportunities, one-sided media coverage and limitations on fundamental freedoms created unlevel playing field in Turkey's constitutional referendum, international observers say." *OSCE*. Accessed July 27, 2017. <http://www.osce.org/odihr/elections/turkey/311726>.

<sup>37</sup> "Turkey's Impending Eastern Turn." *Carnegie Endowment*. <http://carnegieendowment.org/sada/64358>.

<sup>38</sup> Photo Essay: Syrian Refugees Choose Turkey." *Carnegie Endowment*. <http://carnegieendowment.org/sada/68698?lang=en>.

<sup>39</sup> "Turkey's Erdogan calls for review of NATO over US arming of Kurds fighting Isil in Syria." *The Telegraph*. June 26, 2017. <http://www.telegraph.co.uk/news/2017/06/26/turkeys-erdogan-calls-review-nato-us-arming-kurds-fighting-isil/>

<sup>40</sup> Rubin, Michael. "Turkey Turn toward Russia." *National Review*. April 25, 2017.

Rumors abound that some of President Erdoğan's associates inside the ruling AK Party favor renegeing on some NATO commitments. The same goes for the army. The sweeping purges that followed the July 2017 coup were ostensibly directed towards followers of the Gülen movement, an Islamic sect suspected of leading the mutiny. But they have also claimed the careers of thousands of pro-Western officers, clearing the way for those more sympathetic to Russia. Kerim Has of Moscow State University points to the growing influence inside the army of a group inspired by Doğu Perinçek, an ultranationalist ideologue. Perinçek, who also heads a small political party, insists there is no room for any political divisions in the armed forces. But he rejoices that the purges have weakened Western influence. He believes a "large share of America's power in the military and the police has been crushed."<sup>41</sup>

## Prospects

President Erdoğan is playing a risky game for Turkey's future: Whereas the United States sees allies as partners, Russia sees them as client states. While President Erdoğan may believe that he can outmaneuver Russian President Putin, he is a novice compared to Russia's KGB-trained leader. As a former Turkish president put it, "building relations with big states is like getting into bed with a bear." When that bear is Russia, it is best to stay wide awake."<sup>42</sup>

The West can complain and wring its hands about the decline in democracy in Turkey, legitimate as those concerns may be, far more dangerous for Europe and the United States are the changes now underway in Turkey's foreign policy orientation. However, Washington has not yet given up its attempts to improve ties. Speaking to Turkey-based American diplomats in Istanbul on July 10, U.S. Secretary of State Rex Tillerson acknowledged severe strains in U.S.-Turkey relations, though he said he is hopeful of mending relations with the NATO ally and partner in the anti-Islamic State coalition.<sup>43</sup> He also said he hoped that the U.S. and

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<http://www.nationalreview.com/article/447009/turkey-russia-alliance-develops-erdogan-spurns-west>.

<sup>41</sup> "Turkey's snuggling up to Russia is likely to hurt it." *The Economist*. Accessed July 27, 2017. <https://www.economist.com/news/europe/21717080-putin-and-erdogan-expect-different-and-contradictory-things-their-relationship-turkeys>.

<sup>42</sup> *Ibid.*

<sup>43</sup> "Remarks to the Staff of the U.S. Consulate General Istanbul." U.S. Department of State.

Turkey could replicate an agreement reached recently between the U.S., Russia, and Jordan for a ceasefire in southwestern Syria in the north of the country.

Tillerson claimed the two countries are beginning to restore mutual trust that had been lost over the course of the last several years. He said that since becoming secretary of state, he had met three times with Turkish President Recep Tayyip Erdoğan and that each time the tone of the conversation had improved.<sup>44</sup> While challenges remain, Tillerson said, he believed the first steps to re-establishing relations “on the proper basis” have been taken. One pillar of that improvement would be an amelioration of Turkey’s human rights record— in early July, the State Department rebuked Ankara for its most recent round of arbitrary arrests.

But those steps could also be grounded upon greater economic and energy cooperation. Although overall trade between Turkey and the United States has increased in recent years, it remains modest compared to its potential. Expansion of the work of mechanisms such as the Framework for Strategic Economic and Commercial Cooperation, the High-Level Committee and the Economic Partnership Commission can be key to expanding ties.

On energy, the prospects for the Moscow-backed Turkish Stream pipeline are uncertain. If the current bill on additional U.S. sanctions on Russia and Iran is passed and made law, Moscow’s major European pipeline projects (Turkish Stream and Nordstream 2) could slow down considerably or even come to a complete halt, according to a prospectus on a Gazprom Eurobond issue.<sup>45</sup> The bill would give the U.S. president the right to impose sanctions on persons and companies investing in the construction of Russian gas export pipelines at a level of 1 million dollars for a one-time investment or 5 million dollars for an annual investment. Other sanctions would forbid providing equipment, technology, and services to those projects. Earlier, Gazprom had announced that additional sanctions should not interfere with Turkish Stream, but some experts believe that there are real risks if the law is passed. For example, Allseas, which is laying the pipe

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July 10, 2017. <https://www.state.gov/secretary/remarks/2017/07/272454.htm>.

<sup>44</sup> “Tillerson hopes to mend strained US-Turkey ties.” *The Associated Press* via ABC News. July 10, 2017. <http://abcnews.go.com/amp/International/wireStory/tillerson-hopes-mend-strained-us-turkey-ties-48540514>.

<sup>45</sup> “Американские санкции могут поставить крест на проектах «Газпрома» [American sanctions can put an end to the projects of Gazprom].” *Vedomosti*. July 11, 2017. <https://www.vedomosti.ru/business/articles/2017/07/11/718593-sanktsii-krest-gazproma>.

in the Turkish Stream project, could pull out and it is doubtful that other contractors would take its place. This would provide the U.S. with an opening to meet some of Turkey's energy needs.

## *Chapter Fifteen*

# **Turkey's Relations with China and its Repercussions on Transatlantic Relations: The Turkish Perspective**

*Altay Atlı*

Is Turkey experiencing a shift of axis in its foreign policy? Is Ankara distancing itself from the West and getting closer to the East? These are questions that are posed time and again, especially during periods of increased tension between Turkey and the United States or Europe, or when Turkey makes concrete efforts to improve its ties with the rest of the world. Proponents of the shift-of-axis thesis have claimed that Turkey is “looking East for new partners to decrease Ankara’s dependence on traditional Western allies”<sup>1</sup> and trying to choose “whether to remain anchored in the West, or fundamentally shift its axis towards Eurasia,”<sup>2</sup> pointing to Turkey’s recently improving ties with China. While relations with “alternative partners” are going through turbulent times—they have also asserted that “it is not Russia or Iran but China that offers the most promise.”<sup>3</sup> After frequent application of the thesis with reference to Turkey’s relations with the Middle East, the Islamic world in general, Russia, and the former Soviet republics, it is now China, which is at the center of the shift-of-axis debates related to Turkish foreign policy.

While it is true that Turkey’s relations with China have entered a period of growth based on mutual benefits, this does not necessarily mean that such progress can only be obtained at the expense of Turkey’s relationships elsewhere, particularly those in the transatlantic area. The idea of a shift of axis is based on Cold War binary thinking, reproducing what is in

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<sup>1</sup> Cagier, Giorgio and Viala, Bertrand. “China-Turkey Relations Grow Despite Differences over Uyghurs.” *Middle East Institute*, March 15, 2017. <http://www.mei.edu/content/article/china-turkey-relations-grow-despite-differences-over-uyghurs>.

<sup>2</sup> Lin, Christina. “A New Eurasian Embrace: Turkey Pivots East While China Marches West,” in *Toward Well-Oiled Relations? China’s Presence in the Middle East Following the Arab Spring*, ed. N. Horesh (Basingstoke: Palgrave Macmillan, 2016): p.30.

<sup>3</sup> Singh, Michael. “Is Turkey Pivoting to China?” *The Washington Institute for Near East Policy*, October 24, 2016. <http://www.washingtoninstitute.org/policy-analysis/view/is-turkey-pivoting-to-china>.

today's globalizing world a false dichotomy that Turkey—or any other country for that matter—has to choose between the West or the East. Turkey's increasing relations with China, in the form of expanding inter-governmental dialogue, and increasing cooperation in trade, energy, defense industry, and infrastructure related issues do not represent an ideological choice or an animosity towards the West, rather they originate from requirements of the interconnected global economy and changing dynamics of international politics.

If the shift-of-axis thesis is invalid, what do Turkey's growing relations with China mean with regard to Ankara's transatlantic linkages? This chapter argues that there is not necessarily a zero-sum game here in play, and while it is perfectly possible for Turkey to develop and maintain favorable and mutually beneficial relations with both the West and the East, the two processes can even reinforce each other creating further added value for Turkey's relations with the rest of the world. The chapter commences with an in-depth investigation of the dynamics that drive Turkey's recent rapprochement with China, discuss what this means for the country's relations with the West, and offer a number of concrete policy recommendations for both Ankara and the governments of the West to foster stronger transatlantic relations, while keeping China and the Turkish-Chinese interaction at the center of the analysis.

## **Growth in Turkish-Chinese Relations**

On May 14, 2017, during the Belt and Road Forum for International Cooperation opening ceremony held in Beijing, two keynote speeches were made in addition to those delivered by the host, China's President Xi Jinping, and the Secretary General of the United Nations (UN), António Guterres. This privilege went to the Russian President Vladimir Putin and Turkish President Recep Tayyip Erdoğan.<sup>4</sup> The summit, which brought together 1,500 delegates from 130 nations (including twenty-nine heads of state and government leaders), was aimed to discuss the future of this project that will change the economic landscape of the Eurasian continent through joint investments and cooperation. Erdoğan's prominent appearance represents a clear sign that 1) Turkey is interested

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<sup>4</sup> Lei, Wang. "B&R Forum Concludes in Beijing with 270 Concrete Results." *CGTN*, May 15, 2017. [https://news.cgtn.com/news/3d49544f34677a4d/share\\_p.html](https://news.cgtn.com/news/3d49544f34677a4d/share_p.html).

in the Belt and Road Initiative (BRI), and 2) that China is also considering Turkey for a vital position within the framework of the initiative.

The BRI has brought new energy to the Turkish-Chinese relationship, which has been subject to severe ups and downs over the past years. The issue of the Uyghurs, a Turkic/Muslim community living predominantly in China's Xinjiang Uyghur Autonomous Region with a sizable diaspora in Turkey, remains a source of tension between the two countries. Yet in recent years the two governments have made significant progress in managing the tension through mutual understanding.<sup>5</sup> There are significant economic and security dimensions to the bilateral relationship and neither of the parties is willing to let the Uyghur issue undermine their mutual interests.

The key to the enhanced mutual understanding on the Uyghur issue is a profoundly increased dialogue between the policymakers of the two countries. Since the beginning of 2015, President Erdoğan and President Xi met four times on various occasions, while two other dialogue mechanisms, the Turkish-Chinese Intergovernmental Cooperation Committee (co-chaired at the level of deputy prime ministers and bringing together two countries' senior bureaucrats), and the Turkish-Chinese Ministers of Foreign Affairs Consultation Mechanism were launched recently, both having their inaugural meetings in November 2016. The former issued an Action Plan for the Development of Bilateral Trade and Investment Cooperation between Turkey and China. Moreover, the fact that Turkey and China have chaired the G-20 in two consecutive years (2015 and 2016 respectively) brought the two countries into a close working relationship, not only at the government-level, but also in terms of civil society, business communities, academia, and think tanks.

For Turkey, the motivation to engage more strongly and effectively with China is predominantly economic, and this is not an ideological choice or a decision at the expense of other established partners, it is rational and pragmatic behavior as China is a key player in the global order, the second largest economy in the world, and a major trading power. The defining feature of Turkey's economic relations with China is the large and widening trade deficit. In 2016, when Turkey's exports to China totaled 2.3 billion dollars, its imports amounted to a staggering 25.4 billion

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<sup>5</sup> For a thorough reflection of the origins of the Uyghur issue and its impact on Turkish-Chinese relations, see: Shichor, Yitzhak. "Ethno-Diplomacy: The Uyghur Hitch in Sino-Turkish Relations." *Policy Studies* 53 (Honolulu: East-West Center, 2009).

dollars.<sup>6</sup> Considering that the Turkish economy is suffering from a chronic current account deficit, doing trade with China is placing a significant burden on the country's finances. However, the negative effect on the balance of payments is only one side of the issue. The other, more favorable side shows that imports from China, while causing a deficit, are also helping improve Turkish consumers' purchasing power. More importantly, for a country like Turkey that is excessively dependent on imported components and intermediate products for its own production—with two thirds of total imports consisting of intermediary products and raw materials—China is a source of low cost and high quality supplies.

A recent report prepared by the Turkish-Chinese Business Council operating under the Foreign Economic Relations Board of Turkey sets a roadmap for Turkey to balance its economic relationship with China, placing emphasis on:

- Identifying the products where Turkey has significant prospects for exporting to China;
- Ensuring that imports from China are made with a focus on those products, which can add value to the Turkish economy, especially through their technology component;
- Attracting more long-term Chinese direct investment into the Turkish economy and;
- Capitalizing on the trade surplus that Turkey has in services trade with China, particularly in the field of tourism.<sup>7</sup>

The findings of this report are supported by similar inquiries, such as the China Action Plan prepared by the Ministry of Economy, and unlike ten years ago when Turkey's China policy was dominated by protectionist tendencies, Turkey now has a clear and constructive path ahead for developing its economic relations with the world's second largest economy.

While Turkey continues efforts to have a more balanced trade relationship with China, Chinese investments are showing the largest improvements in recent years. Chinese investment into Turkey is desired not only for its supportive effect on the balance of payments, but also for the longer-

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<sup>6</sup> Turkish Statistics Institute, *Foreign Trade Statistics*. [http://tuik.gov.tr/PreTablo.do?alt\\_id=1046](http://tuik.gov.tr/PreTablo.do?alt_id=1046).

<sup>7</sup> "Asya Yüzylında Ejder & Hilal: Türkiye-Çin Ekonomik İlişkilerinin Geliştirilmesi için Bir Yol Haritası [Dragon and Crescent in the Asian Century: A Roadmap for Improving Turkish-Chinese Economic Relations]." *Dış Ekonomik İlişkiler Kurulu*, Istanbul, December 2016.

term value added it is expected to contribute to the Turkish economy. Turkey's economy is currently at a stage where it needs to upgrade its physical infrastructure, increase its technological capabilities, climb up the value-added ladder in its production, reduce its dependence on imports of raw materials energy and components. Foreign direct investment (FDI) is regarded as an instrument towards these ends. In other words, FDI from China, the world's second largest economic power, is sought after for its potential contribution to meeting the Turkish economy's needs.

It is important to note that Turkey's major economic partner is still the West, which is likely to remain so in the foreseeable future. European markets are absorbing half of Turkey's exports,<sup>8</sup> and in addition to being a large market for Turkey's products, the European Union is also by far the largest source of FDI into Turkey.<sup>9</sup> Turkey's aim to engage more actively with China in the economic sphere is not to find an alternative to replace Europe. Rather, Turkey's objective is to complement existing economic partners with new ones, diversify its portfolio, and make sure that inputs needed by its economy are secured through a variety of channels rather than remaining excessively dependent on one single partner.

Turkey's attempts to improve its technological capabilities in the defense industry illustrate this point. Back in 2013, when Ankara announced its intention to purchase a long-range air and anti-missile defense system from the state-owned China Precision Machinery Import-Export Corporation (CPMIEC), this decision was evaluated by many within the shift of axis thesis, arguing that Turkey was going to leave the NATO defense structure and turning its back to its Western allies. Some commentators even went as far as claiming that Turkey was "allowing Beijing to spy into

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<sup>8</sup> In 2016, Turkey's exports to the 28 countries of the EU totaled 68.4 billion dollars, corresponding to 48.0 percent of the country's total exports. When trade with non-EU countries of Europe are added, these figures rise to 78.1 billion dollars, or 54.8 percent respectively. Source: Turkish Statistics Institute, *Foreign Trade Statistics*, [http://tuik.gov.tr/PreTablo.do?alt\\_id=1046](http://tuik.gov.tr/PreTablo.do?alt_id=1046).

<sup>9</sup> As of February 2017, the top ten sources of FDI into Turkey are all EU members, with one exception, the United States. The Netherlands tops the list, with a cumulative investment stock of 22.1 billion dollars, corresponding to 15.8 percent of all foreign investment into the Turkish economy. This is followed by the United States with 11.2 billion dollars, or 8.0 percent, Austria with 9.8 billion dollars, or 7.0 percent, and the United Kingdom with 9.5 billion dollars, or 6.8 percent. Source: Ministry of Economy, *Foreign Direct Investment Statistics*. <http://www.ekonomi.gov.tr/portal/content/conn/UCM/path/Contribution%20Folders/web/Yatirim/Uluslararası%20Yatırımlar/03.Uluslararası%20Doğrudan%20Yatırım%20İstatistikleri>.

NATO's backyard."<sup>10</sup> However, the real motivation behind Turkey's preference to work with China was, in addition to the lower price tag, that China, unlike the American and European bidders, was offering favorable conditions for the transfer of technology and co-production. Rather than making an ideological or geopolitical choice, Turkey was aiming to "gain know-how to develop its own long-range missile system and to expand the indigenous capabilities" in a move that "astounded (Turkey's) transatlantic allies, (yet) cohered perfectly with Turkey's broader defense industrial strategy."<sup>11</sup> After more than two years of negotiations, the Turkish government decided to cancel the tender in its entirety and to focus on local development instead. Even though the project was not completed, the process showed that China is regarded as a serious partner that can help close Turkey's technology gaps.

The two other areas where Turkey is actively increasing its cooperation with China are logistics infrastructure and energy, and two agreements inked by the two governments during the G-20 Summit in Antalya on November 14, 2015—the Agreement on Harmonizing the Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road with the Middle Corridor Initiative and the Rail Transport Cooperation Agreement—are paving the road for greater progress in these fields. Integrating the Middle Corridor Initiative that aims to connect Turkey to the Caucasus, Central Asia, and China with the BRI offers significant prospects for developing Turkey's domestic transportation network and enhancing Turkish economy's link with foreign markets, thus consolidating Turkey's position as an economic transit hub between Europe and Asia. These agreements, which foresee a total investment of 40 billion dollars, were ratified by the Turkish Parliament in May 2016. While joint projects, like the proposed Kars-Edirne high speed rail line that will span the country's entire width connecting Turkey's easternmost point with its border to the EU in the west are forming the backbone of these attempts, the Turkish-Chinese cooperation in this field is of a much broader nature, covering, as stated in the agreements:

- Economic policy cooperation;

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<sup>10</sup> Peritz, Aki and Eoyang, Mieke. "Is China Building a Trojan Horse into NATO Through Turkey?" *Defense One*, October 31, 2013. <http://www.defenseone.com/ideas/2013/10/china-building-trojan-horse-nato-through-turkey/72980>.

<sup>11</sup> Kibaroglu, Mustafa and Sazak, Selim C. "Why Turkey Chose, and Then Rejected, a Chinese Air-Defense Missile." *Defense One*, February 3, 2016. <http://www.defenseone.com/ideas/2016/02/turkey-china-air-defense-missile/125648>.

- Cooperation in transportation, energy and telecommunication projects in Turkey, China and third countries;
- Increased trade through the use of local currencies;
- Improved people-to-people exchanges;
- Joint investment and financing supports through public and social cooperative funds including the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund.<sup>12</sup>

Rail transport infrastructure remains at the core of the Turkish-Chinese cooperation through the BRI, but recent developments reveal that the vision shared by the two countries is to improve intermodal transportation through incorporating railways with maritime and land transport routes. The 2015 purchase of a major stake at Kumport near Istanbul—Turkey's third largest sea port in terms of container processing capacity—by a consortium of Chinese companies, has brought the investment relationship to a new level<sup>13</sup> and enabled the Chinese side to launch a new regional service of container shipping that connects the ports in Northern Europe and those in the Mediterranean.<sup>14</sup> As mentioned by President Erdoğan during the BRI Forum in Beijing on May 14, 2017, Turkey plans to add three more seaports, Çandarlı on the Aegean Sea, Mersin on the Mediterranean, and Zonguldak Filyos on the Black Sea into this framework. Furthermore, the Land Transportation Agreement signed by Turkey and China makes it possible for TIRs and other land transport vehicles from Turkey and China to carry cargo into each other's territories.

Energy is an emerging sector where Turkey and China are increasing their cooperation. In addition to the two planned nuclear plants to be built in Mersin and Sinop by Russian and Japanese/French consortia respec-

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<sup>12</sup> Turkey is a regional member of the AIIB with a total subscription of 2.6 billion dollars, and a corresponding voting power of 2.7 percent. It also needs to be noted that the fact that a Chinese bank, the Industrial and Commercial Bank of China (ICBC), has been operating in the Turkish market since 2015, and that a second Chinese bank, Bank of China, has been granted a license by the Turkish authorities to open branches in Turkey helps to facilitate financial flows between the two countries. Two Turkish banks, Garanti and İşbank, are active in China, albeit only at the level of representative offices.

<sup>13</sup> A consortium of COSCO Pacific, China Merchants Group and China Investment Corporation have purchased 65 percent stake at Kumport for a sum of 940 million dollars. Kumport has a container processing capacity of 1.3 million TEU. So far, this is the largest Chinese investment in Turkey in terms of value.

<sup>14</sup> "China's COSCO Shipping Lines Opens New Service for Northern Europe, Mediterranean," *XinhuaNet*, April 10, 2017. [http://news.xinhuanet.com/english/2017-04/10\\_c\\_136194731.htm](http://news.xinhuanet.com/english/2017-04/10_c_136194731.htm).

tively, a third nuclear plant will be constructed in Kırklareli, for which Turkey has already signed an agreement of exclusivity with China's State Nuclear Power Technology Corporation (SNPTC), in 2014. Turkey aims to become self-sufficient in terms of energy security, which requires not only indigenous energy generation, but also the technological capabilities and know-how that will ensure sustainability in the long run, and the Chinese option comes with these promises.<sup>15</sup>

The Turkish-Chinese Agreement for Cooperation in Peaceful Uses of Nuclear Energy, signed in 2012 (entering into effect in June 2016) covers an entire range of activities where the two countries will cooperate, from designing, constructing, and operating nuclear plants to joint research and development, mining- and waste management. In the meantime, the Agreement for Cooperation in Renewable Energy and Coal signed by the two governments in September 2016 can be expected to open up a new dimension in the economic partnership, especially since both countries overly depend on coal for their industries making significant efforts to switch to cleaner and renewable forms of energy. Turkey is already utilizing Chinese technology to increase its capacities in solar and hydro energy.

Turkey's growing engagement with China, concentrating primarily in the economic field, is the requirement of an increasingly interconnected global economy. It does not represent an ideologically motivated choice, an alleged shift of axis, or some kind of animosity towards the West. Europe is by far Turkey's largest economic partner and the United States is still a major ally despite volatility in relations and problems that are discussed in detail in this volume. The real question is not whether Turkey is shifting away from the West, but rather how Turkey's growing relations with China can be turned into asset for its transatlantic relationship. Instead of asking whether Turkey is turning to East or West, it makes

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<sup>15</sup> Although no final deal has been reached yet, China's SNPTC is one step ahead of the competition for building Turkey's third nuclear power plant, which will incorporate four nuclear reactors with a total installed capacity of 5,000 MW. The total cost is expected to be between 22-25 million dollars. The interesting point, that also supports the argument in this chapter about the irrelevance of the shift of axis thesis, is that Turkey's cooperation with China in nuclear energy actually entails a joint development with the United States. The third-generation nuclear technology offered by SNPTC is a product of the company's collaboration with U.S.-based Westinghouse Electric Company, and as stated in the agreement of November 2014, SNPTC and Westinghouse will cooperate in the Turkish project, if their bid is successful. See: Atlı, Altay. "China, Turkey Seal Nuclear Partnership." *Asia Times*, August 31, 2016. <http://www.atimes.com/article/china-turkey-seal-nuclear-partnership>.

more sense to consider how Turkey can link the two together in ways that go beyond the hollow rhetoric of being a bridge between continents.

## **China's Relevance for Turkey's Transatlantic Relations**

Issues causing friction between Turkey and its Western allies are beyond the scope of this chapter, and they are discussed in detail elsewhere in this volume. The point made here is that under the right circumstances and appropriate institutional settings, stronger Turkish-Chinese links can actually reinforce Ankara's transatlantic relations, as the two are not mutually exclusive.

Given all the crises and setbacks Turkish foreign policy has recently been experiencing—in the Middle East and elsewhere—and the turmoil and risks that are defining today's global order, a productive relationship with China based on mutual economic benefits needs to be considered a healthy step forward for Turkey, and not a shift of axis or the country isolating itself from its allies. As Fuat Keyman wrote, Turkey has to “make a conscious decision to return to its proactive foreign policy, which played a significant role in its consolidation and wielding of soft power over its region and distant geographies.”<sup>16</sup> This kind of proactivism in foreign policy requires an emphasis on economic considerations, what Kemal Kirişçi calls “a return to pragmatism.”<sup>17</sup> In their current shape, Turkey's relations with China do serve this purpose, and a Turkey that has restored its proactive and pragmatic foreign policy approach will certainly be in a better situation to place its transatlantic relations on a sounder and less fragile basis.

The West's concerns over Turkey can be remedied only if the thesis of the shift of axis is discarded and Turkey's actions, particularly those related to its China policy, are regarded as Turkey's reinforcing of its position as a global player, and not as a sign of hostility towards the West. A Turkey that engages both with the West and the East, and a West that regards Turkey's Eastern connections as a source of strength and advantage are needed for progress in Turkey's relationships with the transatlantic alliance.

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<sup>16</sup> Keyman, E. Fuat. “Turkish Foreign Policy in the Post-Arab Spring Era: From Proactive to Buffer State.” *Third World Quarterly*, vol. 37, No. 12 (2016), p.284.

<sup>17</sup> Kirişçi, Kemal. “Is Turkish Foreign Policy Becoming Pragmatic Again.” *Brookings Institution*, July 11, 2016. <https://www.brookings.edu/blog/order-from-chaos/2016/07/11/is-turkish-foreign-policy-becoming-pragmatic-again>.

In addition to this paradigm shift, an improved institutional setting for this purpose is also required.

A proper starting point would be the revision of Turkey's twenty-year old customs union deal with the EU. Turkey is in the peculiar position of being subject to a customs union despite not being a full member of the EU. Turkey is bound by the Brussels external trade policies, meaning that it has to apply joint tariffs with the EU for imports from third countries, but as a non-EU member it cannot take part in the decision-making mechanisms. Moreover, the deal's scope is limited to industrial goods, whereas agriculture and services trade are not covered. A revised customs union deal that suits the needs and requirements of today's global economy will serve both sides better, with an Asian dimension as well. After the customs union deal went into effect in 1996, a number of Japanese and Korean manufacturers invested in production in Turkey, so that they could benefit from the tariff-free access to European markets.<sup>18</sup> Given the rise in actual and future Chinese investments in Turkey, a revised customs deal can turn Turkey into an investment and trade hub for Chinese companies and help to increase commercial links between Europe and Turkey, as well as Europe and China.

The BRI, which covers both Turkey and Europe, can be utilized. Most of the investment projects planned within the scope of the BRI are transnational in nature. The BRI can facilitate projects that connect Turkey with Europe, and there are already a number of ideas that are being discussed, such as establishing a maritime network in the Aegean by integrating the port of Piraeus (in Athens, Greece), developed and operated by the Chinese, with Turkish ports.<sup>19</sup> There are concerns in Europe over how competition from Chinese companies will impact developed European economies, yet the BRI does not necessarily have to be a zero-sum game for the Europeans. As Lai Suetyi wrote, Europe's cooperation is vital for progress with the BRI, and "success in fostering trans-regional linkages between China and the EU through initiatives like the Belt and Road is a promising sign of globalization continuing onward."<sup>20</sup> Within this con-

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<sup>18</sup> Törüner, Yaman. "Yine Gümrük Birliği [Customs Union Again]". *Milliyet*, May 20, 2008. <http://www.milliyet.com.tr/yazarlar/yaman-toruner/yine-gumruk-birligi-546209>.

<sup>19</sup> "İpek Yolu, Avrupa'ya Çandarlı'dan Ulaşsın [Let the Silk Road Reach Europe Through Çandarlı]". *Milliyet*, May 14, 2017. <http://www.milliyet.com.tr/ipek-yolu-avrupa-ya-candarli-dan-ekonomi-2450003>.

<sup>20</sup> Suetyi, Lai. "Understanding Europe's Interest in China's Belt and Road Initiative." *Carnegie Endowment for International Peace*, May 10, 2017. <http://carnegieendowment.org/2017/05/10/understanding-europe-s-interest-in-china-s-belt-and-road-initiative-pub-69920>.

text, Europe needs to view Turkey as an integral component, a connector within this initiative. Links with Turkey through the BRI can potentially bring benefits for European countries, particularly those in Central and Southeast Europe.

While Turkey is a candidate country for EU membership, Europe needs to also see Turkey as a country that is linked with Asia, a position that is currently being reinforced through Turkey's improving relations with China. To this end, a useful way is to make Turkey part of the dialogue between Europe and Asia. The Asia-Europe Meeting (ASEM) as an inter-governmental process has 53 members from Europe and Asia, working to foster dialogue and cooperation between the two countries;<sup>21</sup> however Turkey is not a member of this organization. If Turkey, the country that *de facto* binds Europe with Asia, can be part of the ASEM process, this will not only serve the organization itself, but will also profoundly contribute to the relations between Turkey and Europe.

Finally, attention should be drawn to the Middle East dimension to the Turkish-Chinese relationship as well. This is often overlooked as the region is undergoing a period of utter chaos and instability, and positions of local players, regional actors and great powers, especially vis-à-vis the Syrian civil war, are shifting all the time. Turkish and Chinese positions do not entirely overlap in Syria, as the removal of the Assad regime is a *sine qua non* for Ankara, while China rejects the notion of external intervention against what is the legitimate government of the country. The Turkish-Chinese relationship will, however, be of much greater relevance when the conflict ends in the region and the period of reconstruction and rebuilding starts. Turkey will be a major actor in this process, not only due to its geographical proximity, but also thanks to the economic assets that it possesses, its companies' experience in doing construction work in the region, and the economic linkages that are being already created by the three million Syrians (now hosted in Turkey) with their homeland. In the meantime, the potential released through the BRI, Chinese hegemony

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<sup>21</sup> The ASEM process was launched in 1996 as "an informal process of dialogue and cooperation, based on equal partnership and enhancing mutual understanding, (which) can best work to facilitate and stimulate progress in other fora, and should not seek to duplicate what is being done within bilateral and other multilateral relationships with Asia." ASEM's 53 members are comprised of 30 European and 21 Asian countries, as well as the European Union and the Association of Southeast Asian Nations (ASEAN) Secretariat. For more information on ASEM process, see: "About the Asia-Europe Meeting (ASEM)," *ASEM InfoBoard*. <http://www.aseminfoboard.org/about>.

in the global construction sector,<sup>22</sup> the fact that China—unlike the Western powers—comes to the Middle East without heavy historical baggage, already actively working in Syria despite the ongoing war,<sup>23</sup> will place it in an advantageous position for undertaking the bulk of reconstruction work when the war ends. In other words, Turkey and China are the countries that are best situated to lead the post-war rebuilding processes in the region, and the relationship between the two will matter profoundly for the future of the Middle East. The West, and particularly the United States, needs to consider the Turkish-Chinese relationship from this perspective as well, incorporating this factor into their strategies, as Turkey can act as the intermediary between the interests of the West on one hand and China on the other, in the Middle East.

## Conclusion

Despite thorny issues remaining between the two sides, relations between Turkey and China are on a steady growth path, as revealed by increasing trade and accelerated intergovernmental dialogue. For Turkey, China is an economic power that can help close its infrastructure and technology gaps, whereas for China, Turkey is located in a strategic position along the BRI, between Europe and Asia. Viewing the developing relations between Turkey and China through a zero-sum mentality and representing it as a shift of axis in Turkey's foreign policy away from the West is misleading, because Turkey's interest in China results from changing global dynamics and imperatives of world economy, and does not represent an ideological preference or a negative stance against the West.

This chapter argues that a stronger relationship between Turkey and China does not need to represent an anti-Western stance, and that under

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<sup>22</sup> In the list of the Top 250 International Contractors of the world, China is the leading country with 65 entries (including the world's four largest construction firms in terms of revenue), followed by Turkey with 40, and the United States with 39 entries. See: "The 2016 Top 250 Global Contractors." *Engineering News Record*, August 24, 2016. <http://www.enr.com/toplists/2016-Top-250-Global-Contractors1>.

<sup>23</sup> Chinese companies are still holding shares in the Syrian oil sector. Moreover, as of the end of 2016 China has committed 16 billion dollars in investments to various sectors in Syria. In the meantime, Chinese company Huawei is currently rebuilding Syria's telecommunications infrastructure despite clashes in various parts of the country. See: Jacobsen, Rasmus. "How (and why) Russia and China are Supporting Syria's Devastated Economy." *Global Risk Insights*, September 13, 2016. <http://globalriskinsights.com/2016/09/russia-china-syria-devastated-economy>.

the right conditions, this linkage could actually reinforce Turkey's transatlantic relations, as the two are not mutually exclusive. In other words, a strong connection with China could be an asset for Turkey in its relations with the West. Engaging productively with China could be a defining feature for a Turkish foreign policy that is becoming increasingly proactive and pragmatic, after all the crises and turmoil, particularly in the Middle East. This should not be a concern for the West, but a welcome development, as it is not about Turkey's axis shifting, but rather about Turkey reinforcing its position as a global player.

An improved institutional setting is needed to turn Turkey's China link into an asset for the transatlantic alliance. A proper starting point would be the revision of the twenty-year old customs union deal between Turkey and the EU to better suit the requirements of today's global economy. China's BRI could be a useful instrument to foster trans-regional linkages between Europe and China, with Turkey as a connector and facilitator between the two. A possible membership in the ASEM process would serve as an integral and formal part in the dialogue between Europe and Asia. Finally, the West—and especially the United States—should come to terms with the fact that Turkey and China are the likely candidates to lead the economic reconstructing efforts in Syria and Middle East once conflict and violence have ended.

It has been more than a quarter of century since the Cold War has ended. Instead of separate axes of power, the global system is now defined by interconnectedness and interdependence. Turkey's development of ties with China needs to be seen within this context.



## *Chapter Sixteen*

# **The Repercussions of Turkey-China Relations on Turkey's Transatlantic Relations: The American Perspective**

*Christina Lin*

This chapter explores factors that influence Sino-Turkey ties and implications for transatlantic relations. The rise of China in the Euro-Mediterranean region, driven by the need for energy and market access as well as protection of its expanding assets and citizens overseas, is entering Turkey's strategic calculus. In the aftermath of the Syrian crisis, new Trump presidency, and growth of Chinese Uyghur militants in Syria and Iraq that is provoking a robust security posture from Beijing, Ankara would need to balance its transatlantic ties with the need for economic and security cooperation with China.

In the short term, the geopolitical impact of China's expanding Mediterranean presence via the One Belt, One Road (OBOR) initiative would likely remain limited, presenting Turkey and Eastern Mediterranean countries with an additional economic partner to the EU, U.S., and Russia. In the longer term, there may be risk of importing additional tension and instability to the region should Sino-US competition worsen, coupled with dwindling support for transatlantic partners as Turkey becomes more dependent on Chinese trade and investment. The chapter concludes with recommendations for the U.S. and EU post-Brexit to leverage the Organization for Security and Cooperation in Europe (OSCE) as a cooperative platform to mitigate this risk, which provides an opportunity for a joint pivot to Eurasia and a silver lining of renewed transatlantic coordination.

### **Terrorism and Limited Security Cooperation**

The presence of ISIS and Al Qaeda affiliates in the Middle East, such as the Uyghur terrorist group East Turkestan Islamic Movement (ETIM) or Turkistan Islamic Party (TIP), poses a challenge not only for Turkey

and regional countries, but also to China's energy, maritime trade, and human security.<sup>1</sup>

Chinese interests in the Middle East and Eastern Mediterranean are mainly threefold. Firstly, it is a source of energy, with more than half of China's crude imports coming from the Mideast. It is also a hub for market access in Europe and Africa, where the EU is China's largest export market, with trade volume at around 514.8 billion euros in 2016 (544.45 billion dollars).<sup>2</sup> Finally, the region is a forward front for counter-terrorism. The presence of ISIS, Al Qaeda groups, and anti-Chinese Uyghur militants is posing a security challenge to China's overseas citizens and assets, so they are driven to adopt a more robust security posture to protect those interests.<sup>3</sup> This is evidenced by the establishment of their naval base in Djibouti,<sup>4</sup> signing security cooperation with the governments of Syria, Afghanistan, Pakistan, and Tajikistan to help fight Uyghur terrorists,<sup>5</sup> offering 8,000 UN peacekeeping troops,<sup>6</sup> and reinforcing the Shanghai Cooperation Organization (SCO), China's main vehicle to combat terrorism abroad, with the admission of India and Pakistan as members to enable a more comprehensive regional approach.<sup>7</sup>

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<sup>1</sup> Lin, Christina. "The ISIS Security Challenges to China's 'One Belt, One Road' & SCO." *Journal der Politisch- Militarischen Gesellschaft*, No. 99, December 2015. <http://pmg-ev.com/wp-content/uploads/2016/03/2015-99-Denkwaerdigkeiten-3-1.pdf>.

<sup>2</sup> "European Union, Trade in goods with China." European Commission, Directorate General for Trade. [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113366.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113366.pdf).

<sup>3</sup> Lin, Christina. "China's Emerging Role as a Security Provider in the Middle East—The EU's Response." *EU-China Observer*, Issue No. 2.16, College of Europe, July 2016. [https://is-suu.com/collegeofeurope/docs/eu-china\\_observer216](https://is-suu.com/collegeofeurope/docs/eu-china_observer216).

<sup>4</sup> Blanchard, Ben. "China hints more bases on way after Djibouti." Reuters, March 8, 2016. <http://www.reuters.com/article/us-china-djibouti-idUSKCN0WA0IT>.

<sup>5</sup> "China forms Anti-terror Alliance with Pakistan, Tajikistan, Afghanistan." Radio Free Europe/ Radio Liberty, August 5, 2016. <http://www.rferl.org/a/china-forms-anti-terrorism-alliance-pakistan-tajikistan-afghanistan/27901474.html>; and "China steps up 'military cooperation' with Assad as top admiral visits Damascus." Telegraph, August 18, 2016. <http://www.telegraph.co.uk/news/2016/08/18/china-steps-up-military-cooperation-with-assad-as-top-admiral-vi/>; Lin, Christina. "China's Interests in Syria and the Middle East," Syria Comment, November 13, 2016. <http://www.joshualandis.com/blog/chinas-interests-syria-middle-east-dr-christina-lin/>.

<sup>6</sup> "President Xi Jinping pledges 8,000 UN peacekeeping troops, US \$1 billion to peace fund." *South China Morning Post*, September 29, 2015. <http://www.scmp.com/news/china/diplomacy-defence/article/1862255/chinese-president-xi-jinping-makes-us-1-billion-pledge>.

<sup>7</sup> Turebekova, Aiman. "SCO Presidents Urge Cooperation in Transit, Infrastructure, Counter-Terrorism." *The Astana Times*, June 25, 2016. <http://astanatimes.com/2016/06/sco-presidents-urge-cooperation-in-transit-infrastructure-counter-terrorism/>.

Turkey is a Dialogue Partner of the SCO, and over the years, Uyghur activists in Xinjiang found shelter in Turkey, to which they have a strong ethnic and historical affinity. In late 2014, China complained about “ambiguous Turkish policy” in facilitating Chinese Uyghurs to cross the border and travel via Southeast Asia to Turkey, *en route* to joining ISIS and Al Qaeda groups in Syria.<sup>8</sup> Estimated at several thousand, China fears that these terrorists will return to its territory and escalate terrorist attacks on the homeland, after an uptick of attacks in China since 2013 (Tiananmen Square 2013,<sup>9</sup> Kunming mass stabbing 2014,<sup>10</sup> bombings in Urumqi April/May 2014,<sup>11</sup> stabbing at a coal mine September 2015).<sup>12</sup> They also fear escalating attacks on Chinese interests and citizens abroad, following the 2015 Bangkok bombing that targeted Chinese tourists, and the August 2016 attack on the Chinese embassy in Kyrgyzstan by Syria-based Uyghur militants, financed by the rebranded Al Nusra, and coordinated from Turkey.<sup>13</sup>

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<sup>8</sup> Yongzheng, Qiu. “Turkey’s ambiguous policies help terrorists join IS jihadist group: analyst.” *Global Times*, December 15, 2014. <http://www.globaltimes.cn/content/896765.shtml>.

<sup>9</sup> Zenn, Jacob. “Turkistan Islamic Party Increases Its Media Profile.” *Central Asia Caucasus Analyst*, Feb. 5, 2014. <https://www.cacianalyst.org/publications/analytical-articles/item/12909-turkistan-islamic-party-increases-its-media-profile.html>; Mullen, Jethrow. “Report: Militant Group Says Tiananmen Attack Was ‘Jihadi Operation.’” CNN, Nov. 25, 2013. <http://www.cnn.com/2013/11/25/world/asia/china-tiananmen-attack-report/>.

<sup>10</sup> “China Mass Stabbing: Deadly Knife Attack in Kunming.” *BBC News*, March 2, 2014. <http://www.bbc.com/news/world-asia-china-26402367>; and “At Least 33 Dead, 143 Wounded in Train Station Terror Attack in China, Authorities Say.” *New York Daily News*, March 2, 2014. <http://www.nydailynews.com/news/world/27-dead-train-station-knife-attack-china-article-1.1707232>.

<sup>11</sup> Boltelho, Greg. “3 killed, 79 hurt in blast, knife attack at China train station.” CNN, May 1, 2014. <http://www.cnn.com/2014/04/30/world/asia/china-xinjiang-explosion/>; and Demick, Barbara. “Explosions Kill 31 at Market in China’s Troubled Xinjiang Region.” *Los Angeles Times*, May 21, 2014. <http://www.latimes.com/world/asia/la-fg-explosives-rip-through-xinjiang-market-20140521-story.html>; and Lyons, Kate and Reilly, Jill. “Terrorists Throw Bombs From Car Windows in Crowded Chinese Market, Setting Off Huge Explosions, Killing at Least 31 and Injuring Score More.” *Daily Mail*, May 21, 2014. <http://www.dailymail.co.uk/news/article-2635772/Explosives-used-attack-Chinas-Xinjiang.html>.

<sup>12</sup> McCrae, Michael Allen. “Fifty Killed in a Knife Attack at a Chinese Colliery.” *Mining*, Oct. 1, 2015. <http://www.mining.com/fifty-killed-in-a-knife-attack-at-a-chinese-collery/>; and “Death Toll in Xinjiang Coal Mine Attack Climbs to 50.” *Radio Free Asia*, September 30, 2015. <http://www.rfa.org/english/news/uyghur/attack-09302015174319.html>.

<sup>13</sup> Fuller, Thomas and Wong, Edward. “Thailand Blames Uighur Militants for Bombing at Bangkok.” *NY Times*, Sept. 15, 2015. <http://www.nytimes.com/2015/09/16/world/asia/thailand-suspects-uyghurs-in-bomb-attack-at-bangkok-shrine.html>; and Dzyubenko, Olga. “Kyrgyzstan Says Uighur Militant Groups Behind Attack on China’s Embassy.” *Reuters*, Sept. 7, 2016. <http://www.reuters.com/article/us-kyrgyzstan-blast-china-idUSKCN11C1DK>; [http://www.guancha.cn/Neighbors/2016\\_09\\_06\\_373642.shtml](http://www.guancha.cn/Neighbors/2016_09_06_373642.shtml).

Compounding this challenge is Turkish President Recep Tayyip Erdoğan's known stance for supporting secession of Xinjiang, or "East Turkestan," which is well-known among Chinese counter-terror and intelligence officials.<sup>14</sup> While he was mayor of Istanbul In 1995, Erdoğan named a section of the Sultan Ahmet (Blue Mosque) Park after China's archenemy and leader of the East Turkestan independence movement, Isa Yusuf Alptekin.<sup>15</sup> After Alptekin's death, Erdoğan erected a memorial in the park to commemorate Eastern Turkistani *Şebitlerinin*, or martyrs, who lost their lives in the "struggle for independence" and declared, "Eastern Turkestan is not only the home of the Turkic peoples, but also the cradle of Turkic history, civilization and culture. To forget that would lead to the ignorance of our own history, civilization and culture. The martyrs of Eastern Turkestan are our martyrs."<sup>16</sup>

In view of the close ties between the Chinese Uyghurs and the Turks, China is interested in strengthening cooperation with Turkey to stem the passage of extremist Uyghurs to Syria. As such, Ankara and Beijing pledged security cooperation at the Conference on Interaction and Confidence Building Measures in Asia (CICA) in late April 2016.<sup>17</sup> They have also issued statements to dilute the tension and signal some reconciliation, with Erdogan in 2015 expressing that Turkey will respect China's territorial integrity and oppose any terrorist acts against China including from ETIM/TIP, and at the G20 meeting in September 2016 Xi expressed hopes that "both sides can achieve even more substantive results in counter-terrorism cooperation."<sup>18</sup> After the Istanbul nightclub attack on New Year's eve 2016, China immediately issued a statement to condemn the attack and express its intention to increase cooperation with Turkey and

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<sup>14</sup> Shichor, Yitzhak. *Policy Studies No. 53: Ethno Diplomacy: The Uyghur Hitch in Sino-Turkish Relations, East-West Center* (2009), pp. x, 2, 36. <http://www.eastwestcenter.org/publications/ethno-diplomacy-uyghur-hitch-sino-turkish-relations>.

<sup>15</sup> Ibid.

<sup>16</sup> Clarke, Michael. *Uyghur Militants in Syria: The Turkish Connection, Jamestown Foundation: Terrorism Monitor, Vol. 14 Issue 3*, Feb. 4, 2016. <https://jamestown.org/program/uyghur-militants-in-syria-the-turkish-connection/>; *Eastern Turkestan Information Bulletin Vol. 5 No. 4* (Aug. 1995), [http://caccp.freedomsherald.org/et/etib/etib5\\_4.html#4](http://caccp.freedomsherald.org/et/etib/etib5_4.html#4).

<sup>17</sup> "China, Turkey vow greater anti-terrorism cooperation." *China Daily*, April 27, 2016. [http://www.chinadailyasia.com/nation/2016-04/27/content\\_15423994.html](http://www.chinadailyasia.com/nation/2016-04/27/content_15423994.html).

<sup>18</sup> Qingyun, Hu. "Turkish president opposes terror against China." *Global Times*, July 31, 2015; and Tham, Engen. "China, Turkey pledge to deepen counter-terrorism cooperation." Reuters, September 3, 2016.

the international community to jointly prevent and cope with the threats of terrorism.<sup>19</sup>

Although both countries share concerns about terrorism, tensions over China's treatment of the Uyghurs and Turkey's aid for them will continue to keep their security cooperation at arm's length, while Beijing's security clout in Turkey's neighborhood is still too small to provide a credible security alternative to Ankara's transatlantic ties.<sup>20</sup>

However, increasing economic cooperation with China may provide Turkey with a diplomatic lever in its negotiations with the U.S. and the EU in the economic and trade domain.

### **OBOR and Expanding Economic Cooperation**

In contrast to security issues, there is a positive outlook for closer Sino-Turkey economic cooperation. Located on two opposite ends of the Eurasian continent, both countries are upgrading their ties through the new Silk Road. In November 2016, Ankara and Beijing signed a memorandum of understanding (MOU) on harmonizing China's "Belt and Road" initiative with Turkey's "Middle Corridor," based on a high-speed rail linking Kars in Turkey's east with the country's western city of Edirne, and eventually connecting Turkey with China via Central Asia and the Caucasus.<sup>21</sup>

The Middle Corridor is centered around the completion of the Baku-Tbilisi-Kars (BTK) railroad, expected by 2017.<sup>22</sup> Complementing this is

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<sup>19</sup> Baijie, An. "Xi sends condolences to Turkish president over Istanbul attack." *China Daily*, January 2, 2017. [http://www.chinadaily.com.cn/world/2017-01/02/content\\_27840405.htm](http://www.chinadaily.com.cn/world/2017-01/02/content_27840405.htm).

<sup>20</sup> Hornby, Lucy and Zalewski, Piotr. "China accuses Turkey of aiding Uyghurs." *Financial Times*, July 12, 2015. <https://www.ft.com/content/93607210-285c-11e5-8613-e7aedbb7bdb7>; and Volodzko, David. "China's New Headache: Uyghur Militants in Syria." *The Diplomat*, March 8, 2016. <http://thediplomat.com/2016/03/chinas-new-headache-uyghur-militants-in-syria/>.

<sup>21</sup> "Turkey and China ink 7 agreements." Anadolu Agency, November 16, 2015. <http://www.byegm.gov.tr/english/agenda/turkey-and-china-ink-7-agreements/87292>; and "Spotlight: China, Turkey working toward modern Silk Road." Xinhua, November 28, 2016. [http://news.xinhuanet.com/english/2016-11/28/c\\_135864545.htm](http://news.xinhuanet.com/english/2016-11/28/c_135864545.htm); and "Turkish-Chinese Think Tanks Summit Held in Beijing." *Tepav*, December 21, 2015. <http://www.tepav.org.tr/en/haberler/s/3988>.

<sup>22</sup> Rukhadze, Vasili. "Completion of Baku-Tbilisi-Kars Railway Project Postponed Again." *Eurasia Daily Monitor*, XIII:42, 2016. <https://jamestown.org/program/completion-of-baku-tbilisi-kars-railway-project-postponed-again/>; and Ögütçü, Özge Nur. "Baku-Tbilisi-Kars railway and regional connectivity." *Daily Sabah*, February 21, 2016.

the China-Turkey intermodal corridor, inaugurated in December 2015 by DHL Global Forwarding, a leading provider of air, sea, and road freight services in Europe and Asia.<sup>23</sup> The Lianyungang-Istanbul corridor takes around 14 days to transit Kazakhstan, Azerbaijan, and Georgia, as well as the Caspian and Black Sea, with the option for immediate freight forwarding by truck to any Turkish city and onto the EU. The rail corridor is expected to generate 2.5 trillion dollars in annual trade within the next ten years, and was expanded to connect Taiwan with Europe via China, thereby linking the Pacific Ocean with the Atlantic Ocean with Turkey as a key trading hub.

Turkey also expressed interest in joining the China-Pakistan Economic Corridor (CPEC) at the G20 Summit in September 2016. Valued at 54 billion dollars, CPEC is a collection of infrastructure projects and the establishment of special economic zones, and is linked to Gwadar port for onward maritime shipment to Africa and the Middle East. The Turkish Minister of Economy, Nihat Zeybekçi, suggested that Ankara can serve as a logistical bridge to connect China and Europe.<sup>24</sup>

In addition to rail infrastructure, other OBOR-related economic engagements include China acquiring a 65 percent stake of the Kumport container terminal in Turkey's third largest port Ambarlı in Istanbul, as well as China's Asian Infrastructure and Investment Bank (AIIB) financing of the Trans-Anatolian Natural Gas Pipeline Project (TANAP) that allow Azeri gas to pass through Georgia and Turkey to Europe.<sup>25</sup> Turkey is a founding member of AIIB and was the 2017 Chair for the SCO Energy Club.<sup>26</sup>

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<https://www.dailysabah.com/op-ed/2017/02/20/baku-tbilisi-kars-railway-and-regional-connectivity>.

<sup>23</sup> "DHL lays track for new Silk Road with China-Turkey rail corridor." DHL Press Release, December 17, 2015. [http://www.cn.dhl.com/en/press/releases/releases\\_2015/local/121715.html](http://www.cn.dhl.com/en/press/releases/releases_2015/local/121715.html); Christina Lin, "Erdogan's Neo-Ottoman Vision Meets Xi's Silk Road Dream in the Middle East." CSS ETH Zurich, January 22, 2016. <http://www.css.ethz.ch/en/services/digital-library/articles/article.html/195602>.

<sup>24</sup> "Turkey keen to join CPEC." *The Express Tribune*, September 6, 2016. <http://www.cpecinfo.com/cpec-news-detail.php?id=NTUI>; and "CPEC soars to \$54 billion, says minister for planning, development." ARY News, January 7, 2017. <http://arynews.tv/en/cpec-soars-to-54-billion-minister-for-planning-development/>.

<sup>25</sup> "Chinese JV inks Kumport Terminal Purchase Deal." *World Maritime News*, November 17, 2015. <http://worldmaritimeneews.com/archives/176678/chinese-jv-inks-kumport-terminal-purchase-deal/>; and "AIIB approves \$600M in loans for TANAP." *Daily Sabah*, December 23, 2016. <https://www.dailysabah.com/energy/2016/12/23/aiib-approves-600m-in-loans-for-tanap>.

<sup>26</sup> "Turkey to chair SCO energy club in 2017." *European Dialogue*, December 2, 2016.

Thus, Ankara appears to be following the Balkan and southeast European countries' footsteps in forging a multi-vector policy by virtue of geographic location in the eastern Mediterranean. Similar to Serbia, which has declared a "four pillar" foreign policy of balancing China with the EU, U.S., and Russia in its diplomatic strategy, making China an attractive fourth option partner in Southeast Europe.<sup>27</sup> This is especially the case for Greece, where port Piraeus is the centerpiece of China's OBOR via the "land-sea expressway," connecting Beijing with Europe through the Belgrade-Budapest railway in the Balkans.<sup>28</sup>

### **Geopolitical Implications for the EU and U.S.**

As China becomes a more significant geopolitical actor in the Mediterranean, Turkey and other regional countries will become more dependent on Beijing for their trade and investment relations. This means that they are likely to reduce their dependency on transatlantic partners and broaden their foreign policy options that may not always align with U.S. and EU interests. They now have a new option to develop economic and security relations, as Turkey attempted to do in 2013 when it selected a Chinese firm to co-produce its missile defense system.<sup>29</sup>

Moreover, similar to the growing Turkey-transatlantic rift, this may increase the rift between cash-strapped eastern and southern European countries with their wealthier western and northern neighbors. For example, China courting Central and East European (CEE) countries via the

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<https://www.eurodialogue.eu/Turkey%20to%20chair%20SCO%20Energy%20Club%20in%202017>.

<sup>27</sup> Ramani, Samuel. "China's Growing Ties with Serbia." *The Diplomat*, February 29, 2016. <http://thediplomat.com/2016/02/chinas-growing-ties-with-serbia/>.

<sup>28</sup> Lin, Christina. "China drops anchor in the Mediterranean." Mercator Institute for China Studies (MERICS) Blog, May 25, 2016. <https://blog.merics.org/en/blog-post/2016/05/25/china-drops-anchor-in-mediterranean-ports/>; Van der Putten, Frans-Paul *et al* eds. *Europe and China's New Silk Road*, ETNC Report, December 2016. <http://www.egmontinstitute.be/wp-content/uploads/2016/12/ETNC-report-Europe-China-New-Silk-Roads.pdf>; *The Geopolitical Relevance of Piraeus and China's New Silk Road for Southeast Europe and Turkey*, Clingendael Report, December 2016. <https://www.clingendael.nl/publication/geopolitical-relevance-piraeus-and-chinas-new-silk-road>.

<sup>29</sup> Toksabay, Ece. "Chinese firm under U.S. sanctions wins Turkish missile deal." Reuters, September 27, 2013. <http://www.reuters.com/article/us-turkey-china-defence-idUSBRE98Q0SC20130927>; Lin, Christina. "A New Eurasian Embrace" in Niv Horesh ed., *Toward Well-Oiled Relations? China's Presence in the Middle East following the Arab Spring*, Palgrave Macmillan, 2016.

CEE 16+1 platform may transform the 11 EU member states into a *de facto* China lobby within the EU, as Hungary supported China's quest for EU Market Economy Status, while Croatia, Greece, and Hungary blocked EU support for the UNCLOS ruling in the South China Sea.<sup>30</sup>

As such, in the 2016 EU Strategy on China, the conclusions called for the EU and China to work together in the Balkans and EU's Eastern and Southern neighborhoods to encourage rule-based governance, sustainable development and regional security, and to support 16+1 and OBOR that "complements EU policies and projects."<sup>31</sup> In this notion, Turkey's Kumport is only one of a growing number of Chinese-owned ports around the Mediterranean, such as Algeria's port Cherchell,<sup>32</sup> Egypt's ports Said<sup>33</sup> and Alexandria,<sup>34</sup> Israel's ports Ashdod<sup>35</sup> and Haifa,<sup>36</sup> and Italy's ports Genoa<sup>37</sup> and Naples. These projects provide an opportunity for the EU and China to jointly promote regional economic integration via OBOR.

<sup>30</sup> Angela Stanzel, "Xi's Visit to the Czech Republic," European Council on Foreign Relations, April 7, 2016. [http://www.ecfr.eu/article/commentary\\_xis\\_visit\\_to\\_the\\_czech\\_republic6083](http://www.ecfr.eu/article/commentary_xis_visit_to_the_czech_republic6083); "Hungary's Foreign Minister: EU should declare China market economy." *Daily News Hungary*, June 10, 2016. <http://dailynewshungary.com/hungarys-foreign-minister-eu-should-declare-china-market-economy/>; Gatién Du Bois and Magdi Birtha, "Hungary: the flagship of China in Europe?" *Nouvelle-Europe*, June 29, 2015. <http://www.nouvelle-europe.eu/en/hungary-flagship-china-europe>; Georgi Gotev, "EU Unable to Adopt Statement Upholding South China Sea Ruling." *EurActiv*, July 14, 2016. <http://www.euractiv.com/section/global-europe/news/eu-unable-to-adopt-statement-upholding-south-china-sea-ruling/>.

<sup>31</sup> European Commission, *Foreign Affairs Council 18/07/2016*. <http://data.consilium.europa.eu/doc/document/ST-11252-2016-INIT/en/pdf>; Van der Putten, Frans-Paul *et al* eds. *The Geopolitical Relevance of Piraeus and China's New Silk Road for Southeast Europe and Turkey*. Clingendael Report, December 2016, p. 27.

<sup>32</sup> "China, Algeria to build mega sea port." *Xinhua*, January 18, 2016. [http://news.xinhuanet.com/english/2016-01/18/c\\_135018002.htm](http://news.xinhuanet.com/english/2016-01/18/c_135018002.htm).

<sup>33</sup> Scott, Emma. "China's Silk Road Strategy: A foothold in the Suez, But Looking to Israel." *China Brief*, Vol.14, Issue 19, October 10, 2014. [https://jamestown.org/program/chinas-silk-road-strategy-a-foothold-in-the-suez-but-looking-to-israel/#.VzL\\_d2xlOUk](https://jamestown.org/program/chinas-silk-road-strategy-a-foothold-in-the-suez-but-looking-to-israel/#.VzL_d2xlOUk).

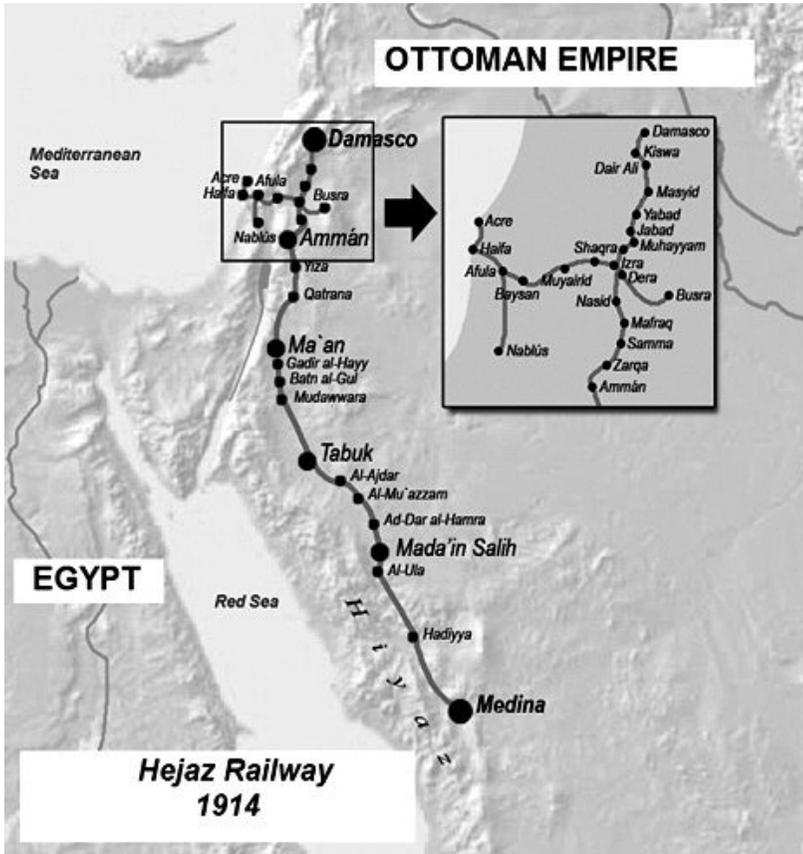
<sup>34</sup> "Hutchinson of China to construct container terminals in Alexandria." *Daily News Egypt*, December 23, 2006. <http://www.dailynewsegypt.com/2006/12/23/hutchison-of-china-to-construct-container-terminals-in-alexandria/>.

<sup>35</sup> Shamah, David. "China firm to build new Ashdod 'union buster' port." *Times of Israel*, September 23, 2014. <http://www.timesofisrael.com/china-firm-to-build-new-ashdod-union-buster-port/>.

<sup>36</sup> Petersburg, Ofer. "Chinese company wins bid to run new Haifa port." *Ynet News*, March 24, 2015. <http://www.ynetnews.com/articles/0,7340,L-4640513,00.html>.

<sup>37</sup> Ewing, Jack. "European Companies Turn to Chinese Investors." *New York Times*, October 21, 2014. [https://www.nytimes.com/2014/10/21/business/international/european-companies-turn-to-chinese-investors.html?\\_r=1](https://www.nytimes.com/2014/10/21/business/international/european-companies-turn-to-chinese-investors.html?_r=1).

Map 1: Hejaz Railway during the Ottoman Empire 1914.



Source: Wikipedia

For example, with growing Chinese investments in Turkey and Israel, this may be utilized for broader cooperation at the regional level. One such project is the Jezreel Valley railway line. Revived after 65 years, in August 2016, cargo traveling by sea from Turkey to Haifa was placed on the Jezreel line, and transported to Jordan and the broader Arab Gulf region.<sup>38</sup> The Jezreel Valley train, part of the Turkish Hejaz railway built

<sup>38</sup> Galia Lavia and Gallia Lindenstrauss, "China and Turkey: Closer Relations Mixed with Suspicion." *INSS Strategic Assessment*, Vol 19, No. 2, July 2016, p. 126.

under the Ottoman Empire in 1905, ran until 1951.<sup>39</sup> With China winning a tender to operate the Haifa port for 25 years, this would facilitate China to ship goods from Turkey to Jordan and Asia via the Red Sea or the Arab Gulf region, and vice versa.

Indeed, it is within the context of the OBOR and goal of broader regional cooperation that the Israeli transport minister, Capt. Yigal Maor, proposed the Israel-Gulf Economic Corridor (IGEC) in September 2016.<sup>40</sup> He believed that if China could invest in IGEC (which would link infrastructure projects in the Arab Gulf region with Israel and Jordan to transship Chinese goods), this could push Gulf countries into more formal ties with Israel. In turn, this could jumpstart the Arab Peace Initiative that aligns with EU and U.S. goals in the Middle East Peace Process, with the added benefit of promoting broader regional cooperation with Turkey and the EU in the eastern Mediterranean. The recent Israeli-Turkish reconciliation, launched after six years of broken relationship following the 2010 Mavi Marmara incident, would also help in this regard.<sup>41</sup>

Additionally, the EU and U.S. could coordinate efforts to prevent redundancies and misallocation of scarce resources. Currently, there are three overlapping Eurasian integration projects: China's OBOR, Russia's Eurasian Economic Union (EAEU), and the EU Eastern Partnership's (EaP) own New Silk Road Initiative launched in Prague in 2009 on a southern energy corridor. A broad platform is needed to coordinate these three initiatives, and one existing tool that has been sorely neglected is the OSCE, whose role we discuss in the following section.

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<sup>39</sup> Shpigel, Noa. *Ha'aretz*, August 29, 2016, <http://www.haaretz.com/israel-news/business/1.739283>; "Restored northern railway sees historic maiden voyage." *Times of Israel*, August 29, 2016. <http://www.timesofisrael.com/restored-northern-railway-sees-historic-maiden-voyage/>; Orr Hirschauge and Rory Jones. "Israel Builds Railway in Hope of Boosting Commerce With Arab Neighbors." *Wall Street Journal*, June 22, 2016. <https://www.wsj.com/articles/israel-builds-railway-in-hope-of-boosting-commerce-with-arab-neighbors-1466614190>.

<sup>40</sup> Elis, Niv. "Could Israel become a linchpin of China's trade strategy?" *Jerusalem Post*, September 29, 2016. <http://www.jpost.com/printarticle.aspx?id=469093>; Evron, Yoram. "Can China Participate in Middle East Stabilization Efforts by Supporting Regional Connectivity." *Asia Pacific Bulletin* No. 363, East West Center, December 1, 2016. <http://www.eastwest-center.org/publications/can-china-participate-in-middle-east-stabilization-efforts-supporting-regional>.

<sup>41</sup> Keinon, Herb. "First Israeli-Turkish Diplomatic Talks in Years Kick off in Ankara." *Jerusalem Post*, January 31, 2017. <http://www.jpost.com/Israel-News/Politics-And-Diplomacy/First-Israeli-Turkish-diplomatic-talks-in-years-kick-off-in-Ankara-480171>.

## **The OSCE as New Transatlantic Platform to Engage Turkey and China**

There are several reasons why the OSCE is a timely cooperative platform that provides the EU and the U.S. with a broad, comprehensive approach to engage Turkey and China in a post-Brexit and multi-polar world.

### ***Overlapping Region and Membership***

Geography matters, and the 57-member OSCE covers a similar region on the OBOR across the Eurasia landmass including U.S., Canada, European countries, Central Asia, Russia, and Mongolia for a broad regional approach towards OBOR projects. The OSCE and SCO also have overlapping membership with Russia and the four Central Asian republics, including with Turkey, a NATO member as well as a SCO Dialogue Partner.

### ***Renewed Transatlantic Coordination***

The OSCE can provide a platform for renewed transatlantic coordination. It is a better platform for the U.S. and the EU to engage China post-Brexit, as it includes both EU member states and the U.K., which is still an important NATO ally and a permanent member of the UN Security Council.<sup>42</sup> It also provides a transatlantic approach to engage countries that are neither members of NATO or the EU, or only in one of the organizations and not in the other (e.g., Great Britain, Turkey, Cyprus). Since legacy institutions from the Cold War have built-in biases—such as NATO's tendency to be suspicious of Russia, or China's distrust of NATO due to the 1999 NATO bombing of its embassy in Belgrade—the OSCE may be a timely alternative paradigm for global engagement between the West and global rising powers.<sup>43</sup>

This is especially important with an EU post-Brexit, and NATO as an exclusive military alliance ill-equipped to address new security challenges

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<sup>42</sup> Ferrier, Kathleen. "Post -Brexit, the OSCE should transcend the EU for dealing with China." *Harbour Times*, July 5, 2016. <http://harbourtimes.com/2016/07/05/post-brexit-the-osce-should-transcend-the-eu-for-dealing-with-china/>; Jan Gaspers and Mikko Huotari, "Why EU should use the OSCE to engage China on security issues", Mercator Institute for China Studies (MERICS) Blog, May 17, 2016. <https://blog.merics.org/en/blog-post/2016/05/17/why-the-eu-should-use-the-osce-to-engage-china-on-security-issues/>.

<sup>43</sup> "NATO expresses regret, resolve after bombing Chinese embassy." CNN, May 8, 1999. <http://www.cnn.com/WORLD/europe/9905/08/kosovo.03/>.

**Map 2: OSCE and SCO members**



such as counter-terrorism, refugee crises, conflict prevention and resolution. In contrast, the 57-member OSCE—that includes Turkey, is an inclusive dialogue and confidence-building mechanism across Eurasia, and its explicit mandate on security could stimulate a structural dialogue with China. It would also support the new Trump administration’s focus on burden sharing among U.S. allies and counter-terrorism that NATO as a military organization is not equipped to address.

Here, the OSCE's 2017 Austrian Chairmanship<sup>44</sup> priority on counter-terrorism may provide room for transatlantic cooperation with Turkey and China, on the heels of the 2016 German Chairmanship of using the OSCE to engage with China to promote connectivity<sup>45</sup> on OBOR projects. This is built on the ongoing Sino-EU cooperation via the EU-China Connectivity platform, launched at the EU-China Summit in June 2015 to identify synergies between OBOR and EU's own policy priorities in the 315 billion euros (358 billion dollars) Juncker Fund, mainly focused on high-risk projects on innovation, energy, and infrastructure. For the OSCE's incoming 2018 Italian Chairmanship, there have already been proposals to allow China SCO observer status in order to better coordinate OBOR projects and incorporate China's presence in the Euro-Mediterranean region.<sup>46</sup> With NATO and OSCE-member Turkey chairing the SCO Energy Club in 2017, as well as being an AIIB founding member and cooperating with China to finance the TANAP project, the U.S. could follow its European allies and join the AIIB to enable a coordinated transatlantic approach on the OBOR.<sup>47</sup>

### *Support Western Values*

The OSCE also provides a platform for U.S.-EU coordination on security issues with Turkey and China that support Western values in OBOR. Its holistic notion of security—encompassing politico-military, economic-environmental, and human aspects—provides a suitable “playing field” for addressing a wide range of issues in a cross-dimensional manner. For example, cooperation with Ankara and Beijing on counter-terrorism within the OSCE framework could open up a venue for addressing wider human

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<sup>44</sup> “In first address to OSCE Permanent Council, Incoming Chairperson-in-Office Austria's Foreign Minister Kurz, stresses need for decisive action and cooperation,” OSCE Press Release, July 14, 2016. <http://www.osce.org/pc/253846>.

<sup>45</sup> “Conference on OBOR Silk Road Initiative at the Federal Foreign Office.” February 3, 2016, German Federal Foreign Office. [http://www.auswaertigesamt.de/EN/Aussenpolitik/Laender/Aktuelle\\_Artikel/China/160202\\_Seidenstra%C3%9Fen\\_Initiative.html](http://www.auswaertigesamt.de/EN/Aussenpolitik/Laender/Aktuelle_Artikel/China/160202_Seidenstra%C3%9Fen_Initiative.html).

<sup>46</sup> Valori, Giancarlo Elia. “Using the Organization for Security and Cooperation in Europe (OSCE).” *Foglio Verde*, August 4, 2016. <https://foglioverde.com/2016/08/04/using-the-organization-for-security-and-cooperation-in-europe-osce-giancarlo-elia-valori/>; Christian Nünlist, “The OSCE and the Future of European Security.” *CSS Analyses in Security Policy*, No. 202, February 2017, ETH Zurich. <https://foglioverde.com/2016/08/04/using-the-organization-for-security-and-cooperation-in-europe-osce-giancarlo-elia-valori/>.

<sup>47</sup> Dominguez, Gabriel. “Why Europe defies the US to join a China-led bank.” *Deutsche Welle*, March 18, 2015. <http://www.dw.com/en/why-europe-defies-the-us-to-join-a-china-led-bank/a-18322773>.

rights and rule-of-law issues, which have so far been a stumbling block in EU-Turkey and EU-China cooperation in the fight against international terrorism.<sup>48</sup>

### *Engage Russia, Iran, and Syria*

The OSCE as a multilateral platform focused on confidence building and crisis management can engage Turkey and China on issues regarding Russia, Iran, and Syria. The organization was initially conceived as a forum to mitigate tensions between NATO and the Warsaw Pact, and as such, the OSCE may once again reduce current tensions between NATO and Russia.<sup>49</sup> Indeed, German Foreign Minister Frank-Walter Steinmeier penned an article in August 2016 calling for the OSCE to take a role in launching a dialogue with the Russians to reduce tensions, with NATO itself issuing an article in November on the same notion for crisis management.<sup>50</sup>

Moreover, the purpose of the OSCE was to reduce military tensions and to redirect focus on broad security issues including the economic, ecological, and human dimensions of security. As a confidence building measure, the OSCE can coordinate with China and Turkey's railway projects that include Iran under the auspices of SCO and the Economic Cooperation Organization (ECO). Based in Tehran, ECO was founded in 1985 by Turkey, Iran, and Pakistan to build a free trade zone of non-Arab Muslim nations, and expanded in 1992 to include the five Turkic Central Asian republics, Azerbaijan, and Afghanistan.

With overlapping members in both ECO and SCO, there has been joint cooperation in a series of transport infrastructure projects, such as

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<sup>48</sup> Nielsen, Nicola J. "Turkey won't reform terrorism law to conform with EU deal." *EU Observer*, August 9, 2016. <https://euobserver.com/foreign/134599>; Tulay Karadeniz and Gabriela Baczynska, "Turkey digs in heels over terrorism law, to EU chagrin." Reuters, May 11, 2016, <http://www.reuters.com/article/us-europe-migrants-eu-turkey-idUSKCN0Y20SN>; Pantucci, Raffaello. "Can the EU and China work together on violent extremism?" *EU Observer*, March 1, 2016. <https://euobserver.com/opinion/132505>.

<sup>49</sup> Pisiou, Daniela. "The OSCE and the SCO—Perspectives for Cooperation." OIIP Policy Paper 8, November 2015. [http://www.oiiip.ac.at/index.php?id=49&tx\\_ttnews\[backPid\]=20&tx\\_ttnews\[tt\\_news\]=906&cHash=f6633ed6a893f8c4a8c28cd1f7eca8b8](http://www.oiiip.ac.at/index.php?id=49&tx_ttnews[backPid]=20&tx_ttnews[tt_news]=906&cHash=f6633ed6a893f8c4a8c28cd1f7eca8b8).

<sup>50</sup> Steinmeier, Frank-Walter. "Reviving Arms Control in Europe." *Project Syndicate*, August 26, 2016. <https://www.project-syndicate.org/commentary/reviving-arms-control-in-europe-by-frank-walter-steinmeier-2016-08?barrier=accessreg>; Loïc Simonet and Veera Tuomala. "How can the OSCE help to reduce the risk of hazardous military incidents." *NATO Review*, November 2, 2016. <http://www.nato.int/docu/review/2016/Also-in-2016/OSCE-help-reduce-risk-military-incidents/EN/index.htm>.

the 2011 rail link from the Iran port of Bandar Abbas to Almaty in Kazakhstan that connects with China, or the 2012 Istanbul-Tehran-Islamabad train to boost trade among member states in Central Asia.<sup>51</sup> By using the OSCE platform to engage Turkey and China, the U.S. and EU could broaden their regional approach to also address both economic and security issues pertaining to Iran, and by extension Syria. This would also mirror China's regional approach, as Beijing has participated in the OSCE Mediterranean partners program<sup>52</sup> on a SCO ticket, and the Asian partners program on an ASEAN ticket. Now that Egypt and Israel are following Turkey's footsteps and have applied to join SCO as Dialogue Partners, this provides an opportunity for the SCO and OSCE to coordinate on Syria and other issues in the Mediterranean.<sup>53</sup>

During the Cold War, NATO took center stage to address conventional warfare and the OSCE was in a supporting role. However, in the post-Cold War 21st century environment of unconventional warfare and new security challenges, it is important to have a paradigm shift so that now the OSCE can take center stage for transatlantic security relations, with NATO having a supporting role. Dialogue, confidence building, and crisis management—rather than mere military power—could pioneer U.S. and Europe diplomacy efforts with countries such as China, Russia, and Turkey—nations that do not fully subscribe to Western values and governance standards. Of course, should diplomacy through the OSCE fail, NATO remains the transatlantic diplomatic tool of last resort.

Moreover, the rise of unconventional challenges requires “out-of-the-box” thinking for solutions, and it is also important to have a coordinated transatlantic approach towards OBOR at a time when Europeans are nervous about a Trump presidency. Anachronistic Cold War paradigms, or legacy institutions (e.g., NATO), which demand U.S. taxpayers to continue underwriting 75 percent of their total budget, are no longer sustainable.<sup>54</sup>

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<sup>51</sup> “Islamabad-Tehra-Istanbul Line boosts trade in Central Asia.” *Railway Pro*, August 31, 2012. <http://www.railwaypro.com/wp/islamabad-tehran-istanbul-line-boosts-trade-in-central-asia/>; Lin, Christina. “A New Eurasian Embrace.” Palgrave MacMillan, 2016.

<sup>52</sup> Mediterranean partners include Egypt, Israel, Jordan, Algeria, Tunisia, and Morocco.

<sup>53</sup> “Syria, Israel and Egypt willing to join SCO's activity—president's special envoy.” *Interfax*, June 23, 2016. <http://www.interfax.com/newsinf.asp?id=683491>.

<sup>54</sup> “Indefensible: Europe cuts NATO spending while the US pays.” *Pittsburg Post-Gazette*, March 2, 2015. <http://www.post-gazette.com/opinion/editorials/2015/03/02/Indefensible-Europe-cuts-NATO-spending-while-the-U-S-pays/stories/201502280081>; Froma Harrop, “Must America Pick Up Everybody's Defense Bill?” *Real Clear Politics*, March 31, 2016. [http://www.realclearpolitics.com/articles/2016/03/31/must\\_america\\_pick\\_up\\_everybodys\\_d](http://www.realclearpolitics.com/articles/2016/03/31/must_america_pick_up_everybodys_d)

As German Marshall Fund's Alexandra de Hoop Scheffer observed, there is a transatlantic conceptual gap with Europeans looking for a responsible U.S. leader to defend democratic values, while the U.S. is asking Europe to be a responsible partner with stronger military capabilities.<sup>55</sup> At a time when the Trump administration is requesting burden sharing among U.S. allies, and Americans are worried about their own jobs and want to focus on counter-terrorism, the OSCE could serve as the middle ground where Europe can meet with new U.S. policy trajectories to maintain transatlantic coordination.<sup>56</sup> Otherwise, if the EU—and especially the U.S.—do not adapt to these changes, the transatlantic rift may continue to widen.

### Conclusion—a Joint Transatlantic Pivot to Eurasia

Given Turkey's ongoing internal security problems with terrorism, economic woes, a falling lira, tensions with the EU and a need for immediate infrastructure, investment and trade, China's OBOR offers quick economic relief. And as a December 2016 Clingendael Report observed, Turkey's multi-vector policy "should not be interpreted as Turkey's quest for an alternative to the West, with potentially revolutionary implications such as the rejection of its NATO membership."<sup>57</sup> Rather, it is an evolving policy for greater diversification and engagement with more economic partners, similar to other countries in the Balkans and eastern Mediterranean.

Thus, Sino-Turkey relations are not of significant concern to the EU or the U.S., especially given their ongoing tension over the Uyghur issue, and economic cooperation will have limited impact on transatlantic ties. However, in the longer term, if Turkey becomes more dependent on Chinese trade and investment, this may broaden their foreign policy options, which may not always support transatlantic interests. Additionally, if

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efense\_bills\_130148.html.

<sup>55</sup> De Hoop Scheffer, Alexandra. "Impressions of Partnership in a post-Western World Order from Munich." German Marshall Fund Blog, February 20, 2017. <http://www.gmfus.org/blog/2017/02/20/impressions-partnership-post-western-world-order-munich>.

<sup>56</sup> Valori, Giancarlo Elia. "Opportunity within Constraints: The OSCE and its Next Italian Presidency." *Modern Diplomacy*, January 23, 2017. [http://moderndiplomacy.eu/index.php?option=com\\_k2&view=item&id=2175:additional-considerations-on-the-issue-of-osce-and-its-next-italian-presidency&Itemid=132](http://moderndiplomacy.eu/index.php?option=com_k2&view=item&id=2175:additional-considerations-on-the-issue-of-osce-and-its-next-italian-presidency&Itemid=132).

<sup>57</sup> Montesano, Francesco Saverio. "The Role of Turkey and Cyprus in OBOR" in Frans-Paul van der Putten et al eds. *The Geopolitical Relevance of Piraeus and China's New Silk Road for Southeast Europe and Turkey.* Clingendael Report, December 2016, p. 40.

China's security relations with the EU, the U.S., and Russia becomes strained or competitive, it may destabilize the Euro-Mediterranean region. As such, the OSCE could provide a timely cooperative template to mitigate that risk through dialogue, confidence building, and crisis management.

Admittedly, there may be resistance from the U.S., which likes to take a lead in various international institutions, and tends to see a binary option between Washington and Beijing for the international order. As former senior State Department official David Sedney observed, there was a "strain in U.S. political thinking that says if we are not in the lead role, we should not be part of it—but I think that has been a mistake." This view is shared by U.S. allies when it comes to Washington forcing them to choose between the U.S. and China.<sup>58</sup>

One example is the attempted U.S. boycott of China's AIIB to address a legitimate 8 trillion dollars' worth of infrastructure investment gap in Asia for the next decade.<sup>59</sup> Neither the World Bank nor the Asian Development Bank are able to fill that development finance gap. Thus, despite the U.S. boycott, allies stampeded to join the AIIB, much to the Obama administration's chagrin and embarrassment.

An Asian diplomat, whose country is a founding member of AIIB, revealed that "The truth is no one in the region wants to choose between the United States and China," but U.S. hostility to the bank actually prompted many countries to choose in China's favor. Another scholar at Belgium's Egmont Institute noted that "China is too big to avoid, deny, and difficult to embrace," so it is important to partner with Beijing where interests overlap. In short, Washington needs a better response to China-led initiatives than attempting to lead a boycott, especially when allies see benefits in participation.

As such, Turkey, which is excluded from the EU as well as the Transatlantic Trade and Investment Partnership (TTIP), sees benefit in cooperating with China for much-needed economic growth, similar to many

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<sup>58</sup> Denyer, Simon. "China gloats as Europeans rush to join Asian bank." *The Washington Post*, March 18, 2015. [https://www.washingtonpost.com/world/china-gloats-as-europeans-rush-to-join-asian-bank/2015/03/18/82139f88-9915-4a81-81af-ae6eacaf528c7\\_story.html?utm\\_term=.0ce37ac4bf44](https://www.washingtonpost.com/world/china-gloats-as-europeans-rush-to-join-asian-bank/2015/03/18/82139f88-9915-4a81-81af-ae6eacaf528c7_story.html?utm_term=.0ce37ac4bf44).

<sup>59</sup> "Who will pay for Asia's \$8 Trillion Infrastructure Gap?" Asian Development Bank, September 30, 2013. <https://www.adb.org/news/infographics/who-will-pay-asias-8-trillion-infra-structure-gap>; Kanwal, Ajay. "Plugging Asia's \$11 trillion infrastructure gap." *Strait Times*, March 31, 2016. <http://www.straitstimes.com/opinion/plugging-asias-11-trillion-infra-structure-gap>.

Asian countries. Indeed, both TTIP and the now-defunct Trans Pacific Partnership (TPP) are emblematic of misguided U.S. policy of forcing a binary option on allies of choosing either the U.S. or China. However, forging an economic NATO that excludes the second largest economy in the world and largest trading partner in Asia, as well as ignoring China's multi-trillion-OBOR project in Eurasia, was a non-starter for many Asian, Mideast, and European allies. In contrast, China's inclusive AIIB has an open invitation for Japan and the U.S. to join, although both have declined. This in turn prompted James Woolsey—former Trump advisor and director of the Central Intelligence Agency—to criticize Washington's boycott as a “strategic mistake.”<sup>60</sup>

Woolsey indicated he “expected a warmer response from Trump” on the AIIB and China's OBOR project, which could provide a platform for cooperation and perhaps a chance for renewed transatlantic coordination via the OSCE. As such, a Trump presidency, and U.S./Europe cooperation with Turkey and China via the OSCE on OBOR may actually provide an opportunity for a joint pivot to Eurasia and a silver lining for renewed transatlantic coordination.

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<sup>60</sup> Zhuang Pinghui, Wendy Wu, and Kristin Huang. “US opposition to AIIB ‘strategic mistake,’” says senior Trump adviser.” *South China Morning Post*, November 10, 2016. <http://www.scmp.com/news/china/diplomacy-defence/article/2044829/us-opposition-aiib-strategic-mistake-says-senior-trump>; “Belt and Road Initiative offers new opportunity for U.S.-China cooperation: ex-Trump adviser.” *Xinhua*, February 22, 2017. [http://news.xinhuanet.com/english/2017-02/22/c\\_136077381.htm](http://news.xinhuanet.com/english/2017-02/22/c_136077381.htm).

*Part V*

**Turkey and Transatlantic Relations:  
Mutual Expectations**



## *Chapter Seventeen*

# **Assessing the Possibility of a Modernized EU-Turkey Customs Union with a View to the TTIP Process**

*Çiğdem Nas*

Despite upheavals in Turkey-EU and Turkey-U.S. relations in recent years, the economic aspect of these ties continues to rise in importance. Turkey's economic and trade relations with the EU, primarily through the EU-Turkey customs union agreement, constitute the bulk of Turkish foreign economic relations. However, the same cannot be said about Turkey-U.S. economic relations. In 2016, Turkey exported 8 billion dollars' worth of goods to the U.S., while importing 9.38 billion dollars' worth. For the EU, Turkey's exports amounted to 66.7 billion euros, while its imports reached 78 billion euros. In terms of its share in foreign trade, the EU ranks first among Turkey's export markets, making up 48 percent of total exports, while the U.S. ranks 5th—constituting 4.4 percent of Turkish total trade.<sup>1</sup> Turkey ranks 33rd of U.S. importers, and is the 5th largest importer into the EU market.

Adopting an export-oriented economic model, Turkey's quest to increase its trade share in world markets began to gain traction. The EU-Turkey customs union agreement constituted one of the main mechanisms to expand trade and economic relations with the EU and increase its share in the EU market. Turgut Özal, the former Turkish prime minister and president (from 1989 until his passing in 1993), pioneered bilateral U.S.–Turkey trade relations, frequently referring to the need to improve economic and trade relations in parallel with strategic and security relations. Özal expressed the need for more trade with the U.S. (during his visit to U.S. in 1985) in a joint press conference with President Reagan: “We don't want more aid, we want more trade.”<sup>2</sup> Following the visit, the Turk-

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<sup>1</sup> Ministry of Economy of the Turkish Republic, “Türkiye ile Ticaret [Trade with Turkey].” <http://bit.ly/2gaGoLJ>.

<sup>2</sup> Güler, Hülya. “Zor Zamanlarda Kapıyı Koç Açtı [Koc Opened the Door in Difficult Times].” *Hürriyet*, June 6, 2015, <http://www.hurriyet.com.tr/zor-zamanlarda-kapiyi-koc-acti-29206842>.

ish-American Business Council was founded becoming a flagship business council that led to the establishment of the Foreign Economic Relations Board of Turkey (DEİK).

The Transatlantic Trade and Investment Partnership (TTIP) negotiations, (which began in 2013 between the U.S. and the EU), were of particular concern to Turkey, mainly because of the customs union relationship. TTIP was hailed as not only an economic but also a strategic initiative, embedding the potential to bring two giant trade actors together in establishing a joint bloc against the rising powers of East Asia.<sup>3</sup> TTIP was relevant for Turkey for two reasons: 1) the trade effects that the agreement was expected to create by lifting barriers for U.S. goods and services in the European and Turkish markets, (while excluding Turkey from a similar privilege in the U.S. market), and 2) the potential costs of adhering to regulatory harmonization as a result of such an agreement.<sup>4</sup> Turkey wanted to take part in the negotiations and has engaged in lobbying activities, with the U.S. and the EU. It was both a challenge and opportunity for Turkey, as this trade deal could liberalize access to the U.S. market if Turkey were included in TTIP as a customs union partner. In a scenario where the TTIP agreement would enter into force without the adoption of any mechanism to anchor Turkey, it would lead to significant losses for Turkey in the EU market. Free entry of U.S. products to the Turkish market (through the EU) without any reciprocal arrangements with Turkey would also create significant losses for Turkey. The upgrading of the existing customs union was urgent. It could clear the problem of free trade agreements (FTAs) and pave the way for Turkey's inclusion into TTIP. The suspension of TTIP negotiations following President Donald Trump's election relieved this urgency to upgrade the customs union. Still, considering the fact that 20 years old customs union has become outdated, both Turkey and the EU continued preparations for the start of formal negotiations to modernize the customs union.

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<sup>3</sup> For a detailed account of the importance of TTIP for world trade, see: Low, Patrick. "TTIP and the World Trading System," in M. Sait Akman, S. J. Evenett, P. Low eds. *Catalyst: TTIP's Impact on the Rest*, (London: CEPR Press, 2015, pp.13-18, pp.13-14.

<sup>4</sup> Barker, Tyson. "The Transatlantic Trade and Investment Partnership: An Economic Agreement to Foster the Transatlantic Community," in *Smarter Power: The Key to a Strategic Transatlantic Relationship*, Aude Jehan, A. Simonyi (eds.), (Washington D.C.: Center for Transatlantic Relations, 2014) pp. 127-146, p.133.

## **The Modernization of the Turkey-EU Customs Union: Rationale and Progress**

Turkey's relations with the EU date back to the 1963 Ankara Agreement, establishing an Association between Turkey and the then- European Economic Community (EEC). The Ankara Agreement foresaw a gradual progress towards association, stipulated by three major phases: A preparatory, transitional, and final stage. The purpose of the transitional phase was to lay down the timetable and conditions to reach the final stage, based on a customs union. The customs union would entail the abolition of all customs duties, quantitative measures, and all other charges and measures with equivalent effect, in respect to trading of goods. Hence, trade between the two parties would be liberalized and the partners would gain unlimited access to each other's markets. In addition, the customs union would require Turkey's adoption of the Common Customs Tariff and adaptation to the Common Commercial Policy. This would include "approximation to the other Community rules on external trade."<sup>5</sup> According to the Ankara Agreement, the association was also envisioned to include trade in agricultural products, aiming to create freedom of movement for workers, freedom of establishment, freedom to provide services, and freedom of capital flow.

The 1970 Additional Protocol laid down the basis for the transition to the customs union based on the lowering of tariffs (according to two timetables). The European Community (EC) abolished customs duties levied on Turkish industrial exports in 1970. However, Turkey required some time to lower and eventually abolish duties levied on EU imports. The final target date was 22 years from the entry into force of the Additional Protocol, in 1995. Events throughout the 1970s hindered the gradual implementation of Turkey's lowering of trade barriers, and Turkey asked for the suspension of its commitments under the protocol.<sup>6</sup> The military takeover of 1980 led to the freezing of Turkey-EU relations until the return of democratic governance in 1986.

In the meantime, following the economic crises and economic stagnation in the 1970s, the economic stability package (from January 24, 1980),

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<sup>5</sup> Article 10, Ankara Agreement, *Official Journal of the EC*, no: L 361/8, December 31, 1977.

<sup>6</sup> Stivachtis, Yannis A. "From Association to Accession Negotiations: EU-Turkish Economic Relations 1959-2009," in *On the Road to EU Membership: The Economic Transformation of Turkey*, Selen Sarısoy Guerin, Yannis A. Stivachtis (eds.), (Brussels: Brussels University Press, 2011), pp.17-33, p.22.

paved the way for the introduction of an export-oriented economic model based on neoliberal policies. In 1989, foreign exchange transactions and capital movements were also liberalized with decree 32.<sup>7</sup> Hence, the economic aspect of Turkey's international relations became more significant, and diversifying export markets and employing growing economic power were the basis of a more active and effective foreign policy. Turkey's need for the inflow of foreign direct investment (FDI), combined with the relocation of European industries to nearby regions, also laid the basis for an interdependent economic and trade relationship.

With the desire to compensate for lost time, improve Turkey's international standing, and step up Turkey-EC relations, the ANAP<sup>8</sup> government under Turgut Özal (on April 14, 1987), has filed the application to join the EC. After lengthy deliberation, in 1989, the EC Commission rejected the application, even though it did accept Turkey's eligibility for membership. The Commission noted that the EC was undergoing tremendous change and that it was incapable of opening accession negotiations with any state, but that the political and economic situation in Turkey did not warrant full membership status.<sup>9</sup> The Commission stressed further cooperation with Turkey and recommended the completion of the customs union. The Matutes package of 1990 proposed a new path to keep Turkey-EC relations on track. The report advised the completion of the customs union by finalizing the gradual custom duties reductions and by abolishing quantitative restrictions and other related measures.<sup>10</sup> However, the package was not adopted by the Council.<sup>11</sup> Nevertheless, the first half of the 1990's witnessed Turkey's efforts to complete the commitments embodied in the additional protocol, with a goal to reach to the final stage of the association.

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<sup>7</sup> Saygın, Hasan and Çimen, M. *Turkish Economic Policies and External Dependency*, (Newcastle upon Tyne: Cambridge Scholars Publishing, 2013), p.2.

<sup>8</sup> Motherland Party (Anavatan Partisi) of Turkey.

<sup>9</sup> EC Commission. "Commission Opinion on Turkey's Request for Accession to the Community," SEC (8) 2290 final/2, Brussels, December 20, 1989. <http://aei.pitt.edu/4475/1/4475.pdf>.

<sup>10</sup> Arıkan, Harun. *Turkey and the EU: An Awkward Candidate for Membership*, 2nd ed., (Aldershot, Hampshire: Ashgate, 2006), pp.72-73.

<sup>11</sup> European Commission. "Regular Report from the Commission on Turkey's Progress Towards Accession," Brussels, 1998. [http://www.ab.gov.tr/files/AB\\_Iliskileri/Tur\\_En\\_Realitons/Progress/Turkey\\_Progress\\_Report\\_1998.pdf](http://www.ab.gov.tr/files/AB_Iliskileri/Tur_En_Realitons/Progress/Turkey_Progress_Report_1998.pdf).

### *Establishing a Customs Union*

The Turkey-EU customs union, (based on decision no: 1/95 of the Association Council), entered into force at the end of 1995, abolishing all trade barriers on industrial goods and the industrial components of processed agricultural goods.<sup>12</sup> Turkish external trade policy was expected to be harmonized in line with EU commercial policy and common external tariffs. Turkey was also expected to approximate its legislation according to the EU *acquis* in areas such as competition policy, intellectual property rights, consumer policy, and state aids policy. Decision 1/95 established the main principles and mechanisms of the customs union, integrating Turkey further to the EU economy. At the same time, however, it laid the basis for an asymmetric relationship, as Turkey had to implement trade policy measures it had not been involved in creating. While the decision also stipulated consultation and notification mechanisms, these did not work effectively in practice and did not have any role in integrating Turkey in the EU's trade policymaking. In addition, the inevitable rule of unanimity in the Association Council rendered any dispute settlement avenues useless.<sup>13</sup>

The customs union became the principal mechanism by which Turkey and EU established a close trade relationship, leading to a fourfold increase in bilateral trade in the period between 1996 and 2014.<sup>14</sup> Despite its deficiencies (and the fact that it was the second-best option to full membership), the customs union served Turkish industrial sectors by fostering its competitiveness, facilitating the industrial base restructuring, improving of the regulatory environment, transferring of technology and know-how, adapting to EU norms and standards, and integrating into EU production and supply chains.<sup>15</sup> According to the results of a synthetic control method analysis, if Turkey-EU customs union was not established, Turkey's exports

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<sup>12</sup> For an account of the customs union decision, see: Nas, Çiğdem and Özer, Yonca. *Turkey and EU Integration: Achievement and Obstacles*, (London: Routledge, 2017), pp. 33-38.

<sup>13</sup> For an account of the structural weaknesses of Decision 1/95, see: Kabaalioglu, Haluk. "Turkey's Relations with the EU: Customs Union and Accession Negotiations," in Peter-Christian Müller-Graf, H. Kabaalioglu eds., *Turkey and the European Union: Different Dimensions*, (Baden Baden: Nomos, 2012).

<sup>14</sup> Gillson, Ian et al., "Evaluation of the EU-Turkey Customs Union," World Bank, Report no. 85830-TR, March 28, 2014. <http://documents.worldbank.org/curated/en/298151468308967367/pdf/858300ESW0P1440disclosed090260140TR.pdf>.

<sup>15</sup> Nas, Çiğdem and Özer, Yonca. *opt. cit.*, p.39.

to the EU would be lower by 38 percent, and Turkish GDP per capita would be lower by 13 percent.<sup>16</sup>

At the time of its entry into force, Turkish political leaders had proclaimed that the customs union would be the final step before Turkey's final integration into the EU family, foreseen to happen in 3-4 years' time.<sup>17</sup> Despite Turkey's candidacy to the EU in 1999 and the opening of accession negotiations in 2005, membership did not occur due to political and cultural reasons. In the meantime, EU's trade policies changed in parallel with the evolving global trade regime. The Doha Round stalemate in multilateral trade negotiations led prominent trade actors (such as the EU) to seek new bilateral trade deals with third countries.<sup>18</sup> The new generation of trade agreements included not only trade in goods, but also trade in services, agriculture, and sanitary and phytosanitary standards (SPS) measures, opening of public procurement markets, regulation of technical standards, intellectual property rights, environment, energy and labor issues, among others.<sup>19</sup> The Turkey-EU customs union became outdated and Turkey's advantages in the EU market eroded as a result of third countries gaining privileged access to the EU market through bilateral FTAs.

The problems in the functioning of the customs union, combined with changes in international trade and Turkey's failure to accede to the EU, necessitated a revision and update to EU-Turkey trade relations. The Association Agreement already embodied the principles of extensive integration to the EU market in goods, services, agriculture, and capital. However, the Association Council could only make decisions based on unanimous approval of both parties.<sup>20</sup> Soon, both Turkey and the EU

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<sup>16</sup> Aytug, Hüseyin et al., "Twenty Years of the EU-Turkey Customs Union: A Synthetic Control Method Analysis", *Journal of Common Market Studies*, Vol.55, No.3, May 2017, pp.419-431, p.429.

<sup>17</sup> "En Geç 98'de Avrupa Birliği'ne Tam Üyeyiz [We will be Full Member of the EU in 1998 the Latest]", *Hürriyet*, July 5, 1995. <http://www.gecmisgazete.com/haber/en-gec-98-de-avrupa-birligi-ne-tam-uyeyiz>.

<sup>18</sup> Akman, M. Sait. "Dynamics of the European Union's Trade Strategy and Its Imperatives on Turkish Trade Policy," in Belgin Akcay, Bahri Yilmaz eds., *Turkey's Accession to the European Union: Political and Economic Challenges*, (Boulder: Lexington, 2013), pp.127-160.

<sup>19</sup> Dawar, Kamala and Togan, Subidey. "Workshop: Bringing EU-Turkey Trade and Investment Relations up to Date?" (Belgium: European Parliament, Directorate-General for External Policies, Policy Department, May 2016), p.29-30. [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/535014/EXPO\\_STU%282016%29535014\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/535014/EXPO_STU%282016%29535014_EN.pdf)

<sup>20</sup> Peers, Steve. "Living in Sin: Legal Integration Under the EC-Turkey Customs Union," *European Journal of International Law*, (Vol. 7, Issue:3, January 1996): pp.411-430, p.421.

began to voice their complaints about the functioning of the customs union. It was Turkey that showed greater interest in an improvement and betterment of the customs union to resolve issues that emanated from the asymmetric nature of the customs union relationship.<sup>21</sup>

## **Issues with the EU-Turkey Customs Union**

The problems in the functioning of the customs union can be summarized as follows: 1) problems associated with FTAs signed by the EU, 2) consultation and decision-making procedures, 3) dispute settlement procedures, 4) transport quotas, 5) nontariff barriers, and 6) visa requirement for Turkish citizens.

### ***Problems Related to FTAs with Third Countries***

Firstly, FTAs that the EU negotiated and signed with third countries became a major problem in the custom union relationship. While these new trade partners gained tariff-free access to the Turkish market (due to custom union agreement), Turkey could not gain reciprocal advantages as it was not part of these bilateral agreements. Turkey approached these countries to sign FTAs but as the EU and Turkey negotiation processes were not conducted in parallel, time delays and losses involved in trade flows occurred. Some of these countries (that had signed FTAs with the EU) did not agree to negotiate a separate deal with Turkey. Hence, the increasing number of FTAs signed by the EU placed Turkey in a disadvantageous position. The so-called “Turkey clause” added to the EU’s FTAs did not have a binding force over the third countries.<sup>22</sup>

### ***Consultation and Decision-Making Mechanisms***

In addition, a lack of effective consultation mechanisms regarding trade policies in the EU became apparent. This problem laid at the foundation of the asymmetric relationship between Turkey and the EU. Turkey was committed to implementing and adapting to the EU’s external trade regime, however, it did not have any say in the making of trade policy since it was not a member of the EU. The customs union decision stipu-

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<sup>21</sup> See, among others: Yazıcı, Hayati. “Turkey-EU Relations and the Customs Union: Expectations versus the Reality,” *Turkish Policy Quarterly*, (Vol.11, No:1, Spring 2012): pp.25-37.

<sup>22</sup> Dawar, Kamala and Togan, Subidey. *opt.cit*, p.25.

lated that the EU consulted and informed Turkey about any changes to its trade policy. However, this mechanism was not sufficient to ensure that Turkey's interests were taken into account in the EU's trade policy. The improvement of these instruments was needed in order to resolve problems stemming from the asymmetric nature of the relationship.

### *Dispute Settlements*

The issue of dispute settlement emerged as one of the weaker arrangements of the customs union. Despite the existence of such institutions (Association Council and the Customs Union Joint Committee), the trade problems between Turkey and the EU could not be effectively resolved in the 21 years since the inception of the customs union. The dispute settlement mechanism foreseen in the customs union decision<sup>23</sup> was not extensive and was restricted to disagreements on the duration of safeguard measures.<sup>24</sup> Thus, a dispute settlement mechanism applicable in a more extensive array of trade disagreements would be desirable for a fully-functioning customs union.

### *Transport Quotas and Permits*

Transport quotas and permits implemented by several EU member states to trucks carrying goods from Turkey into the EU represented an import hurdle for the functioning of the customs union. Countries along the route towards Western Europe implemented quotas and levied fees that impeded the transit of goods. While this certainly constituted a non-tariff barrier to trade in the customs union, it could not be dealt with within the confines of the trade relationship, since the carriage of goods was regarded as a service. Services were not within the remit of the customs union. Turkey's International Transporters Association as well as business organizations (TOBB<sup>25</sup> and IKV)<sup>26</sup> successfully argued that these transport quotas were limiting the amount of trade between Turkey and the

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<sup>23</sup> The Association Agreement stipulated a comprehensive dispute settlement mechanism including "any dispute relating to the application or interpretation of this Agreement" (Article 25). This could involve the submission of the matter to the Court of Justice of the European Communities. However, since unanimity was required in the Association Council, the triggering of this mechanism proved to be quite difficult in practice.

<sup>24</sup> Gillson, Ian et al., "Evaluation of the EU-Turkey Customs Union." World Bank Report no. 85830-TR, March 28, 2014, p.iii. <http://documents.worldbank.org/curated/en/298151468308967367/pdf/858300ESW0P1440disclosed090260140TR.pdf>.

<sup>25</sup> Union of Chambers and Commodity Exchanges of Turkey.

<sup>26</sup> Economic Development Foundation.

EU and most importantly, the trade of goods produced by EU companies that invested in Turkey.<sup>27</sup>

### *Non-Tariff Barriers*

The implementation of non-tariff barriers was especially a cause of concern, expressed several times by EU officials. Bureaucratic delays at customs points, delays in adaptation to technical standards, practices violating the customs union (e.g., the introduction of customs duties and import surveillance measures on goods such as textiles, clothing, and footwear, disproportionate testing obligations),<sup>28</sup> and any other measures which had the intention or impact to deter trade between the parties, harmed the customs union relationship.

### *Visas*

Lastly, the visa regime presented a barrier for businesspeople between Turkey and the EU. Turkish citizens involved in the production and trading of goods to be exported to the EU experienced problems with visa applications when and if they wanted to travel to the EU. The delays, the burden of providing multiple documents, and the disclosure of bank statements and other required commercial documents created a burden that discouraged travelling to the EU for business purposes. Complaints about the visa procedure were compiled by the Economic Development Foundation in a project conducted in liaison with European Citizen Action Service.<sup>29</sup>

After 2010, the two parties began discussing the modernization of the customs union. Zafer Çağlayan, a former Minister of Economy in Turkey, argued that the customs union in its present form was to Turkey's disadvantage and that if it was not rectified, it should be turned into a free trade agreement.<sup>30</sup> Similarly, Turkey's current Minister of Economy, Nihat Zey-

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<sup>27</sup> Servantie, Deniz. "The Quota Issue of the Turkish Road Transport Sector in the EU." *IKV Brief*, (Istanbul: Economic Development Foundation, June 2017). [http://www.ikv.org.tr/images/files/brief\(1\).pdf](http://www.ikv.org.tr/images/files/brief(1).pdf).

<sup>28</sup> Foreign Trade Association. "The EU-Turkey Customs Union: Is It Working?" *Position Paper*, March 9, 2015. Accessed: May 15, 2017. [http://redirect.ftave.org/doc/unp/opinion/en/FTA-Position-The\\_EU-Turkey\\_Customs\\_Union.pdf](http://redirect.ftave.org/doc/unp/opinion/en/FTA-Position-The_EU-Turkey_Customs_Union.pdf).

<sup>29</sup> Ozler, Zeynep and Ozsoz, Melih. "Visa Hotline Project: Final Report." *Economic Development Foundation Publications* no.231, (Istanbul: Economic Development Foundation, 2010).

<sup>30</sup> "Gümrük Birliği Türkiye'nin Aleyhine [The Customs Union is to Turkey's Detriment]." *Bloomberg*, September 24, 2013. <http://www.bloomberght.com/haberler/haber/1430671-caglayan-gumruk-birligi-turkiyenin-aleyhine>.

bekçi, noted the need for upgrading the customs union, especially in view of the urgency created by the TTIP process. Zeybekçi warned that if Turkey was not included in TTIP, Turkey would come under a “commercial siege” as the U.S. would gain tariff-free access to Turkey (through the customs union agreement) but Turkey would not be able to gain reciprocal access to the U.S. market. He added that if that were the case, it would be impossible to preserve the customs union.<sup>31</sup>

The “Positive Agenda,” launched in 2012 by Stefan Füle, the EU Enlargement Commissioner, was aimed to moving the stagnant Turkey-EU relations forward, including improvements in trade and the customs union.<sup>32</sup> Even though the “Positive Agenda” could not fully accomplish the intended aims, it drew attention to the customs union, both in need of its reform and as a ground for further integration between Turkey and the EU.

Since the parties were not in agreement on some of the above-mentioned issues, the assessment of a third party was seen as necessary. Commissioned by the European Commission, the World Bank prepared a report titled “Evaluation of the EU-Turkey Customs Union,” diagnosing the problems in the customs union, offering solutions, and proposing ways for its reform. The report, finalized on 28 March 2014, was publicized in Turkey and Brussels consecutively and was favorably received in both quarters. It pointed to structural problems in the customs union, which hindered its efficient functioning offering agreeable solutions.<sup>33</sup> The findings of the report created a suitable base for the upgrading of the customs union to proceed.

Before the World Bank report was published, Turkey and the EU decided to set up a “Senior Official Working Group” with goal to reach initial agreement on how to revise the customs union. The final report was released on April 27, 2015, with a set of joint recommendations regarding the revision and upgrading of the customs union and enhancement of

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<sup>31</sup> “Zeybekçi: Gümrük Birliği Güncellenmeli [Zeybekçi: The Customs Union Should be Updated].” *CNN Türk*, <https://www.cnnturk.com/haber/ekonomi/genel/zeybekci-gumruk-birligi-guncellenmeli>

<sup>32</sup> Delegation of the EU to Turkey. “EU-Turkey: Commissioner Š.Füle to launch positive agenda.” May 16, 2012. <http://www.avrupa.info.tr/tr/node/2229>.

<sup>33</sup> Gillson, Ian et al., *opt.cit.*

trade relations.<sup>34</sup> The common understanding reached (as a result of this process) contributed to the consolidation of political will on both sides.

Nihat Zeybekçi, Turkey's Minister of Economy, and Cecilia Malmström, the European Commissioner responsible for Trade, reached an agreement on May 12, 2015 to proceed with the modernization of the customs union. In the press release marking the political consensus to go forward with the process, Malmström said, "We need to modernize our Custom Union with Turkey and bring it into the 21st century. This initiative will boost EU-Turkey commercial relations."<sup>35</sup> Minister Zeybekçi also noted the significance of this event and underlined the benefits of a customs union for Turkey. "Turkey's participation into the EU's consultation and decision-making mechanism as an equal partner of the customs union," "finding a permanent solution to problems associated with the adaptation to free trade agreements," and "road transport quotas." Zeybekçi stressed Turkey's two-fold aim of finding solutions to these "systemic" problems and the deepening of trade relations with the EU in the areas of agriculture, services, and public procurement. The minister also added that Turkey's aim was to be included in the TTIP process.<sup>36</sup>

Both Turkey and the EU commissioned multiple economic impact analyses to predict the probable effects of the modernized customs union. In December 2016, the European Commission asked for the Council's mandate in order to conduct formal negotiations with Turkey. At the time of the writing of this chapter, the Council has not yet given its mandate. The latest crisis between Turkey and Germany sparked controversy over this issue, leading Germany's Minister for Foreign Affairs, Sigmar Gabriel, to speak of the possibility of economic sanctions against Turkey. Some EU member states believe that the modernization process of the customs union should start only if Turkey fulfills certain political criteria. The European Parliament in its report on Turkey advocated the imposition of political conditions before the start of formal negotiations.

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<sup>34</sup> "Report of the Senior Officials Working Group (SOWG) on the Update of the EU-Turkey Customs Union and Trade Relations," April 27, 2015. [http://trade.ec.europa.eu/doclib/docs/2016/march/tradoc\\_154367.pdf](http://trade.ec.europa.eu/doclib/docs/2016/march/tradoc_154367.pdf).

<sup>35</sup> European Commission. "EU and Turkey announce modernization of customs union," May 12, 2015, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1307>.

<sup>36</sup> Cumhuriyet. "AB ile Türkiye Arasında 20 Yıl sonra Önemli Adım [Important Step Between the EU and Turkey After 20 Years]." May 12, 2015. [http://www.cumhuriyet.com.tr/haber/dunya/274845/AB\\_ile\\_Turkiye\\_arasinda\\_20\\_yil\\_sonra\\_onemli\\_adim.html](http://www.cumhuriyet.com.tr/haber/dunya/274845/AB_ile_Turkiye_arasinda_20_yil_sonra_onemli_adim.html).

## The Modernization of the Turkey-EU Customs Union: Expectations and Obstacles

Despite the interdependence of Turkey and the EU, bilateral relations are currently going through a particularly difficult period, especially following the coup attempt of July 15. In December 2016, the Council of the EU announced that while negotiations with Turkey are not frozen, no new chapters could be opened, resulting in a *de facto* suspension of Turkey's accession process. The visa liberalization process, based on Turkey's fulfillment of 72 conditions embodied in a roadmap, was expected to be completed as of October 2016. However, the seven remaining criteria, (and above all the requirement regarding revision of Turkey's anti-terror legislation), created a stumbling block, that has not yet been overcome. The refugee issue is grudgingly being implemented by the parties but is based on a transactional approach. The deterioration of political relations with the EU and certain member states in particular, created an atmosphere of mistrust and animosity, spilling over to other issues. The loss of credibility in Turkey's EU membership perspective and the disappointment regarding the EU's handling of relations left Turkey with a bitter aftertaste.

At the moment, the modernization of the customs union seems to be the only concrete mechanism to elevate and sustain Turkey-EU relations. It promises benefits for both Turkey and the EU as attested by the economic impact analyses prepared for both parties. As Minister Zeybekçi put forward in the above-mentioned statement, the modernization of the customs union is expected to resolve outstanding issues in the functioning of the customs union and to enlarge the trade relationship between Turkey and the EU to new areas (i.e., agriculture, services, and public procurement). Hence, if negotiations are started and completed successfully, the modernized customs union is expected to boost the economic and trade component of Turkey-EU relations and integrate Turkey further into the EU Single Market.

According to the impact analyses, the modernization of the customs union is expected to result in a 1.44 -1.9 percent increase in Turkey's GDP and 0.01 percent increase in the EU's GDP. The EU's impact analysis report studies the probable effects of 3 different scenarios on the Parties, the first one being the case of no policy change. According to the second scenario, the Turkey-EU trade relationship revisions involve trade in industrial products only, along with the signing of an additional FTA covering trade in agriculture and fishery products, services and establishment,

non-tariff barriers, and public procurement. According to the third scenario, a “Deep and Comprehensive Free Trade Agreement” (DCFTA) would replace the current customs union and include all trade, including agriculture, services and establishment, non-tariff barriers, and public procurement. According to the conclusions of the report, the second scenario is beneficial for both parties, while the third shows mixed results. With an enhanced trade framework, the EU is expected to experience a 0.01 percent increase in GDP, while with a DCFTA, the GDP is expected to decrease by 0.005 percent. For Turkey, an enhanced trade framework is expected to increase GDP by 1.44 percent, and the DCFTA is expected to show increase of 0.26 percent. The enhanced trade framework would increase EU exports to Turkey by 27 million euros, and Turkey’s exports by nearly 5 million euros. In the case of the DCFTA, Turkey is set to lose more than 4 million euros in exports to the EU, while the EU’s increase would be 8 million euros.<sup>37</sup>

The Ministry of Economy’s impact study was based on four different scenarios. The first scenario was based on an agreement that would resolve structural problems in the customs union, achieve 50 percent liberalization in agricultural products, and open up service and public procurement markets. The second scenario was similar as it also included an agreement to resolve the structural custom union problems through its upgrading, but instead offered 100 percent liberalization in agricultural products and an increased number of FTAs with Canada and the U.S. While the first scenario was expected to increase Turkey’s GDP by 1 percent, the second scenario produced the best results, including a 1.9 percent increase in GDP, a 24 percent increase in exports to the EU, a 15 percent increase in Turkey’s overall trade, a 1.5 percent decrease in consumer prices, and a 1.6 percent increase in household consumption. The third and fourth scenarios held poorer expectations. In the third scenario, the customs union was to be replaced by an FTA to include only trade in industrial products. In this scenario, the expected effect was calculated as a 0.4 percent decrease in GDP and a 16 percent decrease in exports to the EU. The fourth scenario was based on the replacement of the customs union by a DCFTA including industrial products, agriculture, services and pub-

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<sup>37</sup> European Commission. “Study of the EU-Turkey Bilateral Preferential Trade Framework, Including the Customs Union, and an Assessment of Its Possible Enhancement: Final Report.” October 26, 2016, pp.15-16. [http://ec.europa.eu/smart-regulation/impact/ia\\_carried\\_out/docs/ia\\_2016/turkey\\_anx6\\_en.pdf](http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2016/turkey_anx6_en.pdf).

lic procurement. The expected benefit in terms of GDP increase was limited to 0.16 percent.<sup>38</sup>

The impact analysis studies reassured the parties to proceed with the opening of formal negotiations on the modernization of the customs union, expected during 2017. On December 21, 2016, the European Commission asked the Council for a mandate to start talks with Turkey to modernize the customs union.<sup>39</sup> At the time of the writing of this chapter, the Council has still not given this mandate to the Commission. The political problems between Turkey and the EU, several disputes with EU member states, and consecutive elections in EU member states may be linked to this delay. In the 2016 EP's Commission report on Turkey, the European Parliament recommends the opening of talks on the modernization of the customs union, calling to the European Commission to include a political condition for Turkey to comply with before the start of these negotiations. The EP "calls on the Commission to include a clause on human rights and fundamental freedoms in the upgraded customs union between Turkey and the EU, making human rights and fundamental freedoms a key conditionality."<sup>40</sup>

Following renewed tension in Turkish-German relations (after the arrest of a German human rights activist in Turkey), both the German Minister of Foreign Affairs and the Minister of Economy also referred to the suspension or indefinite postponement of customs union talks. The Minister of Economy, Brigitte Zypries, said that she would "discuss with our European partners how to proceed. This applies to questions of economic aid for Turkey or the further development of the customs union." Sigmar Gabriel, German Minister of Foreign Affairs, also talked of "redefining Germany's policy on Turkey" following the arrest of the human rights activist and noted that additional measures could be taken such as "suspension of credit guarantees for businesses that invest in Turkey, and a possible cutting of EU pre-accession aid promised to Turkey as part of its accession process to the EU." Gabriel said that he also supported the Social Democratic Party leader Martin Schulz's idea to freeze the customs

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<sup>38</sup> Republic of Turkey Ministry of Economy. "Gümrük Birliği Güncellenmesi Etki Analizi Basın Bildirisi [Press Release on the Impact Analysis Regarding the Updating of the Customs Union]." January 18, 2017. <http://bit.ly/2gaGoLJ>.

<sup>39</sup> European Commission. "Commission proposes to modernize the Customs Union with Turkey." December 21, 2016. <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1609>.

<sup>40</sup> European Parliament resolution of July 7, 2017 on the 2016 Commission Report on Turkey (2016/2308(INI)), July 7, 2017. <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P8-TA-2017-0306&language=EN&ring=A8-2017-0234>.

union modernization talks until the improvement of the political situation in Turkey.<sup>41</sup>

The Cyprus issue could be the other obstacle that may endanger the modernization talks. The latest international Conference on the Cyprus question held in Crans-Montana was adjourned on July 7, 2017, without a resolution. Apparently, issues regarding the continuation of the status of guarantor powers, the presence of Turkish soldiers on the island and rotating presidency proved to be stumbling blocks leading to the intransigence of the parties.<sup>42</sup> The Council of the EU had decided not to open eight chapters in Turkey's EU accession negotiations, found to be linked to the customs union. This was a punitive measure against Turkey on grounds that Turkey did not implement the customs union fully and in a non-discriminatory manner to all the member states, including the Greek Cypriots. This issue still has the potential to cause an impediment to the modernization of the customs union.

## Impact on Transatlantic Relations

Initially, the TTIP negotiations created a push factor for the modernization of the EU-Turkey customs union. The Turkish side in particular was anxious to start and complete customs union negotiations by the end of the TTIP process so that Turkey would also be able to become a part of the to-be-established free trade area (FTA). Since Turkey's exclusion from the EU's FTAs would be handled within the customs union modernization talks, inclusion into the TTIP process by a docking mechanism<sup>43</sup> or a separate FTA between Turkey and the U.S. would be a plausible alternative.<sup>44</sup> With the suspension of TTIP talks, this sense of urgency for the start and completion of the customs union modernization negotiations is

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<sup>41</sup> Hanke, Jakob. "Relations with Turkey 'can't go on as before,' says Germany." *Politico*, July 20, 2017, <http://www.politico.eu/article/sigmar-gabriel-peter-steudtner-erdogan-relations-with-turkey-cant-go-on-as-before-says-germany/>.

<sup>42</sup> Miles, Tom. "Cyprus reunification talks collapse, U.N. chief 'very sorry.'" *Reuters*, July 7, 2017, <http://www.reuters.com/article/us-cyprus-conflict-idUSKBN19S02I>.

<sup>43</sup> Kirişçi, Kemal. "Turkey and the Transatlantic Trade and Investment Partnership." *Brookings Turkey Project Policy Paper*, No.2, September 2013, p.17, <https://www.brookings.edu/wp-content/uploads/2016/06/Turkey-and-the-Transatlantic-Trade-and-Investment-Partnership.pdf>.

<sup>44</sup> Long, Catherine. "The Opportunity Space of Overlapping Trade Regimes: Turkey, the Customs Union, and TTIP." *Global Policy*, (Volume 7, Issue 3, September 2016): pp. 360-369.

no longer present. However, there are signs that the U.S. and EU may be about to start a new process regarding a free trade agreement in the near future as implied during a meeting between U.S. Secretary of Commerce, Wilbur Ross, and European Commissioner for Trade, Cecilia Malmström.<sup>45</sup> In such a case, the swift opening and completion of the customs union modernization negotiations will be beneficial for Turkey's inclusion into the process minimizing any costs associated with the exclusion from the new economic area that is supposed to result from the agreement.

It is often contended that trade and investment relations between Turkey and the U.S. are limited and should be improved. When former U.S. President Barack Obama visited Turkey in 2009, strengthening the economic relationship was among the priorities. In 2010, an economic commission was established between Turkey and the United States, together with a Turkey-U.S. Business Council. Turkey and the U.S. could develop the economic aspect of trade and economic relations by strengthening the 1990 Bilateral Investment Treaty and the 1999 Turkey-U.S. Trade and Investment Framework Agreement. The conclusion of an FTA between the two could expand the trade potential, increase a mutual presence in each other's markets and draw U.S. investments to Turkey.<sup>46</sup> However, this option was dependent on the resurgence of the TTIP process due to Turkey's commitments under the customs union. It should also be noted that political tension between the parties, especially over the situation in Syria and Iraq, environmental, food security, intellectual property rights, and social concerns may prove to be an impediment for a far-reaching deal.

## Policy Recommendations

The customs union between Turkey and the EU is a defining feature of Turkey's international trade relationships. After 21 years, the customs union is in need of a revision. Therefore, the first priority should be to start negotiations as early as possible. Updating the current problems in the functioning of the customs union should be a priority. These include the resolution of the FTA issue where Turkey would be able to negotiate and conclude FTAs in parallel with the EU. The respective agreements

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<sup>45</sup> Gardner, Anthony. "How to Revive TTIP." *Politico*, July 9, 2017. <http://www.politico.eu/article/opinion-how-to-revive-ttip/>.

<sup>46</sup> Council on Foreign Relations. "US-Turkey Relations: A New Partnership." *Independent Task Force Report*, No.69, May 2012, p.11. [https://www.cfr.org/sites/default/files/pdf/2012/05/TFR69\\_Turkey.pdf](https://www.cfr.org/sites/default/files/pdf/2012/05/TFR69_Turkey.pdf).

(i.e., those the EU negotiates with a third party and those it directly negotiates with Turkey) should enter into force at roughly the same time.

In a modernized customs union, Turkey should be involved in the shaping of the EU's trade policy by participating in relevant committee and working group meetings and engaging in extensive consultation with EU Commission authorities.

The dispute settlement mechanism between the customs union partners should be enhanced and disagreements on trade issues should be rapidly resolved through broader and more effective dispute settlement procedures.

Road transport quotas and transit permits for trucks carrying goods from Turkey to the EU should be liberalized, as they act as a non-tariff barriers and are stifling trade. In addition, the visa barriers for Turkish citizens should be lifted when the visa liberalization roadmap is completed. The visa application process is an impediment to business contacts and civil society dialogue between Turkey and the EU.

The trade relationship between Turkey and the EU should be expanded to include services, agriculture, and public procurement. This could be achieved through the Turkey-EU Association Council or through separate protocols. Agriculture is a vital sector of the Turkish economy and an important source of employment, and considering that Turkey is not a beneficiary of the EU's Agricultural Policy, technical and financial assistance for an effective preparation on Turkey's part should be included.

Since Turkey is also an EU candidate country, its ultimate aim is EU membership. Hence, both sides should strive to resolve political differences and make strides in Turkey's EU accession process.

Lastly, Turkey's relationship with the U.S. is of the utmost importance. In recent years, we have witnessed differences and disputes more than reconciliation and cooperation in this relationship. Turkey has displayed a pattern of seemingly looking for alternatives to its Western ties, such as the Shanghai Cooperation Organization (SCO). Strengthening economic and commercial relations could be a very effective way of recalibrating the Turkey-U.S. relationship.



## *Chapter Eighteen*

# **Strengthening U.S.-Turkish Trade and Investment Relations: Realistic Recommendations Toward Building “Complex Interdependence”**

*Serdar Altay*

The United States and Turkey have been NATO allies and strategic partners for more than six decades.<sup>1</sup> Yet, close security and political relations, and a legacy of the Cold War have dominated bilateral relations. The direction of interactions has continually been set by a relatively small circle of foreign policy and business elites. A decade ago, Ian Lesser of the German Marshall Fund cautioned (in his *Beyond Suspicion: Rethinking U.S.-Turkish Relations*) that the sustainability of the strategic partnership was at risk. This risk stemmed from the lack of diversity in relations, the inability of the two countries to build stronger connections on a societal level, especially in the economic domain.<sup>2</sup> I argue that this risk is still prevalent today despite mutual efforts following the 2008-2009 economic crisis to upgrade the alliance to the level of a “model partnership.” In 2009, former presidents Barack Obama and Abdullah Gül, the architects of the project envisioning an expansion of bilateral ties toward the economic realm, initiated a Framework for Strategic Commercial and Economic Cooperation (FSECC). The bitter truth is that neither the idea of a model partnership nor its application, the FSEC, has been successful.

The commencement of negotiations in 2013 for a Transatlantic Trade and Investment Partnership (TTIP) between the United States and Europe became a new source of hope to advance bilateral (and trilateral) economic cooperation. In April 2013, then-Prime Minister Recep Tayyip Erdoğan wrote a letter to President Obama, expressing a desire to join the transatlantic talks. Turkey’s announced aspiration demonstrated the readiness of

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<sup>1</sup> The thoughts presented here are those of the author and not necessarily those of ISPAT or of the Turkish government. The author is thankful to Necmettin Kaymaz and İbrahim Ethem Tokgözlü for their input.

<sup>2</sup> Lesser, Ian. *Beyond Suspicion: Rethinking U.S.-Turkish Relations* (Washington, D.C.: Woodrow Wilson International Center for Scholars, 2007), p.5.

not only the Turkish government but also broader economic circles in Turkey to incorporate the country into the emerging transatlantic commercial architecture. Although Ankara could not secure a seat around the TTIP negotiation table, Turkey's enthusiasm injected power to a sideline initiative on the troublesome EU-Turkish front (i.e., a project to modernize the EU-Turkey customs union, a step toward Turkey's accession process into a future TTIP agreement).

At the time of this writing, the TTIP project has been suspended and Turkey's relations with its transatlantic allies are strained, pointing to the greatest crisis in Turkish transatlantic relations in recent history. Several landmines have been placed on the U.S.-Turkey front because of differences over Syria and domestic developments in Turkey following the failed coup attempt in July 2016. Right now, the completion of TTIP talks does not seem feasible because of European NGOs' determined opposition, the sweeping revitalization of (economic) nationalist currents, and mercantilist discourses in Europe and the United States. The Brexit decision in the June 2016 referendum and U.S. President Donald Trump's election last November point to a new crossroads in the transatlantic (and global) trading order. Now, all transatlantic governments must find alternative policy options that would recalibrate regional and global economic relations.

This chapter is a modest contribution to the policy debate on the challenges and opportunities to deeper economic cooperation between the United States and Turkey. Advancing Lesser's argument, I contend that the sustainability of U.S.-Turkish strategic partnership depends on the two parties' ability to build "complex interdependence." This will require both sides to address a series of key chronic obstacles to economic cooperation rather than engaging in any unrealistic grand projects like a "TTIP+Turkey," or an immature Turkey-U.S. Free Trade Agreement (TUFTA). The article begins with a multifaceted analysis of the current state of affairs and challenges to the U.S.-Turkish trade and investment relations. It then provides a thorough analysis of Preferential Trade Agreement (PTA)<sup>3</sup> options between the U.S. and Turkey (i.e., the TTIP+Turkey and TUFTA scenarios). The chapter concludes with policy recommendations for building a realistic and mutually beneficial policy agenda in the short and medium run.

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<sup>3</sup> This chapter uses PTAs to refer to all preferential commercial treaties build upon Free Trade Agreements (FTA) and customs unions.

## Current State of Economic Relations and Institutional Framework

Despite talks of a strategic partnership for several decades, U.S.-Turkish economic relations, and the institutional framework of those relations have historically been underdeveloped when contrasted to Turkey's articulation with Europe, or if compared to the U.S.' ties with Mexico, Israel, and even India. In contrast to Turkish-European relations, U.S.-Turkish ties are far from characteristics of a "complex interdependence," which, according to Keohane and Nye, refer to the diversity of complex transnational links including economic connections between both the states and societies. Peaceful relations prevail in a state of complex interdependence, as military conflict becomes too costly to engage. Connections between the parties are built through multiple channels and multiple issue areas not arranged in a consistent hierarchy (e.g., military and security issues do not consistently dominate the agenda).<sup>4</sup>

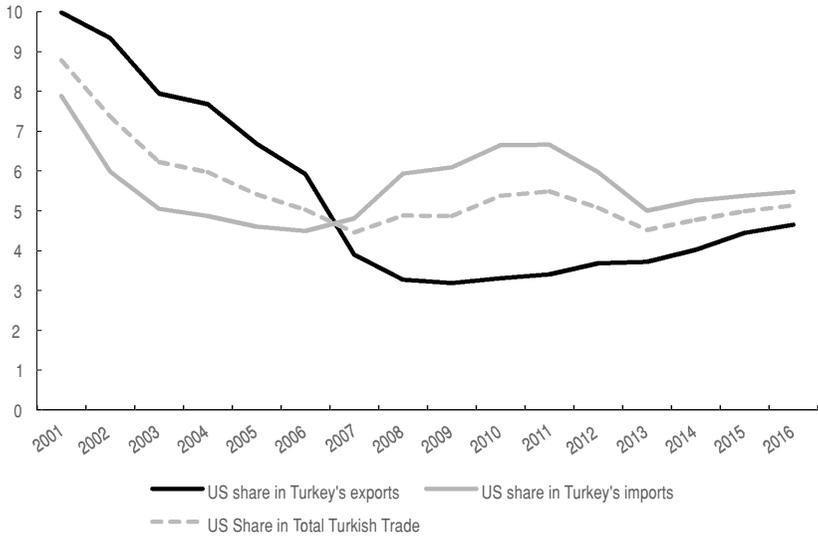
### *Trade in Goods: Growing Slowly and Asymmetrically*

U.S.-Turkish economic rapprochement over the past decade has resulted in partial success, and mostly in favor of the United States. Despite dedicated Turkish export promotion strategies toward the United States since 2006, the U.S. share of Turkish goods exports has experienced an alarming decline from 11 percent to 3 percent from 2000 until after 2009 (see Figure 1). While a similar (though a flatter decline) is observed in the share of U.S. products within Turkish imports, the U.S. succeeded in augmenting its share slightly after 2007. Bilateral trade volume expanded from 6 billion dollars in 2001 and peaked at 21 billion dollars in 2011. It then slightly declined to 17 billion dollars in 2016 (see Figure 2). Last year Turkey exported 6.6 billion dollars' worth of goods to the United States, in turn for 10.8 billion dollars' worth of imports from the U.S. Despite Turkey's strategies to diversify its trade markets away from the EU, Europe still captures half of Turkish trade volume. In 2016, the U.S. was Turkey's 5<sup>th</sup> largest export market following Germany, the U.K., Iraq, and Italy, whereas the U.S. was Turkey's 4<sup>th</sup> largest supplier of goods imports following China, Germany, and Russia. Turkey was registered as the 29<sup>th</sup> largest export market for U.S. goods, and the 33<sup>rd</sup> largest supplier of good imports.

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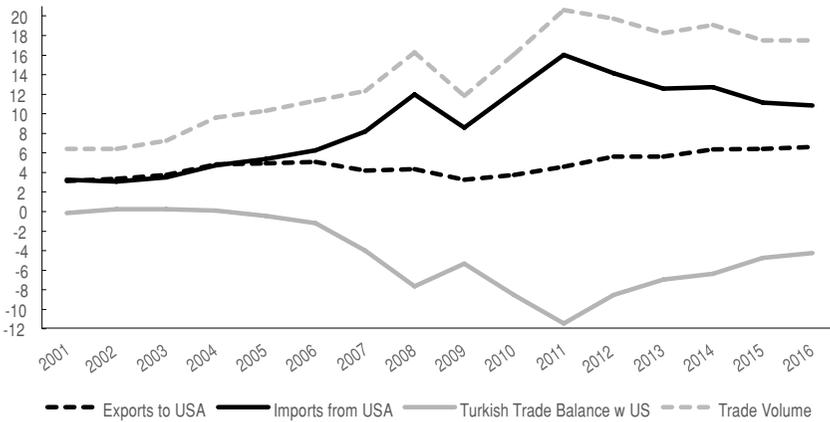
<sup>4</sup> Keohane, Robert O. and Nye, Joseph S. *Power and Interdependence*. 4<sup>th</sup> ed. (London: Pearson, 2011)

**Figure 1. U.S. Share in Turkey's Goods Trade with the World (in percentage terms)**



Source: UN Comtrade.

**Figure 2: U.S.-Turkish Bilateral Trade in Goods (2001-2016) (in billions of dollars)**



Source: UN Comtrade

### ***Trade in Services: Still a Neglected Territory***

Bilateral trade in services has also been far from a success story. According to the WTO, in 2015, total Turkish exports amounted to 47 billion dollars, while Turkey's imports stood at 22.6 billion dollars.<sup>5</sup> The European Commission (EC) data indicate an overwhelming EU leadership in services trade with Turkey, largely due to tourism and travel services exchange. The UN Comtrade data suggest that in 2015, the U.S. imported 2.1 billion dollars' worth of Turkish commercial services, and exported 2.7 billion dollars' worth of commercial services to Turkey.<sup>6</sup> Hence, Turkey became the United States' 34th export market and its 33<sup>rd</sup> import source in 2015. The U.S. captured around 7 percent of Turkey's services trade volume. The United States Trade Representative (USTR) data show also that in 2014, the sales of services by majority U.S.-owned affiliates in Turkey were around 5.3 billion dollars (according to the latest data available). This manifests that foreign direct investment (FDI) is a well-developed mode of supply of U.S. services to Turkey.<sup>7</sup>

### ***Investment Ties: Underdeveloped but Promising***

Turkey's voluminous and more diversified trading ties with the EU illustrate the deeper integration of Turkish suppliers into the European value chains through not only trade but also FDI linkages. According to a Boston Consulting Group (BCG) report, Turkey has been "under-invested" in by American multinationals. Considering the share of U.S. FDI outflows within total inflows of FDI into Turkey, the country is far from receiving its "fair share" from U.S. FDI outflows.<sup>8</sup> Between 2002 and 2016, Turkey attracted around 140 billion dollars in FDI value. U.S. inflows captured only 8 percent of this sum, while European investors represented 68 percent of the total (see Figure 3).

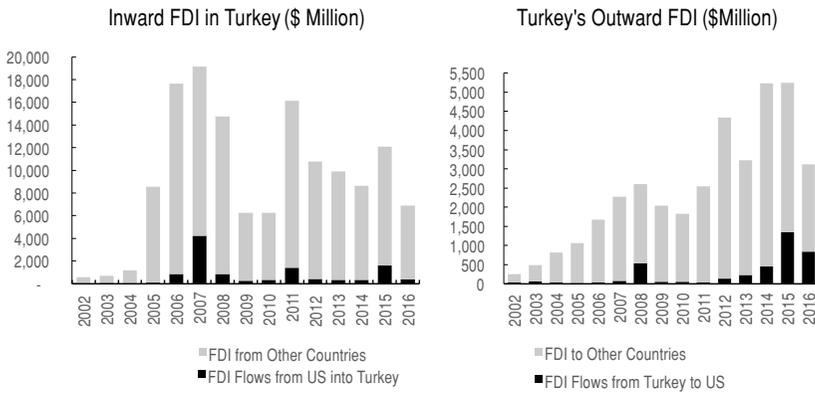
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<sup>5</sup> The Turkish government does not compile and publish data on bilateral trade in services. The U.S. began compiling and disseminating aggregate data in 2015.

<sup>6</sup> Data for U.S. exports of services to Turkey for 2015 differ slightly on the USTR website as 3.1 billion dollars.

<sup>7</sup> The sales of Turkish services in the United States by majority Turkey-owned firms were only 74 million dollars. Office of the United States Trade Representative, *2017 National Trade Estimate Report on Foreign Trade Barriers* (Washington, D.C. 2017): p. 435.

<sup>8</sup> Boston Consulting Group (BCG). *Achieving Turkey's fair share within U.S. FDI: Final Steering Committee Presentation*, 6 May 2011, Istanbul.

**Figure 3. Turkish FDI Inflows and Outflows and the Share of the U.S.**

Source: Central Bank of the Republic of Turkey.

Investment stands as the key area of building deeper and more complex economic relations between the U.S. and Turkey. More than 1,700 U.S. firms are actively operating in the Turkish market in wholesale retail, information and communications technology, construction, and real estate and manufacturing (see Table 1).<sup>9</sup> U.S. firms are vigorously involved in the Turkish mergers and acquisition market (see Table 2 and Table A.1 in the annex). U.S. FDI in Turkey provides a basis for U.S. companies seeking new markets in Europe and Middle East and North Africa (MENA) regions. Over the past decade, several U.S. multinationals have moved their regional headquarters to Turkey, using the country both as a production basis and as a managerial center (see Table A.2 in the annex). In contrast, between 2002-2016, Turkish residents invested around 36.7 billion dollars abroad. Turkish investments in the U.S. amounted to 11 percent of this amount. Turkish FDI to the U.S. has surpassed U.S. FDI to Turkey in recent years (see Figure 3).

The composition of bilateral trade in goods shows a lower level of integration compared to Turkey's merchandise trade with Europe. EU-Turkish trade illustrates the two-way intra-industry and intrafirm exchange between Turkey and Europe in various product groups including motor vehicles, textiles and apparel, chemicals, machinery and agro-food. This

<sup>9</sup> Major U.S. investors to Turkey are also members of AmCham Turkey. Accessed on May 1, 2017. <http://www.amchamturkey.com/member-companies>.

**Table 1: Sectorial Breakdown of the American Companies in Turkey**

| Sectorial Breakdown  | No. of Firms |
|--|--------------|
| Wholesale trade and commission trade, except motor vehicles and motorcycles                | 305          |
| Other business activities  | 216          |
| Retail trade, except motor vehicles and motorcycles repair of personal and household goods | 143          |
| Computer and related activities  | 115          |
| Construction   | 82           |
| Hotels and restaurants   | 79           |
| Real estate activities   | 64           |
| Others   | 725          |
| Total  | 1,729        |

Source: Ministry of Economy, as of the end of December 2016.

**Table 2: Mergers and Acquisitions in the Turkish Market and the Share of U.S. Investors**

|                                      | 2010  | 2011 | 2012  | 2013  | 2014  | 2015  | 2016 |
|--------------------------------------|-------|------|-------|-------|-------|-------|------|
| Deal number                          | 203   | 241  | 253   | 215   | 234   | 245   | 248  |
| Foreign Investors                    | 73    | 138  | 119   | 89    | 113   | 125   | 93   |
| US Investors                         | 12    | 22   | 22    | 10    | 21    | 27    | 16   |
| Deal volume (in billions of dollars) | 17.3  | 15   | 22    | 17.5  | 18    | 16.4  | 7.7  |
| U.S. Investors*                      | 0.243 | N/A  | 1.156 | 0.152 | 0.523 | 2.952 | 0.77 |

Source: Deloitte Annual Turkish M&A Reviews.

\*Approximate figures calculated using disclosed values.

reflects Turkish firms' strong articulation with global value chains (GVCs) via European multinationals.<sup>10</sup> Such intensive integration is not yet visible in U.S.-Turkish trade aside from trade of iron and steel and vehicles and parts, the latter largely driven by the Ford-Koç Group joint venture man-

<sup>10</sup> World Bank. *Evaluation of the EU-TURKEY Customs Union*, March 28, 2014, Report No. 85830-TR (Washington, D.C.: World Bank Publications, 2014), p.9; World Bank, *Trading up to High Income*, May 5, 2014, Report No. 82307-TR. (Washington, D.C.: World Bank Publications, 2014), pp. 40-52.

ufacturing commercial vehicles in Turkey. A McKinsey study showed Turkish exports to the U.S. market are made up of labor and capital-intensive products, which do not match with the U.S. imports portfolio typically filled with raw material and research-intensive products (i.e., petroleum and machinery).<sup>11</sup> Overall, Turkey imports American intermediate goods (scrap iron and steel, chemicals), high value-added products (aircraft, machinery, and defense equipment), and mineral fuels and coal. In turn, Turkey exports finished iron and steel products, vehicles, textiles and clothing, machinery, and building materials.

***Institutional Framework: Weak and Underdeveloped***

Another factor underlying shallow economic integration between the U.S. and Turkey is the weakness of the bilateral economic institutional framework. The WTO continues to be the overarching umbrella governing bilateral ties. In the multilateral commercial arena, Turkey has acted as a loyal U.S. ally, sometimes to the detriment of its own national economic interests.<sup>12</sup> Besides the WTO, U.S.-Turkish bilateral ties have been shaped by a gelatinous framework of mostly non-binding agreements such as the Trade and Investment Framework Agreement (TIFA). The FSECC initiative<sup>13</sup> in 2009 was a significant move to change the security-driven structure by pulling in economic policy-makers into the agenda-setting. It was supposed to become a framework for the governance of economic ties, to be chaired by economic policy leadership at cabinet-level. Nevertheless, as a top-down government-driven structure, FSECC soon proved dysfunctional. Periodical diplomatic meetings (including those of the U.S.-Turkey Economic Partnership Commission) continued to be spear-

<sup>11</sup> McKinsey & Company. "A Diagnostic Overview of Turkish Exports to the United States," *The Turkey-U.S. Business Council Board Presentation*, Ankara 2009. Also see: Sidar Global Advisors. "U.S.-Turkish Economic Relations in a New Era: Analysis and Recommendations for a Stronger Strategic Partnership," *Report for U.S. Chamber of Commerce and Turkish Industry and Business Association*, 2012, p.15. Available here: <http://www.uschamber.com/sites/default/files/reports/20120312-USCC-Report.pdf>.

<sup>12</sup> Even in areas like farming where Turkey has sufficient defensive interests to hold a strong position in the WTO against the EU and U.S., Ankara kept a low profile. Turkey shies away from challenging its transatlantic allies. It does not take part in high-profile coalitions such as G-22 (also known as G-20). Turkey joined lower profile, more technical alliances, including the G-33, a coalition calling for flexibility for developing countries in opening agriculture markets. The coalition opposed tariff cuts and pressed for the establishment of a Special Safeguard Mechanism for "special" (i.e., sensitive) agricultural products of developing countries. See [https://www.wto.org/english/tratop\\_e/agric\\_e/negoti\\_groups\\_e.htm](https://www.wto.org/english/tratop_e/agric_e/negoti_groups_e.htm)

<sup>13</sup> <https://obamawhitehouse.archives.gov/the-press-office/2013/05/16/fact-sheet-us-turkey-economic-partnership>.

headed by two foreign offices.<sup>14</sup> In addition, commercial (sometimes back-door) diplomacy was actively used, especially by the U.S. A Bilateral Investment Treaty (BIT) signed in 1985 (put into effect in 1990). This is perhaps the only economic pact worth mentioning as it has some binding power on the signatories. Beyond these bilateral connections, both parties have had unilateral initiatives and policies to enable better market access and enforcement of trade rules.

***Business Incorporation into Agenda-setting:  
Fragmented, Non-transparent, and Biased***

A key reason for the underdeveloped institutional structure and weak economic ties is similarly weak business incorporation into collective policymaking. There are few joint business bodies dedicated to enhanced business cooperation, usually representing member firms' interests in defense, energy, and pharma industries, dominating the tone of economic relations.<sup>15</sup> Few Turkish and U.S. business bodies also have an official network on one side to defend interests of a diverse set of constituencies on the other side.<sup>16</sup> Such a fragmented and non-transparent landscape of distinct vested interests has never led to a collective business voice inclusive of interests of all economic stakeholders such as small and medium-sized enterprises (SMEs). There is no equivalent to the Transatlantic Business Dialogue (TABD), which has operated since the mid-1990s to develop workable guidelines and roadmaps to U.S. and European governments, that eventually paved the way for the TTIP process.<sup>17</sup>

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<sup>14</sup> For instance, see: [http://www.mfa.gov.tr/joint-statement-following-the-2015-u\\_s\\_-turkey-economic-partnership-commission.en.mfa](http://www.mfa.gov.tr/joint-statement-following-the-2015-u_s_-turkey-economic-partnership-commission.en.mfa); <https://2009-2017.state.gov/r/pa/prs/ps/2015/02/237492.htm>.

<sup>15</sup> These include the American-Turkish Council (ATC), U.S. Turkey Business Council, Turkish American Chamber of Commerce and Industry (TACCI) and Turkish American Business Association, which acts as the American Chamber of Commerce (AmCham) in Turkey.

<sup>16</sup> U.S. Chamber of Commerce is operating in Turkey through its Middle East and Turkey program and U.S. Turkey Business Council. Turkish Union of Chambers and Commodity Exchanges (TOBB) and Turkish Industry and Business Association (TUSIAD) have an office in Washington, D.C.

<sup>17</sup> Representing joint business preferences above any other sectoral body or interest groups TABD was joined by the Transatlantic Economic Council (TEC) in 2007 as an additional and broader advisory platform towards reaching the collective business objective of creating a barrier-free transatlantic market. <http://www.transatlanticbusiness.org/tabd/>.

## Challenges for More Integrated Markets

Several market and government-driven difficulties stand against deepening economic integration between the two markets. U.S. traders and investors have encountered challenges including the high Turkish tariffs (especially in agriculture), non-tariff barriers (NTBs), issues about the business climate, and the recent rise of government interventionism in Turkish markets. For Turkish firms, challenges are partly due to the competitive U.S. market and partly because of the NTBs especially in—but not limited to—farming. Turkey seems to have mostly defensive interests in agriculture.<sup>18</sup> The U.S. has potential offensive interests in farming as it successfully increased nuts, cotton, and soybeans exports, as vital inputs to Turkish textile and livestock producers. In industrial goods, both sides have offensive and defensive areas and use different protection instruments for select product groups. In trade and investment, both countries have quite liberal regimes, yet there is room for improving relations if remaining barriers removed. The U.S. seems more offensive in public procurement and in a variety of service sectors, while both Turkey and the U.S. have offensive interests in construction services.

### *Market-driven Challenges for Turkish Merchandise Exporters*

As discussed above, Turkish exporters have a chronic failure to shore up their share in the U.S. market. Their inability rests on factors other than governmental barriers. Major issues are logistical bottlenecks including limited access to distribution channels, the lack of sufficient scale to compete in the U.S. market, and difficulty in meeting U.S. consumers' taste and demand about product quality.<sup>19</sup> Despite dedicated export promotion strategies toward the U.S. since 2006, Turkish stakeholders failed to develop a sophisticated approach to match compositions of exports and

<sup>18</sup> Turkey seems to have offensive interests only in certain fruits, vegetables, and processed food categories, but it is predominantly defensive in most cereals, oilseeds, livestock products (especially cattle and bovine meat) (e.g., H. Ozan Eryugur, "Impacts of Agricultural Trade Liberalization Between EU and Mediterranean Partners Countries," Report for SUSTAINMED Project for EU 7<sup>th</sup> Framework Programme, 2012; Myrna van Leeuwen, Petra Salamon, Thomas Fellmann, Ali Koç, Gülden Bölük, Andrzej Tabeau, Roberto Esposti, Andrea Bonfiglio, Antonello Lobianco and Kevin Hanrahan. "Potential impacts on agricultural commodity markets of an EU enlargement to Turkey: Extension of the AG-MEMOD model towards Turkey and accession scenario," *JRC Scientific and Technical Reports*, EUR 24772 EN—2011; and World Bank. *Evaluation of the EU-TURKEY Customs Union*, pp.64-65.

<sup>19</sup> McKinsey & Company. "A Diagnostic Overview of Turkish Exports [...] and Sidar Global Advisors, "U.S.-Turkish Economic Relations in a New Era, p. 15.

imports, and to address the scale, quality, and logistical issues. Hence, Turkish exporters, especially SMEs, opt for “easier” markets in the MENA region, and they often use Europe as a facilitator for building competitiveness before moving to other regional markets.<sup>20</sup>

### *Tariffs: An Issue for U.S. Firms*

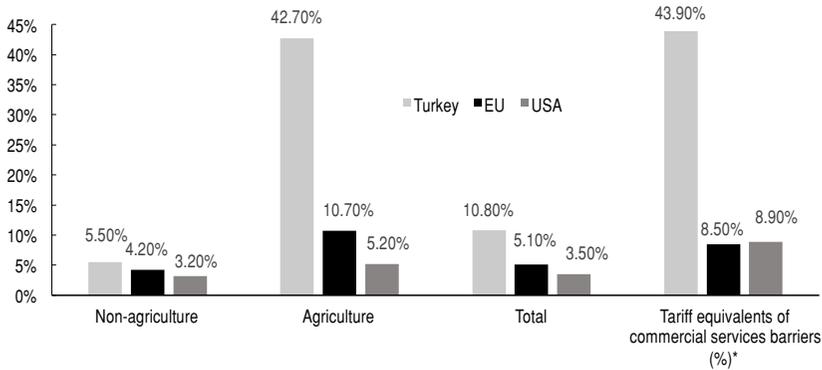
Tariffs constitute a primary issue for U.S. farm exporters to Turkey, if not the most significant barrier for Turkish firms exporting to the U.S. market. Especially in farming, still outside the scope of the Turkish-EU Customs Union, Turkey applies high (MFN) tariffs and three-digit tariff peaks (see Figure 4 and Table 3). Since 2014, Turkey has vigorously taken advantage of remaining policy space from international commitments by increasing tariffs on several products affecting U.S. exports in furniture, medical equipment, tools, iron, steel, footwear, carpets, and textiles. In addition, Turkey opts for import licenses, especially for certain agricultural products.<sup>21</sup> While U.S. tariffs and other restrictions play an important role in hindering Turkish exports,<sup>22</sup> close to 77 percent of Turkey’s farm exports and approximately 75 percent value of non-agriculture exports enter the U.S. market duty-free.<sup>23</sup>

<sup>20</sup> World Bank. *Evaluation of the EU-TURKEY Customs Union*, p.11

<sup>21</sup> Office of the United States Trade Representative. *2017 National Trade Estimate Report on Foreign Trade Barriers* (Washington, D.C. 2017): pp. 438-439; Bown, Chad P. “Trade Policy Flexibilities and Turkey: Tariffs, Anti-dumping, Safeguards and WTO Dispute Settlement,” *The World Economy*, 2014, pp. 193-218, pp. 201-204.

<sup>22</sup> The Turkish Ministry of Economy reports that some Turkish exporters complain about high tariffs in the U.S. market for Turkish tobacco and alcoholic beverages, textiles, garments and shoes, dairy, fruits and vegetables. See: Ministry of Economy. *Pazara Giriş Engelleri 2015 Raporu*, Anlaşmalar Genel Müdürlüğü, Ankara, 2015, p.3.

<sup>23</sup> World Trade Organization, International Trade Center, United Nations Conference on Trade and Development. *World Tariff Profiles 2015*, (2015), p. 171. Some of this duty-free access is thanks to the Generalized System of Preferences regime of the United States, which allowed for 18 percent of Turkish exports to enter the U.S. duty free in 2012. Products covered included copper derivatives, vehicles and parts, jewellery, processed vegetables, articles of stones, and rubber products. See: Weaver, Marin. *Expanding Turkey’s Exports through the Generalized System of Preferences (GSP) Program*, Office of the U.S. Trade Representative Executive Office of the President, March 2013. The United States has recently excluded an increasing number of Turkish products (e.g., certain fruits, stone products, jewellery, and wire) from GSP duty-free benefits. See: McKinsey & Company. “A Diagnostic Overview of Turkish Exports to the United States [...]”; Sidar Global Advisors. “U.S.-Turkish Economic Relations in a New Era,” p.21.

**Figure 4: Barriers to Trade in Goods and Services Compared**

Source: WTO World Tariff Profiles.

\*Calculations by Gary Clyde Hufbauer, J. Bradford Jensen and Sherry Stephenson Assisted by Julia Muir and Martin Vieiro "Framework for the International Services Agreement" *Policy Brief*, No PB 12 - 10, (Washington, D.C.: Peterson Institute for International Economics, 2012), p. 17.

### *Non-Tariff Barriers (NTBs)*

NTBs, which cover all regulatory and standards-related *domestic* barriers, constitute a bigger challenge for traders and investors. Turkish products face barriers in the U.S. (and EU) market especially in the form of farm subsidies and higher Sanitary and Phytosanitary (SPS) standards as well as technical standards, which affect a series of Turkish exports including agro-food, cosmetic and medical equipment to access to the U.S. market.<sup>24</sup> On the other hand, U.S. farm exporters encounter Turkish subsidies (especially export subsidies, domestic supports, and tax credits given to farmers) as well as price-distorting business practices of the State-Owned Enterprises (SOEs) (i.e., the Turkish Grain Board arguably affecting wheat, flour, biscuit, and pasta prices).<sup>25</sup> Turkey's domestic support regime is criticized for not being transparent and for its weak harmonization with the EU's reformed Common Agriculture Policy (CAP).<sup>26</sup> Yet, the U.S.

<sup>24</sup> Ministry of Economy, *Pazara Giriş Engelleri 2015 Raporu*, p. 5-6. A critical issue for the United States is the EU-aligned Turkish restrictions on Genetically Modified Organisms (GMOs) and Mandatory Biotechnology Labelling, which particularly affect American biotech seeds and food products. Office of the United States Trade Representative, *2017 National Trade Estimate Report*, pp. 436-438.

<sup>25</sup> Office of the United States Trade Representative, *2017 National Trade Estimate Report*, p. 440.

<sup>26</sup> Ankara has been called to announce a strategy and timeline towards harmonizing its policies to the EU's *acquis*. See: World Trade Organization, *Trade Policy Review, Turkey: Record of the Meeting*, Addendum, Trade Policy Review Body 21 and 23 February 2012, WT/TPR/M/259/Add.1. (2012), pp. 17-18, pp. 154-156.

**Table 3: Compared Average Applied Tariff Rates by HS Section for 2016 (HS Rev.2012)**

| HS code | Products  | EU   | USA  | TR     |
|---------|---|------|------|--------|
| 1       | Live animals animal products  | 8.4  | 4.79 | 107.69 |
| 2       | Vegetable products  | 2.82 | 1.35 | 53.88  |
| 3       | Animal or vegetable fats and oils etc   | 3.48 | 2.06 | 23.27  |
| 4       | Prepared foodstuffs beverages tobacco etc   | 5.62 | 5.76 | 37.01  |
| 5       | Mineral products  | 0.08 | 1.11 | 0.22   |
| 6       | Products of the chemical or allied industries                                       | 0.66 | 1.04 | 1.29   |
| 7       | Plastics, rubber, and articles thereof...   | 1.26 | 2.06 | 2.5    |
| 8       | Raw hides and skins, leather, travel goods, handbags etc                            | 1.05 | 4.84 | 2.03   |
| 9       | Wood and articles of wood etc.  | 0.52 | 0.66 | 1.28   |
| 10      | Pulp of wood paper or paperboard and articles thereof etc                           | 0    | 0.15 | 0      |
| 11      | Textiles and textile articles   | 2.83 | 8.9  | 5.35   |
| 12      | Footwear, headgear, umbrellas artificial flowers etc                                | 2.71 | 7.97 | 5.75   |
| 13      | Articles of stone, plaster, cement glass and glassware etc                          | 1.03 | 2.5  | 1.9    |
| 14      | Natural or cultured pearls, precious or semi-precious stones, precious metals, etc. | 0.09 | 0.77 | 0.28   |
| 15      | Base metals and articles of base metal  | 0.49 | 0.76 | 3.07   |
| 16      | Machinery and mechanical appliances electrical equipment sound recorders etc.       | 0.36 | 0.63 | 0.69   |
| 17      | Vehicles, aircraft, vessels and associated transport equipment                      | 1.9  | 1.79 | 3.78   |
| 18      | Optical, photographic, cinematographic, measuring, medical instruments              | 0.28 | 0.94 | 0.71   |
| 19      | Arms and ammunition parts and accessories thereof                                   | 1.39 | 0.91 | 1.66   |
| 20      | Miscellaneous manufactured articles   | 0.4  | 1.57 | 0.86   |
| 21      | Works of art, collectors' pieces and antiques                                       | 0    | 0    | 0      |

Source: WTO World Tariff Profiles 2016

government reports only a few issues in the area of technical standards for industrial goods, which affect U.S. toy, footwear, and drug exporters.<sup>27</sup>

### *Barriers to Investment and Services*

The area of investment protection and liberalization provides the potential for expansion of FDI flows. While it has a more liberal FDI regime than the U.S., the OECD reports that Turkey has outstanding regulatory barriers in (mostly services) sectors such as maritime and air, radio and TV broadcasting, transport, media, and natural resource-based (primary) sectors.<sup>28</sup> Turkish regulatory restrictions are comparatively higher than the U.S. restrictions in real estate, accounting and auditing, tertiary (services) sector and business services. The two governments may address remaining obstacles and work out an improved bilateral investment regime beyond existing Bilateral Investment Treaty (BIT).

In the area of trade in services, the two governments have been participating in negotiations for a Trade in Services Agreement (TiSA) in Geneva, a continuation of the Doha services talks in a narrower context.<sup>29</sup> Turkish aggregate trade figures show competitive capacities in lower value-added services (transport and tourism) whereas an import dependency is visible in more sophisticated areas (financial, information technologies or professional services).<sup>30</sup> The WTO data illustrate Turkey's competitive edge in personal, cultural, and recreational services (ranked third globally in 2015, the EU taken as a single entity), construction services (ranked 10<sup>th</sup>), and transportation services (ranked 11<sup>th</sup>).<sup>31</sup> In particular, Turkey has offensive interests in health tourism.<sup>32</sup> Nonetheless, Turkey has not been a proactive player in the WTO/TiSA services talks and did not exhibit an offensive position in most of these sectors aside from construction and related engineering services. In contrast, during the Geneva talks the U.S. requested concessions in the construction sector, computer and

<sup>27</sup> Office of the United States Trade Representative. *2017 National Trade Estimate Report*, pp. 435-436.

<sup>28</sup> See: <http://www.oecd.org/investment/fdiindex.htm>. (Accessed May 1, 2017).

<sup>29</sup> In addition to the U.S. and EU the following countries participate in TiSA talks: Australia, Canada, Chile, Hong Kong, Iceland, Israel, Japan, South Korea, Liechtenstein, New Zealand, Norway, Switzerland, Taiwan, Colombia, Costa Rica, Mauritius, Mexico, Panama, Peru, Turkey, Pakistan, and Paraguay.

<sup>30</sup> World Bank. *Trading up to High Income*, pp. 55-56.

<sup>31</sup> World Trade Organization. *World Trade Statistical Review 2016* (Geneva: WTO Publications, 2016).

<sup>32</sup> World Bank. *Trading up to High Income*, p.10.

related services, postal and delivery, telecommunications, environmental, financial, and energy services, audio-visual and education services.<sup>33</sup> Moreover, average tariff equivalents of commercial services barriers in Turkey might be up to seven times higher than those of the United States and the EU (see Figure 4). To put it bluntly, further liberalization of regulatory barriers in Turkey would have a greater impact on Turkish imports than on imports from transatlantic allies.

The U.S. has also some horizontal offensive interests in the Turkish market such as the removal of the Turkish citizenship requirements in professional services (i.e., legal, accounting, auditing and other services). The Office of the U.S. Trade Representative (USTR) has been critical of the recent escalation of legal restrictions on the internet access in Turkey, of the government's blocking of particular websites, and of the Turkish privacy regime, which constrains cross-border data transfer. Turkey's imposition of regulations on the use of encryption hardware and software is not welcomed by the U.S.<sup>34</sup>

### ***Barriers to Public Procurement Markets***

Public procurement is an area where the U.S. has aggressively attempted to liberalize emerging economies through trade policies and advocacy while maintaining protections in the domestic market through "Buy American" measures.<sup>35</sup> Turkey has not had an elaborate trade strategy in this realm, and it has usually pursued a defensive attitude vis-à-vis the U.S. and the EU.<sup>36</sup> The Turkish public procurement market amounted to 48 billion dollars in 2016, and presents lucrative opportunities for U.S. suppliers thanks to Turkey's recent robust economic growth and grand infrastructure projects undertaken or planned. However, tender processes and procedures are a cause of U.S. complaint because of the complexity of

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<sup>33</sup> Marchetti, Juan A. and Roy, Martin. "The TiSA Initiative: An Overview of Market Access Issues," *Staff Working Paper*, ERSD-2013-11, (Geneva: World Trade Organization Economic Research and Statistics Division, 2013), p. 17.

<sup>34</sup> Office of the United States Trade Representative. *2017 National Trade Estimate Report*, pp. 440-441.

<sup>35</sup> Weiss, Linda and Thurbon, Elizabeth. "The business of buying American: Public procurement as trade strategy in the USA," *Review of International Political Economy*, 13,5 (2006), pp. 701-724.

<sup>36</sup> Anticipating a more efficient, non-discriminatory, transparent and accountable set of rules and practices, U.S. and European governments have been pressuring Ankara for its accession into the WTO's Government Procurement Agreement, where Turkey stands as an observer. (e.g., World Trade Organization, *Trade Policy Review, Turkey: Record of the Meeting*, p. 11, p. 150

requirements and transparency issues.<sup>37</sup> The U.S. government has also been critical of the (up to) 15 percent price advantage for domestic suppliers and the “offset option” in public tenders intensively utilized as part of Turkey’s new industrial policies (specifically for the “localization” agenda and purposes of encouraging technology transfer).<sup>38</sup> A significant part of domestic industry bodies stand against further liberalization of the market as they perceive more economic losses than any gains in the short run.<sup>39</sup>

### The Strategic Mismatch in the Context of the Global Shift

Over the past decade, the U.S. and Turkish governments have experienced difficulty recalibrating bilateral relations in line with the tectonic shifts in the global political economy. Two common challenges have been the “global re-balancing” and escalated competition, and the fragmentation of production along global supply and value chains. The 2008–2009 crisis was a critical benchmark in making the strains created by the global re-balancing toward “rising powers” such as China, affecting dynamics underlying the U.S.- Turkey relations. Under the Obama administration, the U.S. revisited its foreign economic strategies adopting a proactive approach to better access emerging markets along with a competitiveness-driven and surplus-oriented jobs and growth agenda.<sup>40</sup> Similarly, Turkey has proactively pursued a regional trade promotion agenda to diversify its markets, adopting a new industrial policy to encounter global competitive pressures. Nevertheless, the U.S. and Turkey have failed to re-calibrate bilateral economic ties along with the realities of globalization, global value chains, and dissimilar economic challenges. Clearly, there is a strategic mismatch between U.S. and Turkish industrial visions and priorities;

<sup>37</sup> U.S. Commercial Service, U.S. Department of State. *Doing Business in Turkey: 2014 Country Commercial Guide for U.S. Companies*, Washington, D.C. 2014, p. 3, p.93.

<sup>38</sup> Office of the United States Trade Representative. *2017 National Trade Estimate Report*, pp. 439-440.

<sup>39</sup> They are particularly concerned about worsening of Turkey’s current account deficit and potential loss of domestic market to foreign suppliers. See: The Union of Chambers and Commodity Exchange of Turkey (TOBB), “DTÖ Kamu Alımları Anlaşması, Türkiye Odalar ve Borsalar Birliği’nin Ekonomi Bakanlığı Anlaşmalar Genel Müdürlüğü’ne yazısı,” 0402/4569, February 28, 2013, pp. 2-3.

<sup>40</sup> Ahearn, Raymond J. “Rising Economic Powers and U.S. Trade Policy” *Congressional Research Service*, 7-5700, R42864, December 3, 2012; Kupchan, Charles A. *The Geopolitical Implications of the Transatlantic Trade and Investment Partnership* (Washington, D.C.: Transatlantic Academy, 2014).

Turkey's developmental policy orientation is juxtaposed with the United States' surplus-focused trade and enforcement agenda.

### ***U.S. Trade Policies and Strategies Post-2008***

The 2008-2009 economic crisis and its aftermath have resulted in concerns on both sides of the Atlantic about an emerging multipolar world and the inability of the transatlantic leadership to advance a market-oriented liberalization agenda through multilateral channels such as the WTO.<sup>41</sup> Emerging markets, especially in Asia, provided both opportunities and competitive challenges for transatlantic corporations. While U.S. and EU corporations have moved their production toward those markets, they also encountered state-driven economic policies and new forms of NTBs to the detriment of fair competition.<sup>42</sup> Facing common challenges, transatlantic businesses and governments came closer than ever through TABD and other channels. Consequently, both U.S. and EU strategies underscored a sustainable and balanced economic growth, a competitiveness-driven and surplus-oriented jobs and growth agenda, and a more equitable international burden-sharing in global governance.<sup>43</sup>

In this context, the Obama administration adopted a new set of strategies for the “challengers” and for partners. In 2010, the U.S. initiated the National Export Initiative (NEI, aiming to double U.S. exports of goods and services in five years. The initiative envisioned a proactive use of unilateral, bilateral, and multilateral instruments to open markets to U.S. goods and services by adopting a multi-tier approach, which classified major trade partners. While China, India, and Brazil were put in the first tier, Turkey was in the “next tier” markets along with other fast-growing and less problematic economies (e.g., Colombia, Indonesia, Saudi Arabia, South Africa, and Vietnam). The U.S. government leveraged instruments of trade advocacy, export promotion, exports financing, and better enforcement of trade rules for a more even playing field and smooth functioning of U.S. multinationals' supply chains. President Obama's “pivoting to

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<sup>41</sup> Transatlantic Task Force. *A New Era for Transatlantic Trade Leadership: A Report from the Transatlantic Task Force on Trade and Investment*, (Washington, D.C.: GMF, ECIPE, 2012). pp. 8-10.

<sup>42</sup> Raymond J. Ahearn, “Rising Economic Powers and U.S. Trade Policy.”

<sup>43</sup> Bendini, Roberto. *In-depth Analysis: The European Union's trade policy, five years after the Lisbon Treaty*, European Parliament, Directorate-General for External Policies Policy Department, DG EXPO/B/PolDep/Note/2014\_76, March 2014, p. 10-7; National Export Initiative (NEI), *Report to the President on the National Export Initiative: The Export Promotion Cabinet's Plan for Doubling U.S. Exports in Five Years*, Washington, D.C. (2010).

China” bid and “mega-regionals” offensive operationalized the new strategic orientation. The U.S. government only intensified export promotion activities toward Turkey.<sup>44</sup> The idea of building a “model partnership” with Turkey was the product of the same mindset. It proved a smart but ineffective top-down move to recalibrate U.S.-Turkey relations in the new global and regional strategic environment, while the NEI only partially succeeded in expanding trade ties with Turkey.

### *Turkish Trade Policies and Strategies*

Ankara has also taken steps toward recalibrating economic relations with conventional partners and rising powers. The AK Party (Justice and Development Party) government’s initial commercial focus was to continue deepening ties with Europe while diversifying trade markets in Turkey’s region and the Muslim world, parallel to the growing self-perception of a “benign regional power.”<sup>45</sup> Only after the successful implementation of a Neighboring and Surrounding Countries Trade Promotion Strategy, the Turkish Under-secretariat of Foreign Trade (re-named the Ministry of Economy in 2011) has initiated the Strategy to Improve Commercial and Economic Relations with the U.S. in 2006.<sup>46</sup> This was the first proactive Turkish economic bureaucracy involvement in the security-prevailing management of bilateral relations with the U.S. Nevertheless, as the strategy focused solely on the promotion of goods exports, and had several other defects, it never succeeded in expanding Turkey’s exports to the U.S. to the targeted level of 15 billion dollars (by 2010) (see Figure 2). Since 2011, Turkey’s U.S. trade strategy has been immersed with a more encompassing Export 2023 Strategy, which adopted trivial modifications in the use of policy instruments. Under the Export 2023 Strategy, (and later through the “market access” programs of the Ministry of Economy), the Turkish government moved to a “two-tier” approach toward Turkey’s export markets. Ankara put the highest priority to the U.S. together with

<sup>44</sup> U.S. export promotion activities for Turkey: <http://2016.export.gov/turkey/index.asp>. Accessed on May 1, 2017.

<sup>45</sup> Öniş Ziya and Kutlay, Mustafa. “Rising Powers in a Changing Global Order: the political economy of Turkey in the age of BRICs” (*Third World Quarterly*, 34,8): 2013, pp. 1409-1426, pp. 1410-1414; Kirişçi, Kemal. “The Transformation of Turkish Foreign Policy: The Rise of the Trading State,” *New Perspectives on Turkey*, no. 40, 2009, pp. 29-57, pp. 32-34; Akman, Sait M. “Dynamics of European Union’s Trade Strategy: Drawing Conclusions for Relations with Turkey,” *Paper for Conference UACES Exchanging Ideas on Europe 2012 “Old Borders—New Frontiers,”* September 3-5, 2012, Passau, Germany, p.6.

<sup>46</sup> Under-secretariat for Foreign Trade (UFT) (2008), *Stratejik Plan: 2009-13*, Ankara, p.56.

14 other “target markets.”<sup>47</sup> To date, these strategies have not produced satisfactory results.<sup>48</sup> While Turkish strategies missed critical aspects (like trade in services, investment, and government procurement), they also did not include deep integration PTAs as elements of Turkey’s trade policy and strategies toward the U.S.

In fact, the Turkish endeavor to join the TTIP talks was a *reactive* move rather than a result of pre-set strategies built upon Turkey’s economic priorities. Particularly, Turkey’s post-crisis orientation in development policies was clearly at odds with the economic policy vision projected by the Obama administration through TTIP and other trade policy instruments.<sup>49</sup>

### *Turkey’s “Neo-developmental” Turn*

Ziya Öniş and Mustafa Kutlay label Turkey’s recent industrial policy opening as “neo-developmental” because of its resemblance with some catch-up economies’ policies involving active government intervention albeit within counter of legitimate policy space.<sup>50</sup> The Turkish government has recently adopted a proactive industrial policy entailing interventionist economic tools in face of global competitive pressures. These tools address chronic problems such as current account deficits, and industrial capacity challenges in the production of high-technology goods.<sup>51</sup> The neo-developmental turn has evolved within the broader context of the government’s grand strategy called Vision 2023.<sup>52</sup> Accordingly, the Turkish government

<sup>47</sup> Other target countries included China, Ethiopia, India, Iraq, Iran, Japan, Mexico, Nigeria, Poland, Romania, Russia, Saudi Arabia, South Korea, United Arab Emirates,

<sup>48</sup> The Turkish government has utilized identical instruments for access to the U.S. market with export promotion tools used for neighboring countries such as Ukraine. Moreover, Turkey’s trade strategies have mostly been about the promotion of Turkish goods exports by encouraging the attendance of Turkish firms at trade fairs, organizing match-making visits to Turkey for U.S. importers, promoting Turkish trademarks abroad, and opening new commercial missions in the United States (i.e., in Chicago, Los Angeles). Under-secretariat for Foreign Trade (UFT) (2008). *Stratejik Plan: 2009-13*, Ankara, p. 56.

<sup>49</sup> The new industrial and development strategies have largely been developed by Turkish Ministry of Development and Ministry of Science, Industry and Commerce.

<sup>50</sup> Öniş Ziya and Kutlay, Mustafa. “Rising Powers in a Changing Global Order, pp.1420-1422.

<sup>51</sup> World Bank, *Trading up to High Income*, May 05 2014, Report No. 82307-TR. (Washington, DC: World Bank Publications, 2014) pp. 1-30; Akman, M. Sait. “Turkey in the World Trading System and the WTO: Activism under Global Challenges and the EU Process,” *Afro Eurasian Studies*, 1,1, 2012, pp. 134-172. pp. 145-151; Öniş, Ziya and Kutlay, Mustafa. “Rising Powers in a Changing Global Order, pp. 1415-1416.

<sup>52</sup> Vision 2023 embraced the goal to make Turkey one of the top 10 economies worldwide by expanding GDP from 790 billion dollars (in 2012) to 2 trillion dollars by the year 2023,

issued an Industrial Strategy (2011-2014) document, embracing the goal to transform Turkey into “the manufacturing hub of Eurasia for medium and high technology manufacturing.”<sup>53</sup> In this respect, Ankara has customized a series of “selective” industrial policies to address supply-side constraints of Turkish manufacturing industries, macroeconomic and regional development imbalances, and the erosion in exports competitiveness.<sup>54</sup> In addition to state aid and tax incentives for investments in priority sectors, the government launched localization programs for building domestic manufacturing and research and development (R&D) capacities for strategic products.<sup>55</sup> The programs involved discriminatory and restrictive public procurement tools (i.e., price advantages and offsets), complained by the U.S. firms. Even though these tools have not challenged Turkey’s *existing* international commitments, Turkey’s post-2009 industrial policy orientation has created a strategic mismatch with the U.S., likely to continue during the Trump administration.<sup>56</sup>

## Re-assessing Deep Integration Scenarios

In contrast to shallow integration agreements (which address border measures such as tariffs and conventional NTBs), deep integration PTAs tackle challenges emanating from the fragmentation of global production.<sup>57</sup> With an unprecedentedly broad content including “soft” (non-

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the centennial of the Turkish Republic. Adalet ve Kalkınma Partisi, *AK Parti 2023 Siyasi Vizyonu: Siyaset, Toplum, Dünya*, (2012). Accessed on May 1, 2017, p. 54. <https://www.akparti.org.tr/site/akparti/2023-siyasi-vizyon>.; Ministry of Economy, *2023 Türkiye İhracat Stratejisi ve Eylem Planı*, Ankara, 2012.

<sup>53</sup> Ministry of Industry and Trade, *Türkiye Sanayi Strateji Belgesi: 2011-2014 (AB Üyeliğine Doğru)*, Ankara 2010.

<sup>54</sup> Yılmaz, Gökhan. “Resurgence of Selective Industrial Policy: What Turkey Needs,” *Discussion Paper*, No. 2011/3, (Ankara: Turkish Economic Association, 2011).

<sup>55</sup> Ministry of Development. *Öncelikli Dönüşüm Programları: 2014-2018*, Ankara, 2015. [http://odop.kalkinma.gov.tr/dokumanlar/ODP\\_TOPLU\\_KITAP\\_yeni\\_yapilan\\_04122015.pdf](http://odop.kalkinma.gov.tr/dokumanlar/ODP_TOPLU_KITAP_yeni_yapilan_04122015.pdf)

<sup>56</sup> The new industrial and development strategies have largely been developed by Turkish Ministry of Development and Ministry of Science, Industry and Commerce, whereas Turkish strategies regarding the U.S. are still determined by the Turkish Foreign Office despite the recent involvement of the Ministry of Economy.

<sup>57</sup> Deep integration deals are concerned with *domestic* policies and policy instruments distortive of cross-border flow of goods, services and increasingly of investment. They contain (1) WTO-plus provisions, built upon existing WTO disciplines but go beyond the WTO in terms of ambition such as services, anti-dumping disciplines etc., and (2) WTO-extra provisions, which are newer rules beyond the existing purview of the WTO, such as competition policy, investment protection, e-commerce as well as labor and environmental standards. World Trade Organization, *World Trade Report 2011. The WTO and Preferential Trade Agree-*

**Table 4: Map of TTIP Negotiation Agenda**

|                    | <b>Market Access</b>    | <b>Regulatory Matters</b>         | <b>Rules</b>                                  |
|--------------------|-------------------------|-----------------------------------|---|
| Industrial Goods   | Tariffs                 | Technical Barriers to Trade       | IPRs: Patents<br><br>(Pharma, chemicals)      |
|                    | Rules of Origin         |                                   |   |
|                    | TTIP safeguards         |                                   |   |
|                    | Tariff-equivalents      |                                   |   |
|                    | Subsidies               |                                   |   |
| Agri-food          | Tariffs                 | Sanitary & phytosanitary measures | IPRs: geographical indications                |
|                    | Rules of origin         |                                   |   |
|                    | Tariff-rate quotas      |                                   |   |
|                    | TTIP safeguards         |                                   |   |
| Services           | Scope                   | Regulatory barriers               | IPRs: copyright protection                    |
|                    | TTIP safeguards         | Data protection                   |   |
| Investment         | Coverage                | Regulatory barriers               | Dispute settlement (ISDS)                     |
| Public procurement | Coverage                |                                   |   |
| Rules              | Trade facilitation      | Environment                       | Labor standards                               |
|                    | State-owned enterprises | Small & medium firms              | Competition policy                            |
|                    | Localization barriers   |                                   | Transparency                                  |
|                    | Raw materials & energy  |                                   | Institutional rules (dispute settlement etc.) |

Source: Adopted and revised from Messerlin, Patrick. "The Transatlantic Trade and Investment Partnership: Ambiguities, opportunities, challenges," *Kokusai Mondai (International Affairs)*, No.632. 2014, p.6.

*ments: From Co-Existence to Coherence* (Geneva: World Trade Organization, 2012), p. 9, pp.128-131; Henrik Horn, Petros C. Mavroidis, and Andre Sapir, "Beyond the WTO? An anatomy of EU and US preferential trade agreements," *The World Economy* (Volume 33, no.11, 2010): pp. 1565-1588.

binding, diplomatic) and “hard law” (binding, legalistic) enforcement and transparency mechanisms, TTIP was supposed to create a new global trade rule-book (see Table 4) which would reinforce a joint transatlantic “regulatory hegemony” to repress any non-market economic models and challengers.<sup>58</sup>

According to a Center for Economic Policy Research (CEPR) study, an “ambitious” TTIP would augment total EU exports by 6 percent, and the U.S. by 8 percent. The pact would eventually spur 119 billion euros in growth to the EU’s GDP, and 95 billion euros in expansion to the U.S. GDP by 2027.<sup>59</sup> Anticipated gains would derive primarily from trade and investment creation with the removal of NTBs in goods, services, investment, and government procurement (see Figure 5). The alignment of two separate sets of regulations and standards would substantially contribute to these payoffs by yielding positive *regulatory spillovers*, usually non-existent in conventional PTAs. Spillovers are improvements to trade and investment conditions thanks to a receding of potential costs of trade diversion after the harmonization and/or mutual recognition of distinct domestic standards.<sup>60</sup> Policymakers and economists entangled with the old paradigm (for shallow integration agreements) often discount this aspect of deep integration PTAs. As Chauffour and Maur of the World Bank rightly proclaim, conventional approaches remain “archaic” or “incomplete” to understand new generation deals.<sup>61</sup> Finally, for lower standard countries, higher PTA standards bring about also negative

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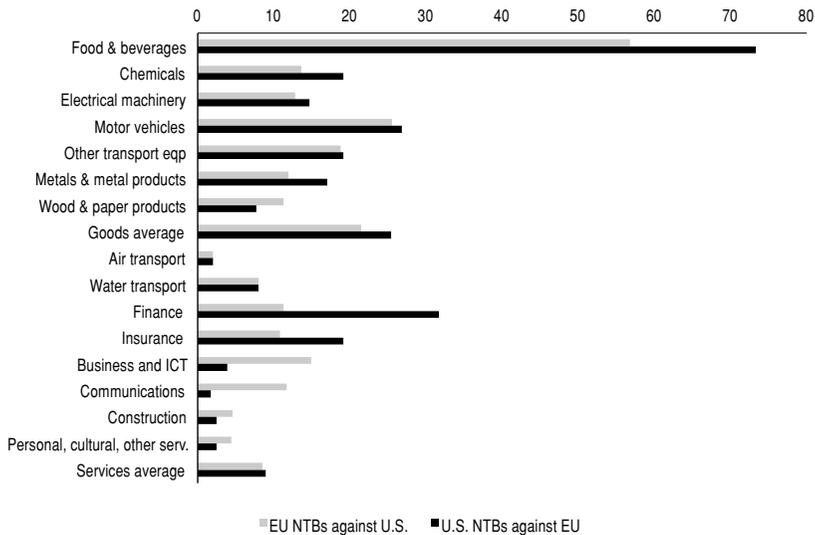
<sup>58</sup> Van Ham, Peter. *TTIP and the Renaissance of Transatlanticism: Regulatory Power in the Age of Rising Regions*, Netherlands Institute of International Relations Clingendael, 2014, pp.7- 8; Akhtar Shayerah Ilias and Jones, Vivian C. “Proposed Transatlantic Trade and Investment Partnership (T-TIP): In Brief,” *Congressional Research Service*, 7-5700, R43158, 11 June 2014, pp.1-5; Messerlin, Patrick. “The Transatlantic Trade and Investment Partnership: Ambiguities, opportunities, challenges,” *Kokusai Mondai (International Affairs)*, No.632. 2014, p.3.

<sup>59</sup> Joseph Francois, Miriam Manchin, Hanna Norberg, Olga Pindyuk, and Patrick Tomberger, *Reducing Trans-Atlantic Barriers to Trade and Investment: An Economic Assessment* (London: Center for Economic Policy Research, 2013).

<sup>60</sup> Hoekman, Bernard and Mavroidis, Petros C. “Regulatory spillovers and the trading system: from coherence to cooperation,” *Overview Paper*, E15 Task Force on Regulatory Systems Coherence, 2015, pp. 8-10; Chauffour, Jean-Pierre and Maur, Jean-Christophe. “Beyond Market Access” in Jean-Pierre Chauffour and Jean-Christophe Maur, eds. *Preferential Trade Agreement Policies for Development: A Handbook* (Washington, D.C.: World Bank Publications, 2011), pp.17-36, pp. 26-27; Joseph Francois, Miriam Manchin, Anirudh Shingal and Charlotte Sieber-Gasser, *Potential Impacts of a EU-US Free Trade Agreement*, pp. 28-29.

<sup>61</sup> Chauffour, Jean-Pierre and Maur, Jean-Christophe. opt cit., p. 33.

**Figure 5: Tariff Equivalents of Non-Tariff Barriers to Trade in the U.S. and EU**



Source: Ecorys. Non-tariff measures in the EU-US Trade and Investment: An Economic Analysis. Ref. OJ 2007/S 180-219-493, Final Report. 2009.

spillovers in the form of compliance and implementation costs, especially if they decide to join a trade pact like TTIP.<sup>62</sup>

In sum, the success of TTIP, which has been the most comprehensive deep integration PTA initiative in history, has been contingent upon negotiators to grant significant concessions in politically sensitive domains.<sup>63</sup> Despite limited progress during fifteen rounds of TTIP negotiations, the Trump administration has no political determination to move it forward, in the post-Brexit Europe.

<sup>62</sup> World Trade Organization. *World Trade Report 2011. The WTO and Preferential Trade Agreements: From Co-Existence to Coherence* (Geneva: World Trade Organization, 2012) pp. 113-114. See also: Narayanan, B. G., D. Ciuriak, and H. V. Singh (2015), *Quantifying TTP and TTIP Spillovers on India*, Report for International Institute for Sustainable Development, Knowledge Partnership Program, and IPE Global, August, 2017; Ciuriak, D. and Singh, H. V. (2015), *Mega Regional Trade Agreements: How Excluded Countries Can Meet the Challenge*, Report for International Institute for Sustainable Development, Knowledge Partnership Program, and IPE Global.

### *The Turkish Reaction to TTIP*

Turkish policymakers and analysts reacted to the TTIP initiative without fully understanding its scope and repercussions not only because of the traps of conventional PTA paradigm but also owing to the prevalence of the security-driven mindset.<sup>64</sup> For many Turkish observers, TTIP was a strategic transatlantic instrument resembling an “economic NATO.” Thus, a Turkish association was a *mandatory* next step that would also reopen the path towards EU membership and reincarnate the idea of a model partnership with the U.S. A TTIP+Turkey would also foster the trilateral alliance vis-à-vis global challengers whereas it could consolidate and strengthen the Turkish democracy, enhance accountability, transparency, and the rule of law.<sup>65</sup>

Economic assessments were mostly conducted through the lens of conventional paradigm and somehow inextricably from Turkey’s Customs Union with the EU. For many politicians, businessmen and analysts, a TTIP without Turkey would not only mean the shrinking of European markets (due to the erosion of external tariffs for American exporters) but also an inevitable deflection of the trade from the United States into Turkey via the Customs Union.<sup>66</sup> The Customs Union, put into effect in

<sup>63</sup> The U.S. and EU left farm subsidies out of the scope of bargaining at the outset. Negotiators had to reconcile differences in protected sectors such as maritime (U.S.) and audio-visual services (EU), and in numerous regulatory issues such as intellectual property rights (i.e., geographical indications), environment, GMOs, data privacy, and Investor-State Dispute Settlement (ISDS). Schott, Jeffrey J. and Cimino-Isaacs, Cathleen. “Crafting a Transatlantic Trade and Investment Partnership: What Can Be Done” *Policy Brief*, 13-8, March 2013, Peterson Institute for International Economics. Priorities of both parties can be found at: <http://ec.europa.eu/trade/policy/in-focus/ttip/> and <https://ustr.gov/ttip>.

<sup>64</sup> Until the FTA with South Korea, Ankara mostly negotiated shallow integration South-South FTAs.

<sup>65</sup> Kirişçi, Kemal. “Turkey and the Transatlantic Trade and Investment Partnership,” *Turkey Project Policy Paper 2*, (Washington, D.C.: Brookings Institution 2013), p. 4,8. Other pieces with similar views: Bahadır Kaleğası and Barış Ornarlı, *Why Turkey belongs to transatlantic economy?* Congress Blog, March 12 2013. <https://thehill.com/blogs/congress-blog/foreign-policy/287675-why-turkey-belongs-to-transatlantic-economy>; Yeşilyurt, Serdar and Paul, Amanda. “Between a rock and a hard place: What is Turkey’s place in the transatlantic market?” *Commentary*, 9 July 2013, (Brussels: European Policy Centre); Aran, Bozkurt. *Türkiye: Transatlantic Ticaret ve Yatırım Ortaklığının Sonuçları, Değerlendirme Notu*, (Ankara: Türkiye Ekonomik Politikaları Araştırma Vakfı, 2015).

<sup>66</sup> E.g. Kirişçi, Kemal. “Turkey and the Transatlantic Trade and Investment Partnership,” pp. 13-6; Yeşilyurt, Serdar and Paul, Amanda. “Between a rock and a hard place; Mehmet Çetingüleç, “Will US-EU trade deal dissolve EU-Turkey customs union?” *Almonitor*, November 18, 2014. Former EU Minister Ambassador Volkan Bozkır stated that TTIP would cause a welfare loss of 3-4 percent of GDP and 2.5-3 billion dollars in trade losses (*Hurriyet Daily News*, November 5, 2014). Yet, the most frequently-quoted findings were of a study

1996 as an interim deal toward full EU membership, (then expected to occur soon), had a troublesome “hub and spoke” structure (the EU constituting the hub and Turkey the spoke).<sup>67</sup> The pact required Ankara to negotiate flanking FTAs with the EU’s FTA partners to avoid any trade deflection into its market. The initiation of TTIP talks only brought the Turkish disturbance to the surface, especially Ankara’s frustration about following Brussels’ decisions without questioning and without participating in policy-formulation processes.<sup>68</sup>

Turkey’s intensive lobbying for joining the TTIP talks proved counter-productive. The U.S. and EU did not risk bogging down the TTIP project for the sake of placating Turkish grievances with Europe. As Ankara was ushered to the waiting room, the debate in Turkey turned to scenarios about the Turkish engagement with the future TTIP deal.<sup>69</sup> Several Turkish cabinet members threatened Washington and Brussels that Turkey would unilaterally suspend the Customs Union accord unless the final TTIP text contained a clause for “automatic” Turkish membership.<sup>70</sup> In May 2015, deliberations between the EU and Turkey led to the launching of negoti-

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by Germany’s Ifo institute which implicated an unrealistically high trade diversion impact for Turkey, which would reach up to 2.5 percent of Turkish GDP in the long run. See: Gabriel Felbermayr, Mario Larch, Lisandra Flach, Erdal Yalcin, and Sebastian Benz. *Dimensions and Effects of a Transatlantic Free Trade Agreement Between the EU and US*, February, (Munich: IFO Institute, 2013) & Gabriel Felbermayr, Benedikt Heid, and Sybille Lehwald, *Transatlantic Trade and Investment Partnership (TTIP) Who benefits from a free trade deal?: Part 1: Macroeconomic Effects*, Bertelsmann Stiftung, Global Economic Dynamics, 2013. Based on the estimations of the Ifo study Öztrak and Duvan calculated the dollar amount of losses to reach 15.4 billion dollars. Faik Öztrak and Osman Berke Duvan, *AB-ABD arasında Gerçekleştirilecek Transatlantic Ticaret ve Yatırım Ortaklığı Anlaşması: Türkiye Ekonomisi Üzerine Etkileri*, İstanbul, Toplumcu Düşünce Enstitüsü, January 20, 2014.

<sup>67</sup> The customs union allowed the free circulation of Turkish and EU *industrial* products within borders, yet Turkey has not been granted full access to the single European market of goods, services, capital and labour as in the Norway’s case. See: Togan, Sübidey. “The EU-Turkey customs union: a model for future Euro-Med integration,” in Rym Ayadi, Marek Dabrowski, and Luc De Wulf, (eds.) *Economic and Social Development of the Southern and Eastern Mediterranean Countries*. Springer International Publishing, 2015, pp. 37-48.

<sup>68</sup> Turkey has 18 FTAs in force and a dozen others being in stages of negotiation or ratification. “Free riders” such as Mexico, Algeria, South Africa have long avoided to start negotiations with Turkey as they already gained duty free access to the Turkish market.

<sup>69</sup> Kirişçi, Kemal. “Turkey and the Transatlantic Trade and Investment Partnership,” *Turkey Project Policy Paper 2*, (Washington, D.C.: Brookings Institution 2013). pp. 17-18; Kirişçi, Kemal. “TTIP’s Enlargement and the Case of Turkey,” *Turkey Papers*, January, (Washington, D.C.: Istanbul Policy Center, Wilson Center 2015); Akman, M. Sait. *AB - ABD Transatlantik Ticaret ve Yatırım Ortaklığı (TTIP) ve Türkiye (TTIP) ve Türkiye*, (Ankara: Türkiye Ekonomi Politikaları Araştırma Vakfı, 2013): pp. 14-15.

<sup>70</sup> For instance, former EU Minister of Turkey Ambassador Volkan Bozkir put forward “We just want them to put an article in the deal, saying it ‘will be applicable for all Customs

ations to modernize Customs Union agreement to address Turkish concerns and to deepen the agreement to agriculture, services, and government procurement where the EU has significant offensive interests.

### *Re-assessing a Deep PTA Option Between the U.S. and Turkey*

Surprisingly, Turkish stakeholders evaluated the TTIP+Turkey and TUFTA options without any evidence that showed or disproved the benefits or costs of those alternatives for Turkey.<sup>71</sup> In evaluating the engagement of Turkey to a TTIP or TUFTA, analysis needed to shift focus from simple tariff-cuts and consequent trade deflection to broader regulatory aspects. Yet existing studies either focus on a “tariff-only” TTIP/TUFTA scenario or they produce quantitative estimations about “comprehensive” scenarios discounting the impact of regulatory spillovers on Turkey.<sup>72</sup> Beyond a glimpse of potential effects on Turkish exports or its aggregate welfare impact, studies overlooked effects of a TTIP or TUFTA on Turkey’s goods imports, investment flows, services trade or government procurement markets. The only publication that is worth mentioning here is that of Turkish Central Bank economists which (partly) considered the regulatory spillovers, if not all other neglected dimensions (Figure 6). The paper, which assessed different TTIP scenarios including (only direct) spillover effects, suggested that a *status quo* scenario (i.e., Turkey’s exclusion from TTIP) would not be disastrous for Turkey but instead spur only minor negative welfare impacts with almost no negative impact on Turkish exports.

As shown in Figure 6, Mavus et al. reaffirm that expected trade and welfare effects heighten with the ability of the deal to cut NTBs. A Turkish participation (in TTIP or a TUFTA) may naturally benefit Turkey by eroding U.S. NTBs in food and beverages, motor vehicles, finance, and other sectors (outlined in Figure 5). Both scenarios may also benefit U.S.

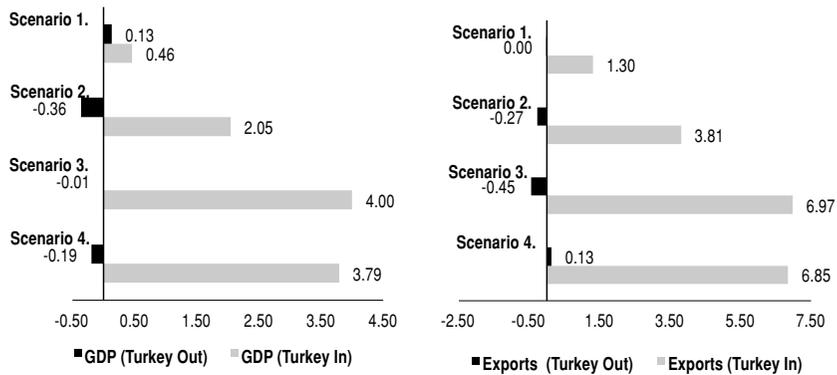
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Union members automatically” (*Hurriyet Daily News*, 16 May 2014, 5 November 2014). In practice, this would mean Turkey’s joining to a North-North PTA without negotiating its own offensive and defensive interests.

<sup>71</sup> PTA policy is as an area to add to the World Bank’s suggestion that Turkey needs a more evidence-based policy-making. World Bank, *Trading up to High Income*, p. 63, 73.

<sup>72</sup> Gabriel Felbermayr, Mario Larch, Lisandra Flach, Erdal Yalcin, and Sebastian Benz, *Dimensions and Effects*, Gabriel Felbermayr, Benedikt Heid, and Sybille Lehwald, *Transatlantic Trade and Investment Partnership (TTIP)*; World Bank, *Evaluation of the EU-TURKEY Customs Union*, p. 27; Hasanov, Mübariz and Macit, Fatih. *TTIP Anlaşması’nın Türkiye Ekonomisine Olası Etkilerinin Analizi*, Ocak, (Istanbul: Hazar Strateji Enstitüsü, Enerji ve Ekonomi Araştırmaları Merkezi, 2015).

**Figure 6: Potential Impact of a TTIP on Turkish Real GDP and Exports (in percentage terms).**



Source: Merve Mavuş, Didem Güneş, and Arif Oduncu, “AB-ABD Serbest Ticaret Anlaşması ve Türkiye Üzerine Etkileri,” Türkiye Cumhuriyeti Merkez Bankası Ekonomi Notları, 2013-30, 26 November 2013.

Scenario 1: Tariff-only

Scenario 2: Tariff cuts + Moderate NTB reduction

Scenario 3: Tariff cuts + Comprehensive NTB reduction

Scenario 4: Tariff cuts + Comprehensive NTB reduction + Direct spillovers

exporters and investors by removing Turkish NTBs in goods, services, investment, and government procurement. Tariff cuts would particularly be of use to U.S. farm products exporters. From the Turkish perspective, neither a TTIP nor TUFTA is likely to erode U.S. farm subsidies or allow Turkey to keep its “special products” immune from tariff cuts (two demands that Turkey has called for during the WTO farming talks).<sup>73</sup> TTIP+Turkey and TUFTA are likely to boost Turkish agricultural imports while their benefits for Turkish offensive interests in goods, services, and public procurement are dubious. On the other hand, it is palpable that a TTIP without Turkey could still benefit (not necessarily harm) Turkish firms due to potential *positive* spillovers.<sup>74</sup> Finally, a TTIP+Turkey or a TUFTA are

<sup>73</sup> For a summary of positions at the WTO farm talks: [http://www.europarl.europa.eu/aty-ourservice/en/displayFtu.html?ftuId=FTU\\_5.2.8.html](http://www.europarl.europa.eu/aty-ourservice/en/displayFtu.html?ftuId=FTU_5.2.8.html).

<sup>74</sup> The third parties but especially countries like Switzerland (and Turkey), which have been in the process of streamlining their standards with the EU, would have gained from regulatory spill overs without joining the block to the extent the transatlantic powers removed existing NTBs in a non-discriminatory manner. Thomas Cottier, Joseph Francois, Miriam Manchin, Anirudh Shingal and Charlotte Sieber-Gasser, *Potential Impacts of a EU-US Free Trade Agreement on the Swiss Economy and External Economic Relations* (Bern: World Trade Institute, University of Bern, 2014), pp. 4-5.

potentially harmful to Turkish interests because of *negative* spillovers such as compliance costs and policy implications.

### ***Compliance Costs: Implementation and Industrial Adjustment Costs***

To implement TTIP or TUFTA obligations, and to participate effectively in negotiations (later also in implementation and dispute settlements), the Turkish Ministry of Economy is in need of developing strong administrative capacity and effective domestic coordination mechanisms inclusive of the private sector.<sup>75</sup> Joining TTIP would also mean high adjustment challenges for those Turkish industries currently protected by high tariffs, trade remedies, subsidy and other measures; and for firms operating below American sanitary and phytosanitary standards (SPS), labor, environment, and intellectual property rights (IPRs).<sup>76</sup> Evidence suggests that the Turkish farming sector would be the biggest victim of the market opening which could lead to significant rural unemployment.<sup>77</sup>

### ***TTIP+Turkey or TUFTA Policy Implications***

Clearly, there is a strategic mismatch between American and Turkish industrial visions and priorities. A TTIP+Turkey or TUFTA is likely to be costlier than envisaged as either option will diminish legitimate Turkish policy space by disciplining measures erected for commercial and/or strategic purposes. These measures include new state supports, SOEs, subsidies, and localization requirements (for production and data transfers). PTA options are also unlikely to address Turkish exporters' chronic problems in the U.S. market. Although there is merit to arguments that TTIP+Turkey might strengthen the trilateral alliance, and enhance accountability, transparency and the rule of law in Turkey, a TTIP+Turkey or TUFTA is neither the right, nor the most cost-effective instrument to reach those objectives.

<sup>75</sup> Altay, Serdar. "Associating Turkey with the Transatlantic Trade and Investment Partnership (TTIP): A Costly (Re-) Engagement?" *The World Economy*, DOI:10.1111/twec.12533, 2017; and The Union of Chambers and Commodity Exchange of Turkey (TOBB), U.S.-Turkey Business Council, and U.S. Chamber of Commerce, *Upgrading the U.S.-Turkey Commercial Relationship: A Shared Vision towards a U.S.-Turkey FTA*, 2015.

<sup>76</sup> IPRs will remain a priority under the Trump administration, if not the environment and labor standards. Turkey has long been on the infamous Watch List in the Special 301 Reports of the USTR for copyright and online piracy, counterfeit goods problem, and widespread use of unlicensed software and domestic enforcement problems. See: Office of the United States Trade Representative. *2017 National Trade Estimate Report*, p.440.

<sup>77</sup> World Bank, *Evaluation of the EU-TURKEY Customs Union*, pp. 64-65, p.125.

As a Washington/Brussels-drawn design, a TTIP (or TUFTA) could serve well the U.S. interests yet there are other policy options, which may also serve the purpose (TiSA talks, a revision of the BIT etc.). A thorough and *strategic* cost-benefit analysis for Turkey illustrates a deep PTA option to be too costly and not optimum in view of Turkey's interests and developmental priorities.<sup>78</sup> A future TTIP will further diminish any desire in Washington to negotiate a flanking deal with Ankara, in case Turkey expands its Customs Union with Europe to new domains. TTIP is likely to improve U.S. access, with no need to reciprocal concessions, to an even broader market in Turkey (including farming, but also services and public procurement markets through the U.S. multinationals' European affiliates).

## Recommendations for a Realistic and Mutually Beneficial Policy Agenda

### *A Realistic Approach and a Working Strategic Agenda*

Ian Lesser asserted that "US-Turkish relations require *active management* and an explicit commitment to their continued importance, quite apart from questions of power projection and abstract geopolitics."<sup>79</sup> To succeed, such "active management" should address four sets of deep-rooted challenges identified in this chapter:

- 1) The domination of a security-driven mindset and players in strategy formulation;
- 2) The lack of a transparent and open framework for business incorporation into decision and policy formation;
- 3) Obstinate barriers to trade and investment on both sides;
- 4) The strategic mismatch between the two allies due to distinct economic priorities and challenges emanating from the global shift.

Both the U.S. and Turkey need to embrace a step-by-step and more coordinated approach, and dedicate their utmost attention and resources to overcome these impediments to building a complex interdependence.

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<sup>78</sup> For a more detailed analysis, see: Altay, Serdar. "Associating Turkey with the Transatlantic Trade and Investment Partnership."

<sup>79</sup> Lesser, Ian. *Beyond Suspicion*: p.5.

### ***Bilateral Institutional Frameworks***

To overcome the domination of security-oriented mindset and power-focused decision-makers, both governments should work on constructing a new institutional framework for policy deliberation and formulation that would allow penetration of strategic ideas of mutual economic interests, diverse needs, and industrial priorities. Instead of the current *modus operandi* of business involvement in bilateral decision and policy-making, the two sides may replicate the more inclusive, transparent, and bottom-up framework in transatlantic business-government cooperation. Establishment of a TABD-like body (through a democratic process, endorsed by the governments) for effective business participation would pave the way for the optimal policy options. An umbrella organization, with a clear mandate and working procedures, is more likely to succeed than top-down initiatives like FSECC.

### ***A PTA Is Not a Mutually Beneficial and Feasible Option in the Short Run***

As demonstrated above, a TTIP-like trilateral FTA or a U.S. Turkey bilateral FTA (TUFTA) is not equally profitable for Turkey and the U.S. A comprehensive PTA is not a realistic policy option in the short run either. If Turkey continues to wear the straitjacket of the Customs Union with the EU (in its current or expanded forms), Ankara will not be independent in external trade policy-making to engage in a preferential deal with the U.S. (unless Brussels wishes to do so). Besides, the current state of U.S.-Turkish relations, the attitude of U.S. Congress toward the Turkish government and policies, and the Trump administration's trade policies so far also render a bilateral FTA option implausible. Even if the U.S. and Turkey agreed on starting negotiations for a TUFTA, it would be negotiated with greater U.S. bargaining power and negotiation capacity with an elevated mercantilist approach. Instead, in the short run, the two sides should focus on constructing the *building blocks* for such grand initiatives, to become operational once the economic ties reach a more complex structure as in the EU-Turkey front.

### ***In the Medium Run: Develop a Coherent and Consistent Strategy for Deep Integration PTAs***

A viable option for Turkey is to adopt a wait-and-see approach and do some housekeeping to face challenges of a future deep integration FTA with the United States. A good starting point would be to continue and speed up the domestic farm reform, building up a more competitive agri-

cultural basis. Turkish government needs to invest in building higher domestic SPS standards, and infrastructure for production, measurement, and certification of farm products.<sup>80</sup> As the economic stakeholders of both countries proposed, it is also essential for the Turkish trade machinery to develop administrative capacities to be able to “negotiate and implement a comprehensive deal.”<sup>81</sup> A component to this should be building capabilities for better impact assessment, and development of a new, evidence-based PTA policy to truly match Turkey’s needs, development strategies, and negotiation positions in other fora. New trade and PTA strategies must incorporate trade in goods, services, investment, government procurement and the enforcement agenda.

### *A Mutually “Exclusive Strategy”*

Both sides should dedicate resources toward developing new strategy and instruments for fostering economic cooperation. Turkish policymakers need a working strategy for enhanced entry and access of Turkish exporters to the U.S. market. Turkey needs to attract more U.S. FDI and must also create a sophisticated strategy towards the U.S. market, to be prepared for Turkey’s special needs and challenges (independently of Turkey’s ties and strategies toward the EU and its neighbors). Both sides should prioritize certain subsectors and product categories to better match Turkey’s export portfolio and the U.S. imports composition, and vice versa.<sup>82</sup> Since the nature of obstacles to Turkish exporters in the U.S. market is mostly about scale, quality, and logistics, Turkish trade machinery should develop more creative export promotion approach and instruments (than opening new diplomatic missions in the U.S. and/or supporting exporters’ attendance to trade fairs).

The two governments should also enhance cooperation between institutions dedicated to trade and investment promotion towards the overarching goal of building complex interdependence. Through joint programs, the two sides may revisit and harmonize unilateral exports and FDI pro-

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<sup>80</sup> A study by the World Bank suggests that Turkey needs to invest 2 billion euros to modernize its food enterprises in dairy, fish, meat, and livestock by-products for the goal to upgrade to the European SPS standards. World Bank. “Needs Assessment for Modernization of Food Establishments.” *Report of II Gap Analysis of Agri-Food Enterprises, Turkey Food Safety Programmatic Technical Assistance*. (Washington D.C.: World Bank, 2010), p.7.

<sup>81</sup> The Union of Chambers and Commodity Exchange of Turkey (TOBB), U.S.-Turkey Business Council, and U.S. Chamber of Commerce. *Upgrading the U.S.-Turkey Commercial Relationship: A Shared Vision towards a U.S.-Turkey FTA*, 2015. p.26.

<sup>82</sup> Sidar Global Advisors. “U.S.-Turkish Economic Relations, p.28.

motion activities. For instance, U.S. and Turkish commercial missions and investment promotion agencies may work together to organize joint match-making programs both for traders and investors. One strand of U.S. and Turkish strategies should be dedicated to better integrating SMEs into bilateral economic exchanges.

### *Investment and Trade in Services*

The two partners should capitalize on individual but strategic areas of cooperation that would pave the way for deeper economic ties. Both economies will profit from improved trade in services and investment flows, creating a spillover effect for flourishing trade in goods, as in the case with Turkey-EU relations. Currently, both the U.S. and Turkey take part in the TiSA talks, which, if successful, will allow parties to exchange market access concessions in a variety of subsectors. Turkey may better capitalize on U.S. investments to project itself as a regional managerial, production and R&D hub, and a bridge for joint projects in the MENA region.

Finally, and most importantly, the two governments should address remaining barriers to investment and work toward an improved bilateral investment regime. One viable option is to upgrade the outdated U.S.-Turkish BIT.<sup>83</sup> Although prior U.S. attempts to update the agreement with Turkey have not been productive, Turkish authorities are likely to reconsider the probability of signing a new generation BIT to build confidence, certainty, and predictability in the Turkish market.<sup>84</sup> New U.S. investment treaties, which already set a benchmark for TTIP investment provisions, cover an extended scope of investment along with broader investor rights.<sup>85</sup> An Investor-State Dispute Settlement might be a challenge for Turkey, but it would also become a step for Turkish stakeholders to get familiarized with binding “hard law” instruments, which contribute to transparency and accountability. In fact, such a development may contribute to the rule of law in Turkey in a less costly manner than deeper PTAs with transatlantic partners.

<sup>83</sup> Sidar Global Advisors. “U.S.-Turkish Economic Relations,” p.26.

<sup>84</sup> According to a confidential cable dated August 13, 2008 from the U.S. Embassy in Ankara to Washington, D.C. released by Wikileaks previous U.S. attempts failed because of the unwillingness of Turkish government officials to undertake additional commitments <https://www.wikileaks.net/cable/2008/08/08ANKARA1450.html>.

<sup>85</sup> New generation U.S. investment treaties, which may set a benchmark for TTIP investment provisions, cover an extended scope of investment together with broader investor rights. See 2012 Model U.S. Bilateral Investment Treaty at: <https://ustr.gov/sites/default/files/BIT%20text%20for%20ACIEP%20Meeting.pdf>.

## Annex

**Table A.1: Selected Deals Showing U.S. Involvement in Recent Mergers and Acquisitions in the Turkish Market**

| Year | Acquirer                   | Target                               | Sector                     | Stake | Deal Value (\$ mn) |
|------|----------------------------|--------------------------------------|----------------------------|-------|--------------------|
| 2016 | Bunge                      | Ana Gıda                             | Food & Beverage            | 100%  | N/D                |
|      | Darby Overseas Investments | Peker Yüzey Tasarımları<br>(Belenco) | Manufacturing              | N/D   | N/D                |
|      | DCM Manufacturing, Inc     | Faz Elektrik Motor Makine            | Manufacturing              | 100%  | N/D                |
|      | eBay                       | Gittigidiyor.com                     | E Commerce                 | 7%    | 34                 |
|      | Ferro Corporation          | Ferer Dı Ticaret ve Kimyasallar      | Wholesale & Distribution   | 100%  | 9                  |
|      | Goldman Sachs              | Club Jolly Turizm                    | Tourism                    | N/D   | N/D                |
| 2015 | BCM Global Fund Ltd.       | Petkim                               | Energy                     | 2%    | 24                 |
|      | Blackstone Group           | Marmara Forum                        | Real Estate                | 50%   | N/D                |
|      | Cargill Inc.               | Ekol Gıda Tarım ve Hayvancılık       | Agriculture & Breeding     | 51%   | N/D                |
|      | Delivery Hero Holding GmbH | Yemeksepeti                          | Internet & Mobile Services | 100%  | 589                |
|      | Discovery Communications   | CNBC-e                               | Media                      | 100%  | N/D                |
|      | Goldman Sachs              | SOCAR Turkey Enerji A. .             | Energy                     | 13%   | 1,300              |
|      | Jones Lang LaSalle         | Incorporated Avm Partners            | Real Estate                | 100%  | N/D                |
| 2014 | Goldman Sachs              | Petlim Limancılık A. .               | Infrastructure             | 30%   | 250                |
|      | Pine River Capital         | Net Holding                          | Tourism                    | 15%   | 75                 |
|      | PineBridge Investments     | Romatem                              | Healthcare                 | 50%   | N/D                |
|      | Cargill                    | Alemdar Kimya Endüstrisi A. .        | Petrochemicals             | 100%  | N/D                |
|      | DocPlanner                 | Eniyihkim.com                        | Internet & Mobile Services | 100%  | N/D                |

Source: Deloitte Annual Turkish M&A Reviews  
(N/D: Not Disclosed).

**Table A.2: U.S. Multinationals that Use Their Turkish Headquarter as a Regional Managerial Center**

| <b>Company</b>     | <b>Countries Managed</b> | <b>Region Covered (from the Turkey office)</b> |
|--------------------|--------------------------|--|
| GE Healthcare      | 80                       | Central Asia, Middle East, Africa, Russia      |
| Microsoft          | 80                       | Middle East, Africa                            |
| Intel              | 67                       | Middle East, Africa                            |
| Unilever           | 36                       | MENA   |
| BSH                | 30                       | Central Asia, Iraq, Cyprus                     |
| Schneider Electric | 27                       | Middle East, Balkans                           |
| Alstom             | 26                       | Middle East, Africa                            |
| Cargill            | 20                       | NENA, Central Asia                             |
| Ericsson           | 22                       | Middle East                                    |
| Pfizer             | 20                       | Caucasia & Central Asia                        |
| Volvo              | 18                       | Middle East, Africa and Central Asia           |
| BASF               | 18                       | MENA   |
| PepsiCo            | 14                       | Balkans, Cyprus, Greece                        |
| Coca Cola          | 11                       | Eurasia and Africa                             |
| LG Electronics     | 9                        | MENA   |
| Adobe              | 9                        | Balkans  |
| Benetton           | 7                        | Georgia, Cyprus, Central Asia                  |
| CEVA Logistics     | 6                        | Balkans, Egypt, Central Asia                   |
| Multiturkmal       | 6                        | Russia, Iran, Caucasia                         |

Source: Investment Support and Promotion Agency of Turkey.

## *Chapter Nineteen*

# **Commercial Relations Present Landmark Opportunity for U.S. President Trump and Turkish President Erdoğan**

*Jennifer Miel*

The year 2017 marks the first between counterparts U.S. President Donald J. Trump and Turkish President Recep Tayyip Erdoğan. At the conclusion of the 72<sup>nd</sup> United Nations General Assembly in New York, the leaders had concluded their third face-to-face meeting as presidents, building upon meetings held in May at the White House, and during the July North Atlantic Treaty Organization (NATO) Summit in Brussels. The leaders of the two NATO allies enjoy a positive personal chemistry, while the substance of the relationship remains layered with complexities around the security, military, and political dimensions of U.S.-Turkey ties.

However, if there is one area of broad consensus that both presidents reached during their meetings, it is around enhancing the underdeveloped economic and commercial relations between the United States and Turkey. President Erdoğan has previously underlined that Turkey does not find the current investments of American business in Turkey adequate, adding that he would like to see more American investment in the country.<sup>1</sup> Expanding business opportunities for the private sector plays into a shared foreign policy agenda item and constitutes a low-hanging fruit in the U.S.-Turkey relationship. U.S. businesses took notice and are urging the U.S. and Turkish governments to launch a high-level commercial dialogue to devote the time and attention required for business relations to flourish between the world's 1<sup>st</sup> and 17<sup>th</sup> largest economies.

At the crossroads of Europe, Asia, and the Middle East, Turkey represents a historically important trading hub for many U.S. businesses. Indeed, more than 60 Fortune 500 U.S. companies manage their regional operations from Istanbul, with a total of more than 1,500 U.S. firms incorporated

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<sup>1</sup> Oğuz, Şeref. "CEOs give two thumbs up to investing in Turkey." *Daily Sabah*, April 4, 2016. <https://www.dailysabah.com/business/2016/04/05/ceos-give-two-thumbs-up-to-investing-in-turkey>.

in the country. Turkey's success with economic reforms over the last 15 years has earned the country status as a major emerging market and solidified its spot in the G20. U.S.-Turkish business partnerships open new markets in third countries and create value for U.S. businesses overseas that enhances their operations at home. However, over the last three years, while both economies continue to grow, the U.S.-Turkey trade volume fueling these partnerships declined approximately 10 percent from an already modest peak of 19 billion dollars. The bilateral trade volume is among the lowest for the United States when compared with other trading partners within the G20. Furthermore, this decline corresponds to inactive commercial and economic forums held between the U.S. and Turkish governments, discussions which are vital to propel reforms, enabling the private sector to operate and grow.

After a four-year hiatus, the U.S.-Turkey Trade and Investment Framework Agreement (TIFA), led by the Office of the U.S. Trade Representative and Turkish Ministry of Economy, convened in Ankara in September 2017. These meetings came in response to President Trump's and President Erdoğan's decision to deepen commercial relations, and offered an opportunity to better align regulatory reform and market access at the working level. The U.S. and Turkish governments met with their respective private sector representatives beforehand to ensure the discussions addressed the most urgent and high-stakes items. Similarly, the private sector led by the U.S. Chamber of Commerce's U.S.-Turkey Business Council and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) convened a series of consultations with leading businesses and government officials in Turkey and the United States to lay the groundwork for a future U.S.-Turkey high-level commercial mechanism. The meetings were headlined by an international investors meeting with President Erdoğan, followed by sectoral sessions in strategic areas.

Promising sectors of interest include the digital economy, aviation and defense, energy, healthcare, and finance. Turkey has a dynamic, entrepreneurial, well-connected, young population and strong consumer base—one of the most promising demographic profiles in Europe—that will benefit from working with U.S. companies and investors, and vice versa.

## Digital Economy

Take the example of Turkey's most successful startup to-date, a food delivery technology platform called Yemeksepeti sold for 589 million dol-

lars, with a U.S. investor General Atlantic, and technology developed through training in Silicon Valley.<sup>2,3</sup> The e-commerce segment of the digital economy is ripe for continued growth within Turkey. Further development of Turkey's e-commerce sector in conjunction with large marketplace services such as Amazon and the Hepsiburada, dubbed the "Turkish Amazon," can position the country as a regional and global leader given its strategic location, strong infrastructure networks, and diversified industrial base.<sup>4</sup> Fin Tech is an important sector to nurture in support of growing Turkey's e-commerce sector, especially for small and medium sized enterprises looking to export goods internationally and offer services to an international clientele. In 2016, the exit of PayPal's services due to banking IT systems localization laws sent a mixed message to international investors about future challenges in the policy environment for innovative businesses models despite the market potential and openness to foreign investment.<sup>5</sup>

U.S. tech firms have much to offer Turkey in the fields of education and digital literacy. Tech companies such as Google, HP, IBM, Intel, and Microsoft have robust programs in Turkey aiming to contribute to both educational technology and also curriculum development. In September 2017, Turkey's *Daily Sabah* reported, "the country seeks to invest more in coding and IT education as part of a drive to reform its education system. It also works to make all schools 'smart' with the FATİH project in which millions of tablet computers are being delivered to students and smart boards are being installed in classrooms." Improvements made to educational curricula and Organization for Economic Cooperation and Development (OECD) Program for International Student Assessment (PISA) scores will empower Turkey to break out of the middle-income trap. Advanced skills such as coding and programming will help train Turkey's future generations to fully participate in the digital economy as both consumers and producers.

Certainty in the policy environment is of paramount importance for companies when making significant medium- and long-term investments.

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<sup>2</sup> Yemeksepeti. <https://www.yemeksepeti.com/en>.

<sup>3</sup> Sloat, Sarah. "Delivery Hero Acquires Turkey's Yemeksepeti." *The Wall Street Journal*, May 5, 2015. <https://www.wsj.com/articles/delivery-hero-acquires-turkeys-yemeksepeti-1430802002>.

<sup>4</sup> Delevingne, Lawrence. "The Amazon.com of Turkey? This investor thinks so." CNBC, February 23, 2015. <https://www.cnbc.com/2015/02/23/the-amazoncom-of-turkey-this-investor-thinks-so.html>.

<sup>5</sup> Meyer, David. "Here's Why PayPal Is About to Suspend Operations in Turkey." *Fortune*, May 31, 2016. <http://fortune.com/2016/05/31/paypal-turkey-suspension/>.

Turkey's new personal data protection law has united the private sector to submit comments on the draft regulations under this law to ensure that Turkey will be able to fully embrace innovative technologies integral to Turkey's Industry 4.0 program, cloud computing, and big data analytics. Furthermore, open Internet platforms and dataflow marked a turning point in Turkey's democracy when its valiant citizens and president stood up to the attempted coup of 2016 in large part due to technologies that facilitated real-time communication.<sup>6</sup> A new U.S.-Turkey commercial data sharing framework will be key to keep tech partnerships growing and vital for all companies that operate internationally from Turkey. Such a solution can only be established through government-to-government engagement on important commercial issues to unlock the full potential of the two countries' private sectors.

## Aviation and Defense

Business between U.S. and Turkey aviation and defense industries have traditionally been strong given the NATO alliance and Istanbul's rise as a global aviation hub. From helicopters, fighter jets, avionics, engines, and more, U.S. defense firms have led the bilateral commercial relationship in terms of export volume and breadth. Defense procurements in Turkey are required to have an industrial participation/offset component, whereby foreign companies integrate Turkish companies within their supply chain for the subject procurement, or co-develop a new technology.<sup>7</sup> This program has contributed to the growth of Turkey's defense industry, with two companies now on the top 100 list of global defense contractors.<sup>8</sup> U.S. companies in the defense industry are eager to work with their Turkish counterparts on large-scale defense projects such as Turkey's new missile defense shield, so that it is fully interoperable with NATO's systems. Indeed, Turkey's announced purchase of Russia's S-400 missile defense system is as much a commercial issue as it is a political issue. The choice

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<sup>6</sup> Vicente, Geovanny. "3 Steps to Strengthening Post-Coup Democracy in Turkey." Telesur, Opinion, January 23, 2017. <https://www.telesurtv.net/english/opinion/3-Steps-to-Strengthening-Post-Coup-Democracy-in-Turkey-20170123-0010.html>.

<sup>7</sup> "Industrial Participation/Offset Guideline." Republic of Turkey Ministry of National Defence Undersecretariat for Defence Industries (SSM), April 2011. [http://www.ssm.gov.tr/home/institutional/Documents/2011\\_IP\\_O\\_Guideline.pdf](http://www.ssm.gov.tr/home/institutional/Documents/2011_IP_O_Guideline.pdf).

<sup>8</sup> "Two Turkish firms in top 100 defense companies." *Daily Sabah*, September 14, 2016. <https://www.dailysabah.com/defense/2016/09/15/two-turkish-firms-in-top-100-defense-companies>.

for the Russian system is linked to the transfer of advanced technology and intellectual property, a portion of the deal that is actively being discussed. U.S. Senators, led by ranking member of the Foreign Relations Committee Senator Ben Cardin, have voiced concerns that the June 2017 U.S. sanctions against Russia may be applied in the case of this purchase.<sup>9</sup>

Istanbul's rise as a global aviation hub has received significant support from U.S. businesses exporting aviation parts, exploring additive manufacturing in Turkey for airline engines, and technical training for servicing machinery. Turkish Airlines flies to more countries than any other airline in the world, and has established itself as a successful global brand. Istanbul's new airport, which is set to be the world's largest by 2019,<sup>10</sup> provides additional growth opportunities, such as the September 2017 order for 40 Boeing 787 Dreamliner planes that Turkish Airlines announced.<sup>11</sup> A sale of this magnitude, estimated at 11 billion dollars, would support U.S. and Turkish jobs by activating a robust network of manufacturing suppliers. In conjunction with this signing, Boeing has announced a Turkey National Aerospace Initiative that aligns the company's investment and programs with the Turkish government's Vision 2023 program and Turkish airline and aerospace service companies and industry suppliers in the areas of research, engineering, and skills development. This announcement follows debate about required commercial offsets for aviation sales in Turkey. Boeing's Vice Chairman Ray Conner recently stated that, "working together with Turkey, we [Boeing] are now taking our collaboration to the next level, which will accelerate the growth of Turkish aerospace industry while achieving Boeing's long-term objective to expand its presence in the marketplace."<sup>12</sup> Thus, the U.S. industry prefers positive incentives, including Turkey's new intellectual property law facilitating world-class patents and R&D over commercial offsets which are labeled inefficient—they effectively raise aircraft costs for Turkey's airlines, while doing little

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<sup>9</sup> Lardner, Richard. "Senators Urge Trump to Robustly Enforce Russia Sanctions Law." Associated Press (AP) via U.S. News, September 29, 2017. <https://www.usnews.com/news/politics/articles/2017-09-29/senators-urge-trump-to-robustly-enforce-russia-sanctions-law>.

<sup>10</sup> "Turkey to build world's biggest airport in Istanbul." Airport Solutions Turkey, September 19, 2016. <http://www.airportsolutions.com/turkey/turkey-build-worlds-biggest-airport-istanbul>.

<sup>11</sup> "Turkish Airlines to place orders for 40 Boeing 787-9 Dreamliners." Reuters, September 21, 2017. <http://www.reuters.com/article/us-boeing-orders-turkey/turkish-airlines-to-place-orders-for-40-boeing-787-9-dreamliners-idUSKCN1BW35R?il=0>.

<sup>12</sup> "Turkish Airlines orders 40 Dreamliner aircraft from Boeing." *Daily Sabah*, September 22, 2017. <https://www.dailysabah.com/business/2017/09/22/turkish-airlines-orders-40-dreamliner-aircraft-from-boeing>.

to support the type of sustained economic development that more open markets can provide.

## Energy

Turkey is one of the world's busiest transshipment routes for oil and natural gas supplies, and an increasingly critical energy hub. Three U.S. energy company CEOs were in Istanbul in July 2017 for the World Petroleum Congress,<sup>13</sup> a few months after President Erdoğan's visit to Washington, where he stated that the energy and defense sectors were among the brightest for expanding bilateral cooperation. BP, together with the State Oil Company of Azerbaijan (SOCAR), is leading Turkey's largest energy project to-date which is developing the southern gas corridor, delivering gas from the Caspian Sea into Europe across Turkey.<sup>14</sup> Renewable energy in Turkey is also ripe for growth and investment. General Electric opened a new wind turbine blade production facility in Western Turkey (Bergama) because of the country's strong fundamentals for renewable energy production—especially in wind power.<sup>15</sup>

U.S. Secretary of State Rex Tillerson joined the aforementioned World Petroleum Congress in Istanbul in July 2017 where he received a lifetime achievement award for his tenure at ExxonMobil Corporation, stating, "Turkey is an important partner in our [U.S.] efforts to promote greater energy security because it sits at the crossroads of vital energy resources along supply routes and routes to consumers. The United States looks forward to engaging with Turkey on projects that will increase global energy security, such as the Southern Gas Corridor and the Eastern Mediterranean Gas."<sup>16</sup> Given regional energy security and pipelines flowing into Turkey from Iran, Iraq, Azerbaijan, Georgia, and potentially Russia and Israel in coming years, collaboration among U.S. and Turkish authorities in this space can help ensure business and commercial diplomacy flow smoothly.

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<sup>13</sup> "22nd World Petroleum Congress." <http://www.22wpc.com/22wpc.php>.

<sup>14</sup> "The Southern Gas Corridor." BP Azerbaijan. [https://www.bp.com/en\\_az/caspian/operations/projects/Shahdeniz/SouthernCorridor.html](https://www.bp.com/en_az/caspian/operations/projects/Shahdeniz/SouthernCorridor.html).

<sup>15</sup> "Production begins at new wind turbine blade plant in Turkey!" LM Wind Power. July 11, 2017. <https://www.lmwindpower.com/en/stories-and-press/stories/news-from-lm-places/production-begins-at-new-wind-turbine-blade-plant-in-turkey>.

<sup>16</sup> "Remarks at the World Petroleum Council Congress Opening Ceremony." U.S. Department of State. July 9, 2017. <https://www.state.gov/secretary/remarks/2017/07/272448.htm>

## Finance

High growth rates in 2017 (5.1 percent for the first half of the year) are prompting U.S. portfolio managers and capital markets firms to revisit investments in Turkey.<sup>17</sup> International financial institutions such as the World Bank, International Monetary Fund, OECD, JPMorgan, S&P, and Moody's, among others, have all upwardly revised their economic growth projections for Turkey in 2017 and beyond. The Turkish lira, after suffering a near 20 percent decline against the dollar in 2016, has been ranked the most undervalued and highest yielding amongst emerging markets based on OECD purchasing parity.<sup>18</sup> The higher-than expected growth in 2017 is fueled in part by favorable base-period effects following the security challenges and failed coup attempt in 2016, but also due to export growth, consumer confidence, and large infrastructure projects.

Turkey's stock market, Borsa Istanbul (which has benefited from a technology and services partnership with NASDAQ) has witnessed a record year.<sup>19</sup> At multiple junctures throughout the year, the stock market has eclipsed its newly established highs. Driven in part by favorable financing conditions for emerging markets in 2017 and also Turkey's Credit Guarantee Fund for small and medium-sized enterprises, the country's banking industry is seeing record profits and activity.<sup>20</sup> This additional liquidity in the financial system aided by a pause in the country's elections cycle has raised more capital for Turkish companies issuing initial public offerings (IPOs) in 2017—both domestically and internationally—since 2011.<sup>21</sup> Some of these Turkish companies are linked to U.S. brands such as Domino's Pizza and Burger King, while others have benefited from partnerships with U.S. companies and financial firms (such as two of Turkey's

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<sup>17</sup> McCrum, Dan. "Investors look on the bright side in Turkey." *Financial Times*, September 27, 2017. <https://www.ft.com/content/7e293bfe-a36e-11e7-9e4f-7f5e6a7c98a2>.

<sup>18</sup> Courcoulas, Constantine. "World's Cheapest Currency Has Goldman and BlueBay on Its Side." *Bloomberg Markets*, August 25, 2017. <https://www.bloomberg.com/news/articles/2017-08-25/world-s-cheapest-currency-has-goldman-and-bluebay-on-its-side>

<sup>19</sup> "Nasdaq Technology Goes Live in Borsa Istanbul Derivatives Market (VIOP)." *Mondovisione*, March 14, 2017. <http://www.mondovisione.com/media-and-resources/news/nasdaq-technology-goes-live-in-borsa-istanbul-derivatives-market-viop/>

<sup>20</sup> Dursun, Bakir, and Ezgi Erkoyun. "Turkey loan guarantee fund a boon for banks' loan growth, earnings." *Reuters*, May 11, 2017. <http://www.reuters.com/article/turkey-banks/turkey-loan-guarantee-fund-a-boon-for-banks-loan-growth-earnings-idUSL8N1IC31B>.

<sup>21</sup> Ozsoy, Tugce and Ersoy, Ercan. "Turkey's High Profile IPO's aren't Living up to the Hype." *Bloomberg*, July 19, 2017. <https://www.bloomberg.com/news/articles/2017-07-19/star-listings-from-turkey-languish-in-post-ipo-trading-doldrums>.

largest conglomerates Koç Holding and Sabancı Holding). Long-term sustainability of financial markets, given the dependency upon approximately 200 billion dollars in external financing and non-performing loans held in foreign currencies, will depend upon recommitment to Turkey's structural reform agenda. Accelerating this reform agenda will contribute to lowering inflation, increasing employment and domestic savings while stabilizing the Turkish lira when interest rates in high-income countries—especially the United States—begin to increase.

### **U.S.-Turkey Manufacturing and Exports**

Market access challenges have contributed to the approximate 10 percent decline in the U.S.-Turkey trade volume<sup>22</sup> due to steep tariff increases and localization policies disadvantaging foreign companies. Turkey's current account deficit is commonly referred to as the "Achilles heel" of the economy, and a driving force to reduce imports and localize production. Expanding Turkey's participation in the U.S. Generalized System of Preferences<sup>23</sup> program will be good to discuss within the context of duty-free goods or tariff reductions for U.S. products into Turkey, so that both sides can benefit. Regulatory hurdles that U.S. medicine- and medical device companies face can be eased through systematic cooperation between the U.S. and Turkish food and drug administrations that will bring the latest life-saving innovations to Turkish patients and the country's growing medical tourism industry. Turkey's hospital infrastructure has dramatically improved over the last decade and the growth of universal healthcare in the country has the potential to bring future budget challenges that favor cost over quality.

The overarching themes of technology transfer and high-value added investments that are supported by tax and land incentives in Turkey can be addressed within the format of a Cabinet Minister-level commercial dialogue. Industry claims the best investment incentive is an enabling policy environment that protects intellectual property rights and consults the private sector on legislative changes affecting the business environment. Thus, technology transfer must be positively incentivized with business-

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<sup>22</sup> "Trade in Goods with Turkey." U.S. Census Bureau. <https://www.census.gov/foreign-trade/balance/c4890.html>.

<sup>23</sup> "Turkey and the U.S. Generalized System of Preferences (GSP) Program." USTR. <https://ustr.gov/sites/default/files/Turkey%20GSP%20handout%20March%202013%20final.pdf>.

friendly regulations, such as Turkey's new patent law, enhanced market access, and ongoing dialogue for predictability, transparency and rule of law. Continuous improvements in each of these areas within bilateral work streams will offer clear opportunities for U.S. and Turkish private sectors. Turkey will attract higher value-added investments from U.S. companies to boost productivity in traditionally strong, but often inefficient, industries such as manufacturing and agriculture. U.S. companies will benefit from an expanded, more reliable export market and export hub. Furthermore, U.S.-Turkey partnerships in education technology and curricula can help Turkey break out of the middle income trap.

The Trump administration is struggling with a systematic review of the existing bilateral dialogues it has inherited from previous administrations. A rebrand of the U.S. Commerce Department-led U.S.-Turkey Framework for Strategic and Commercial Cooperation (FSECC) and the U.S.-State Department's U.S.-Turkey Economic Partnership Commission can be rolled-up into a single dialogue that targets the overarching priorities for President Trump and President Erdoğan and their respective private sectors: "U.S.-Turkey Jobs and Exports Forum."

Where there is a will, there is a way. Both presidents agree to upgrade U.S.-Turkey business ties and enjoy positive personal chemistry, as President Trump declared during the 2017 United Nations General Assembly Meetings, "We have a great friendship as countries. I think we're, right now, as close as we have ever been. And a lot of that has to do with the personal relationship."<sup>24</sup> That personal relationship should be effectively leveraged to launch a U.S.-Turkey jobs and exports forum.

While the necessary and frequent political and defense dialogue continues, it is imperative to compartmentalize and insulate bilateral economic and business cooperation through such a high-level strategic commercial dialogue that will pave the way for new opportunities. Where previous mechanisms have fallen short, President Trump's administration can now lead the charge in engaging Turkey to grow bilateral trade volumes to reach historic heights of more than 25 billion dollars in coming years. As Turkey's government transitions to an executive presidential system and the state of emergency winds down, there is an opening to enhance regulatory and trade policies in a way that will support the growth of jobs and

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<sup>24</sup> "Remarks by President Trump and President Erdoğan of Turkey Before Bilateral Meeting." The White House, September 21, 2017. <https://www.whitehouse.gov/the-press-office/2017/09/21/remarks-president-trump-and-president-erdogan-turkey-bilateral-meeting>.

exports in both the United States and Turkey. Progress made in the commercial sphere will likely come with a diplomatic upside that helps both governments navigate the more challenging facets of the U.S.-Turkey relationship for years to come.

## *Chapter Twenty*

# **Assessing the Future of the Migration Deal and Visa-Free Travel**

*N. Ash Şirin Öner*

In the second half of 2015, over one million refugees and migrants were arriving on European shores, and almost 4,000 of them lost their lives during the journey. The largest migration flow since World War II (WWII) was soon termed a “migrant crisis.”<sup>1</sup> This was not merely a European crisis, and no country, including the United States, could overlook its consequences. Faced with such an emergency, European countries had to cooperate in order to grant protection to the asylum-seekers, mostly Syrians. Turkey drew attention by hosting almost three million Syrians and played an important role as a transit country in the migration flow to Europe. From Turkey’s perspective, this decision was significant in terms of timing because it came in a period when the hope of having a bright future with the EU had almost entirely waned. After a long period of reticence, there were high-level visits again between Turkish and EU leaders in Ankara and Brussels. The main theme of these visits was the migrant crisis, resulting in the Turkey-EU Leaders’ Summit held on November 29, 2015.

After the summit, the two sides engaged in efforts to stop the migration flow, albeit with disappointing results. A follow-up meeting was held to attempt a migration slow-down, which took place on March 7, 2016. The two sides agreed on several action points, including Turkey’s readmission of all new irregular migrants crossing to Greek islands, and that for every Syrian readmitted by Turkey from the Greek islands, another Syrian from Turkey was to be admitted to the EU. Following the March 17-18, 2016 European Council assembly, the EU-Turkey Statement, publicly known as the Migration Deal, was adopted with the aim of ending irregular migration from Turkey to the EU. The two sides also agreed to accelerate Turkey’s visa liberalization roadmap with the EU.

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<sup>1</sup> Clayton, Jonathan and Holland, Hereward. “Over one million sea arrivals reach Europe in 2015.” UNHCR, December 30, 2015. <http://www.unhcr.org/afr/news/latest/2015/12/5683d0b56/million-sea-arrivals-reach-europe-2015.html>.

This chapter focuses on the Migration Deal (hereafter: The Deal) which can be seen as the revitalization of EU-Turkey relations. I elaborate on components of the Deal, including the hastening of the visa liberalization dialogue (VLD). The article is composed of two parts: In the first, we focus on the Deal itself. In the second part, we elaborate on the visa liberalization dialogue and roadmap achievements. The conclusion includes remarks on strengthening Turkey's transatlantic relations.

## The Migration Deal and the Current Situation

In 2015, we saw a dramatic increase in the number of migrants and asylum-seekers to Europe. According to a Frontex report, only in 2015, more than 100,000 migrants and asylum-seekers tried to enter EU countries.<sup>2</sup> Due to this sudden and drastic increase, the migration issue was at the top of Europe's agenda. During a meeting in August 2015, French President François Hollande and German Chancellor Angela Merkel urged for a unified EU response to the largest crisis Europe had witnessed since WWII. While European countries discussed how to deal with the crisis, the number of migrants and asylum-seekers that were losing their lives in the Mediterranean continued to rise.<sup>3</sup> It was obvious that the crisis required a unified EU response. "In September 2015, to alleviate the burden on Italy and Greece of mass arrivals of refugees, the Justice and Home Affairs Council decided to relocate 106,000 asylum seekers plus another 54,000 'unless a proposal is submitted by the Commission to the Council before 26 September 2016 to adapt the relocation mechanism.'"<sup>4</sup>

EU leaders met on October 15 to discuss the migrant crisis in the EU Council. They underlined the importance of collective responsibility and agreed on orientations including collaboration with the countries of origin and transit to stem the migratory flows, and the issue of return and read-

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<sup>2</sup> Frontex. "General Report 2015." [http://frontex.europa.eu/assets/About\\_Frontex/Governance\\_documents/Annual\\_report/2015/General\\_Report\\_2015.pdf](http://frontex.europa.eu/assets/About_Frontex/Governance_documents/Annual_report/2015/General_Report_2015.pdf)

<sup>3</sup> The International Organization for Migration (IOM) reported that the total number of deaths of all migrants and refugees attempting to reach Europe by sea by the end of August was over 2,300. See: IOM. "IOM Continues to Monitor Mediterranean Migrant Arrivals and Deaths." Press Release, August 25, 2015. <http://www.iom.int/news/iom-continues-monitor-mediterranean-migrant-arrivals-and-deaths>.

<sup>4</sup> The European Union. "Council Decision (EU) 2015/1601 of September 22, 2015 established provisional measures in the area of international protection for the benefit of Italy and Greece." <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1601&from=EN>.

mission.<sup>5</sup> The leaders agreed on a EU-Turkey joint Action Plan which “reflects the understanding between the European Union (EU) and the Republic of Turkey to step up their cooperation on support of Syrians under temporary protection [...] The Action Plan identifies a series of collaborative actions to be implemented [...] with the objective to supplement Turkey’s efforts in managing the situation of massive influx of persons in need of temporary protection.”<sup>6</sup> Donald Tusk, the European Council President, considered the Action Plan “a major step” in “stemming the migratory flows that go via Turkey to the EU.”<sup>7</sup> Hence, the largest migrant crisis since World War II focused on the EU-Turkey relations and included visits of high-level EU officials. Angela Merkel, German Chancellor visited Turkey as well, on October 18, 2016.

Within the framework of revitalized EU-Turkey relations, since November 2015, there were bilateral contacts fostering cooperation and dialogue.<sup>8</sup> The contacts resulted in the heads of state or government meeting with Turkey held on November 29, 2015. These are the major points addressed in the meeting statement:

[...] Turkey and the EU discussed the importance of overcoming common challenges ahead. In line with the conclusions of the European Council of 15 October, they agreed that the accession process needs to be re-energized. [...] For this purpose, it was agreed that a structured and more frequent high-level dialogue is essential to explore the vast potential of Turkey-EU relations, [...] Both sides welcomed the announcement to hold the Intergovernmental Conference on 14 December 2015 for opening of Chapter 17. [...] The EU welcomed the commitment by Turkey to accelerate the fulfilment of the Visa Roadmap benchmarks vis-à-vis all participating Member States. [...] The EU will provide immediate

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<sup>5</sup> European Council. “Meeting Report of October 15, 2015.” <http://www.consilium.europa.eu/en/meetings/european-council/2015/10/15-16/>

<sup>6</sup> European Commission. “Fact Sheet ‘EU-Turkey joint action plan,’” October 15, 2015. [http://europa.eu/rapid/press-release\\_MEMO-15-5860\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5860_en.htm).

<sup>7</sup> European Council. “Remarks by President Donald Tusk after the European Council meeting of 15 October 2015.” <http://www.consilium.europa.eu/en/press/press-releases/2015/10/15-tusk-final-remarks-european-council/>

<sup>8</sup> The migrant crisis was among the primary subjects addressed in the G-20 Leaders’ Communiqué Antalya Summit of November 15-16, 2015. The Communiqué mostly focused on political rather than economic issues due to the terrorist attacks in Paris on November 13, where 132 people were killed. See: Ceran, A. “Hız kazanan Türkiye-AB ilişkilerinin odağında göçmen krizi” [“Migrant crisis is the focus of Turkey-EU relations.”] *İKV Dergi*, No. 207, (Aralık 2015): p.31.

and continuous humanitarian assistance in Turkey. [...] Turkey and the EU have decided to activate the Joint Action Plan that had been agreed until now ad referenda on 15 October 2015 .... took note of the launching of preparatory steps for upgrading the Customs Union [...] <sup>9</sup> <sup>10</sup>

Clearly, neither Turkey's unilateral efforts nor the EU's limited financial assistance were sufficient to successfully handle the migrant crisis. Therefore, the European Commission (EC) set out measures for increased border security and migration management.<sup>11</sup> In addition to the communication, the Commission proposed to establish a European Border and Coast Guard Agency that would "replace Frontex and monitor the Union's external borders, have a pool of European border guards and the right to intervene when necessary."<sup>12</sup> The migrant crisis dominated the European agenda during the first two months of 2016 as the war in Syria continued.<sup>13</sup> As Merkel's "allocation plan"<sup>14</sup> was not successful, "the EU once again found itself on the card table to deal with possible refugee flows from Turkey, since with spring coming, many more people were expected to move towards to Europe."<sup>15</sup>

A new summit—a follow-up to the summit of November 29—was held on March 7. The aim was to strengthen cooperation with Turkey, and the two sides focused on effectively implementing the joint Action Plan. Even

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<sup>9</sup> European Council. "Meeting of heads of state or government with Turkey - EU-Turkey statement, November 29, 2015." <http://www.consilium.europa.eu/en/press/press-releases/2015/11/29-eu-turkey-meeting-statement/>.

<sup>10</sup> Chapter 17 was opened for negotiations on December 14, 2015.

<sup>11</sup> Ceran, A. "Hız kazanan Türkiye-AB ilişkilerinin odağında göçmen krizi" ["Migrant crisis in the focus of Turkey-EU relations."] *İKV Dergi*, No. 207, (Aralık 2015): p.32.

<sup>12</sup> European Commission. "Proposal for a Regulation of the European Parliament and of the Council on the European Border and Coast Guard and repealing Regulation (EC) No 2007/2004, Regulation (EC) No 863/2007 and Council Decision 2005/267/EC." December 15, 2015. [http://eurlex.europa.eu/resource.html?uri=cellar:3086c6c9a3e711e5b52801aa75ed71a1.0023.02/DOC\\_1&format=PDF](http://eurlex.europa.eu/resource.html?uri=cellar:3086c6c9a3e711e5b52801aa75ed71a1.0023.02/DOC_1&format=PDF).

<sup>13</sup> The number of asylum-seekers trying to cross the Aegean Sea considerably increased in the first two months of 2016.

<sup>14</sup> The essence of Merkel's plan is taking a predetermined number of refugees each year and allocating them throughout Europe. Every member state would be taking refugees from the Middle East in accordance with its size and ability to provide assistance. See: H. Knaup, P. Müller, R. Pfister and C. Schult. "EU Split by Merkel's Refugee Plan." *Spiegel Online*, February 12, 2016. <http://www.spiegel.de/international/world/merkel-refugee-plan-faces-resistance-in-brussels-and-ankara-a-1077131.html>.

<sup>15</sup> Toygür, İ. and Özsöz, M. "Stormy months on the Aegean: the refugee deal and its impact on Turkey-EU relations." *Elcano Royal Institute*, ARI 27/2016, March 15, 2016, p.2.

though they made progress, the number of illegal entries from Turkey to Greece was still high. EU leaders “welcomed Turkey’s commitment to accept the rapid return of all migrants coming from Turkey to Greece that are not in need of international protection.”<sup>16</sup>

In the EU-Turkey statement following the meeting, publicly known as the Migration Deal, both sides reaffirmed their commitment to the implementation of their joint Action Plan activated on November 29, 2015.<sup>17</sup> With the objective of breaking the business model of smugglers and offering migrants an alternative to putting their lives at risk, Turkey and the EU agreed on a couple of additional action points:

1. Starting on March 20, 2016, all new irregular migrants crossing from Turkey to Greek islands would be returned to Turkey;
2. For every Syrian returned to Turkey from the Greek islands, another Syrian would be resettled from Turkey, following UN Vulnerability Criteria. This is called the “1:1 mechanism.” The EU would resettle Syrians according to the conclusions of member states’ government representative meeting in the Council on July 20, 2015. There are an additional 18,000 places for resettlement and any further resettlement would be carried with a limit of an additional 54,000 persons;
3. Turkey would take any necessary measures to prevent new sea or land routes for illegal migration opening from Turkey to the EU;
4. Once irregular crossings between Turkey and the EU closed (or at least substantially decreased), a voluntary humanitarian admission scheme would be activated;
5. Fulfilling the visa liberalization roadmap would be hastened with a view to cancelling the visa requirements for Turkish citizens at the latest by the end of June 2016;
6. The EU’s expenditure of three billion euros under the facility for refugees in Turkey would be accelerated. An additional three billion euros is expected by the end of 2018;
7. Ongoing work to boost the customs union is welcomed by the two sides;

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<sup>16</sup> European Council. “Meeting of the EU heads of state or government with Turkey, March 7, 2016.” <http://www.consilium.europa.eu/en/meetings/international-summit/2016/03/07/>.

<sup>17</sup> European Council. “EU-Turkey statement, March 18, 2016.” Press Release, 144/16, March 18, 2016.

8. There was a commitment to rejuvenate the accession process as stated on November 29, 2015;
9. EU member states would cooperate with Turkey to improve humanitarian conditions in Syria.<sup>18</sup>

The first statistics on the implementation of the “1:1 mechanism” are hopeful for the future of the Deal. In the first ten days of its implementation (April 4–15, 2016), 79 Syrians resettled from Turkey to three EU member states,<sup>19</sup> and 325 people returned from Greece to Turkey.<sup>20</sup> Despite the relatively positive picture, several doubts were raised regarding the implementation of the Deal. Firstly, the “1:1 mechanism” was not as successful as it first seemed; returns were high, whereas the number of resettlements was low, meaning that solidarity was lacking within the EU. Secondly, there was a decrease in arrivals along the Eastern Mediterranean route (Greece) but an increase in the Central Mediterranean route (Italy). Hence, migrants chose other routes to reach EU territory.<sup>21</sup>

A European Commission report claimed that “the sharp decrease in the number of irregular migrants and asylum seekers crossing from Turkey into Greece is proof of the Statement’s effectiveness—and in particular, that the business model of smugglers can be broken.”<sup>22</sup> Yet, Spijkerboer emphasizes that there was no detectable relation between the Deal and the number of migrants crossing from Turkey to Greece since the fall in numbers took place before the Deal.<sup>23</sup>

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<sup>18</sup> European Council. “EU-Turkey statement, March 18, 2016.” Press release 144/16, <http://www.consilium.europa.eu/en/press/press-releases/2016/03/18-eu-turkey-statement/>.

<sup>19</sup> These member-states are Germany (37 settlements), Finland (11 settlements), and the Netherlands (31 settlements).

<sup>20</sup> Di Bartolomeo, A. “EU Migration Crisis Actions with a focus on the EU-Turkey Agreement.” *Migration Policy Center*, Policy Brief, Issue 2016/04, April 2016, p. 5.

<sup>21</sup> The route between Libya and Italy is busy. Unfortunately, as IOM reports, 525 people lost their lives while attempting to cross the Mediterranean Sea in January 1–March 10 period. See: Safdar, Anealla. “IOM: 525 refugees die at sea in first few weeks of 2017.” *Aljazeera*, March 14, 2017. <http://www.aljazeera.com/news/2017/03/iom-525-refugees-die-sea-weeks-2017-170314115725176.html>.

<sup>22</sup> European Commission. “Communication from the Commission to the European Parliament, the European Council and the Council—Second Report on the progress made in the implementation of the EU-Turkey Statement.” June 15, 2016, COM (2016) 349 final. [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-wedo/policies/europeana-gendamigration/proposalimplementationpackage/docs/20160615/2nd\\_commission\\_report\\_on\\_progress\\_made\\_in\\_the\\_implementation\\_of\\_the\\_eu-turkey\\_agreement\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-wedo/policies/europeana-gendamigration/proposalimplementationpackage/docs/20160615/2nd_commission_report_on_progress_made_in_the_implementation_of_the_eu-turkey_agreement_en.pdf).

<sup>23</sup> In sum, the EU-Turkey Agreement has no identifiable influence on the overall declining number of crossings in the Aegean. Arguably, it led to a temporary increase in the weeks before it was concluded.” See: Spijkerboer, T. “Fact Check: Did the EU-Turkey Deal

In addition, the Deal has been criticized by academics as well as organizations such as the Council of Europe, and NGOs like Amnesty International.<sup>24</sup> Moreover, the “1:1 mechanism” is criticized within the context of human rights. Arribas emphasizes that the return of all new irregular migrants to Turkey from the Greek islands is the most controversial component because it involves international refugee law, the EU law, and the law on human rights. Particularly, the Deal refers to preventing collective expulsions and respecting the *non-refoulement* principle.<sup>25</sup> The *non-refoulement* principle is examined along with considering Turkey a “first country of asylum” or a “safe third country” in accordance with the Asylum Procedures Directive.<sup>26</sup> The legal basis for the return to Turkey is Article 33 of the Asylum Procedures Directive, which allows for an application to be “inadmissible,” meaning that EU member-states may reject an application without deeper investigation. “There are two legal possibilities that could be envisaged for declaring asylum applications inadmissible in relation to Turkey:<sup>27</sup>

1. The first country of asylum<sup>28</sup> where the person has been already recognized as a refugee in that country or otherwise enjoys sufficient protection there;
2. A safe third country<sup>29</sup> where the person has not already received protection but the third country can guarantee effective access to protection to the readmitted person.”<sup>30</sup>

Regarding qualification as a safe third country or a first country of asylum, Turkey is in a problematic situation. Amnesty International claims that Turkey can neither be considered a safe third country nor a first coun-

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Bring Down the Number of Migrants and of Border Deaths?” *Border Criminologies Blog*, September 28, 2016. <https://www.law.ox.ac.uk/researchsubjectgroups/centrecriminology/centrebordercriminologies/blog/2016/09/fact-check-did-eu>.

<sup>24</sup> NGOs are vocally opposed to the Migration Deal. For example: *Médecins Sans Frontières* has decided to suspend funds from both the EU and its member states.

<sup>25</sup> Arribas, G. F. “The EU-Turkey Agreement: A Controversial Attempt at Patching Up a Major Problem.” *European Papers*, Vol. 1, No. 3, (2016), p. 1098.

<sup>26</sup> Directive 2013/32/EU of June 26, 2013 on common procedures for granting and withdrawing international protection

<sup>27</sup> European Commission. “EU-Turkey Agreement: Questions and Answers, Factsheet on the EU-Turkey Agreement.” March 19, 2016. [http://europa.eu/rapid/press-release\\_MEMO-16-963\\_en.htm](http://europa.eu/rapid/press-release_MEMO-16-963_en.htm).

<sup>28</sup> Article 35 of Directive 2013/32/EU of June 26, 2013 (Asylum Procedures Directive).

<sup>29</sup> Article 38 of the Asylum Procedures Directive.

<sup>30</sup> Di Bartolomeo, Anna. *opt.cit.*, p.6.

try of asylum.<sup>31</sup> In its report, Amnesty set forth that “it seems highly likely that Turkey has returned several thousands of refugees to Syria in the last seven to nine weeks. If the agreement proceeds as planned, there is a very real risk that some of those the EU sends back to Turkey will suffer the same fate.”<sup>32</sup> According to the Office of the United Nations High Commissioner for Refugees (UNHCR), Turkey may not guarantee “sufficient” protection,<sup>33</sup> the Parliamentary Assembly of the Council of Europe (CoE) notes that returns of Syrian refugees to Turkey as a “first country of asylum” may be contrary to European Union and international law.<sup>34</sup> Moreover, non-Syrians who come from non-European countries do not have effective access to the asylum procedure because Turkey does not grant them refugee status in accordance with the 1951 Convention relating to the Status of Refugees.<sup>35</sup>

With its poorly constructed implementation, a year has passed since the Migration Deal was agreed upon and it has come to the verge of collapse in the midst of a diplomatic feud between Turkish and European governments. In early March, 2017, a diplomatic row broke out between Germany and Turkey over Turkish referendum campaign rallies in Germany. The row continued as Turkish Foreign Minister Çavuşoğlu was barred from entering the Netherlands to attend a campaign rally in Rotterdam. After that incident, Çavuşoğlu threatened to abandon the agreement altogether.<sup>36</sup> Even though on the brink of collapse, in its last report,

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<sup>31</sup> Since Turkey is questioned for being a “first country of asylum” or a “safe third country,” whether Greece is violating the principle of *non-refoulement* by returning asylum-seekers to Turkey is also open for debate.

<sup>32</sup> Amnesty International. “Turkey: Illegal Mass Returns of Syrian Refugees Expose Fatal Flaws,” April 1, 2016. <https://www.amnesty.org/en/latest/news/2016/04/turkey-illegal-mass-returns-of-syrian-refugees-expose-fatal-flaws-in-eu-turkey-deal/>.

<sup>33</sup> UNHCR has stated that it was not part of the Migration Deal so it would not take place in returns or detention and would simply assist Greek authorities in developing a satisfactory reception capacity for the asylum-seekers. See: UNHCR. “UNHCR redefines role in Greece as EU-Turkey deal comes into effect.” Briefing Notes, March 22, 2016. <http://www.unhcr.org/news/briefing/2016/3/56f10d049/unhcr-redefines-role-greece-eu-turkey-deal-comes-effect.html>.

<sup>34</sup> Council of Europe. “The situation of refugees and migrants under the EU-Turkey Agreement of March 18, 2016.” Report, Committee on Migration, Refugees and Displaced Persons, Doc. 14028, April 19, 2016. <http://assembly.coe.int/nw/xml/XRef/Xref-DocDetails-en.asp?FileID=22612&lang=en>.

<sup>35</sup> To make up for not providing international protection because of its geographical limitation to the 1951 Convention, Turkey created conditional refugee status with its Law on Foreigners and International Protection.

<sup>36</sup> By referring to the Deal, the Interior Minister Soylu said that Turkey could “blow up Europeans’ minds” by sending Europe 15,000 refugees that Turkey does not send according

dated March 2, 2017, the European Commission highlights the decline in the number of crossings to Greece as an indicator of achievement,<sup>37</sup> yet admits that they are higher than the number of returns to Turkey and that the living conditions are poor in the reception centers on the Greek islands.<sup>38</sup> Thus the European Council calls on the member-states to urgently respond to the needs of migrants in the centers.

The European Commission estimates that 1,487 migrants returned to Turkey since the Deal was reached. Meanwhile, the resettlements have gained pace when compared to returns from the Greek islands. As of March 14, 3,919 Syrians resettled from Turkey to the EU under the “1:1 mechanism.” As the Commission notes, the pace of resettlements is regular and needs to be further strengthened. Regarding the Facility for Syrians in Turkey,<sup>39</sup> the total amount allocated increased to 750 million euros, representing half of the total amount for the 2016-17 period. The amounts contracted have increased, through 39 projects, in record time to EUR 1.5 billion out of the already allocated EUR 2.2 billion for 2016-2017.<sup>40</sup> However, Turkish officials complained that the promised financial aid was not delivered fast enough and that the Deal failed to decrease the number of Syrians in Turkey.

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to the readmission agreement. See: “Let’s send 15,000 migrants a month to Europe to shock them: Turkish interior minister,” *Hürriyet Daily News*, March 17, 2017. <http://www.hurriyetdailynews.com/lets-send-15000-migrants-a-month-to-europe-to-shock-them-turkish-interior-minister.aspx?PageID=238&NID=110926&NewsCatID=510>

<sup>37</sup> In the December 8, 2016 - February 26, 2017 period, the total number of arrivals to the Greek islands was 3,449. It is much lower compared to almost 200,000 in the same period the previous year.

<sup>38</sup> For the irregular migrants in Greek islands see European Stability Initiative, “Pangloss in Brussels: How (not) to implement the Aegean Agreement,” October 7, 2016. <http://www.esi-web.org/pdf/ESI%20-%20Pangloss%20in%20Brussels%20-%207%20October%202016.pdf>; Christopoulos, D. “Exiles in the Aegean: a year after the EU–Turkey deal,” *OpenDemocracy*, March 18 2017. <https://www.opendemocracy.net/dimitris-christopoulos/exiles-in-aegean-year-after-eu-turkey-deal>.

<sup>39</sup> European Commission. “Communication from the Commission to the European Parliament and the Council - First Annual Report on the Facility for Refugees in Turkey,” March 2, 2017. [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/frit\\_factsheet.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/frit_factsheet.pdf).

<sup>40</sup> European Commission. “Report from the Commission to the European Parliament, the European Council and the Council- Fifth Report on the Progress made in the implementation of the EU–Turkey Statement,” 2017 COM(2017) 204 final, March 2. [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/europeanagendamigration/20170302\\_fifth\\_report\\_on\\_the\\_progress\\_made\\_in\\_the\\_implementation\\_of\\_the\\_eu-turkey\\_statement\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/europeanagendamigration/20170302_fifth_report_on_the_progress_made_in_the_implementation_of_the_eu-turkey_statement_en.pdf).

## The Issue of Visa Liberalization

The visa liberalization dialogue (VLD) was launched between Turkey and the EU on December 16, 2013, in parallel with the signing of the EU-Turkey readmission agreement. The visa liberalization dialogue involves the implementation of a roadmap (“the Roadmap”) outlining 72 requirements (“benchmarks”) that Turkey needed to fulfill to qualify for visa-free travel within the Schengen zone. The benchmarks were arranged in five thematic groups (“blocks”): Document security, migration management, public order and security, fundamental rights, and the readmission of irregular migrants.

Turkey’s compliance with the benchmarks are assessed by the European Commission through its regular reports. Until today, three reports have been published: October 20, 2014, March 4, 2016, and May 4, 2016.<sup>41</sup> The first report noted Turkey’s advancements in implementing several Roadmap benchmarks, and acknowledged its capacity to make further progress, but warned that the “legal and administrative situation and developments in Turkey, and its overall cooperation with the EU, have not yet reached a stage to enable the Commission to propose to the Council and the European Parliament, to lift Schengen visa requirement for the Turkish citizens.”<sup>42</sup> In the last report dated May 4, 2016, presented in parallel with the proposal of changing the visa-regulation, the Commission highlighted Turkey’s progress to satisfy the benchmark conditions and encouraged the authorities to continue its effort to complete all of them. By the time the report was issued, there were still seven benchmarks left. Due to practical and procedural reasons, upgrading the existing biometric passports to include security features in line with the latest EU standards, and fully implementing the provisions of the EU-Turkey readmission agreement, including those related to the readmission of third country nationals, would take longer to complete.<sup>43</sup> Yet the necessary steps had been taken

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<sup>41</sup> The Roadmap is also assessed in the Commission’s Reports on the progress made in the implementation of the Migration Deal.

<sup>42</sup> European Commission. “Report from the Commission to the European Parliament and the Council on progress by Turkey in fulfilling the requirements of its visa liberalization roadmap,” October 20, 2014 COM (2014) 646 final. [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/international-affairs/general/docs/turkey\\_first\\_progress\\_report\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/international-affairs/general/docs/turkey_first_progress_report_en.pdf).

<sup>43</sup> European Commission. “Report From The Commission to The European Parliament and The Council - Third Report on progress by Turkey in fulfilling the requirements of its visa liberalisation roadmap,” 2016 COM (2016) 278 final, May 4. <https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/europeanagendamigration/propos->

to complete these conditions as well (e.g., the third generation biometric passports will most probably enter circulation in 2017).<sup>44</sup>

Other benchmarks included adopting measures to prevent corruption, aligning the legislation on personal data protection with EU standards, negotiating an operational cooperation agreement with Europol, offering effective judicial cooperation in criminal matters to all EU member states, and revising legislation and practices on terrorism in line with European standards.<sup>45</sup>

Among the benchmarks, the revision of anti-terror legislation is the most controversial issue. The Commission reported, “Turkey needs to revise its legislation and practices on terrorism in line with European standards by better aligning the definition of terrorism in order to narrow the scope.”<sup>46</sup> Both the legal framework and its interpretation have to be revised so that the right to liberty and security, the right to a fair trial and freedom of expression, assembly, and association could be guaranteed in practice.<sup>47</sup> The issue was that the definition of terrorist offences in Turkish legislation may be interpreted so broadly that it could cause a violation of fundamental rights and freedoms.<sup>48</sup> However, Turkey argued that its laws are essential in fighting against the outlawed Kurdistan Workers’ Party (PKK) and the Islamic State of Iraq and Levant (ISIS) militants, and thus insisted on not amending the Anti-Terror Law. Neither side backed down, and the Euro-

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alimplementationpackage/docs/20160504/third\_progress\_report\_on\_turkey\_visa\_liberalisation\_roadmap\_en.pdf.

<sup>44</sup> Ceran, A. “Vize Serbestliği Diyaloğunda Hasar Kontrolü: Vizesiz Avrupa Neden Hayal Değil?” [“Damage Control in Visa Liberalization Dialogue: Why is a Visa-Free Europe not a Dream?”], İKV Değerlendirme Notu (İKV Evaluation Note) 196, March 2017. [http://ikv.org.tr/images/files/ikv\\_degerlendirme%20notu\\_196\\_.pdf](http://ikv.org.tr/images/files/ikv_degerlendirme%20notu_196_.pdf).

<sup>45</sup> Ceran, A. “Vize Serbestliği Diyaloğunda Hasar Kontrolü: Vizesiz Avrupa Neden Hayal Değil?” [“Damage Control in Visa Liberalization Dialogue: Why is a Visa-Free Europe not a Dream?”], İKV Değerlendirme Notu (İKV Evaluation Note) 196, March 2017. [http://ikv.org.tr/images/files/ikv\\_degerlendirme%20notu\\_196\\_.pdf](http://ikv.org.tr/images/files/ikv_degerlendirme%20notu_196_.pdf).

<sup>46</sup> European Commission. “Turkey’s progress on the visa liberalization roadmap,” May 4, 2016. <http://www.avrupa.info.tr/sites/default/files/2016-08/Visa%20factsheet%2001246.pdf>.

<sup>47</sup> The legal basis of the EU’s policy of combatting terrorism is the Council Framework Decisions (2002/475/JHA and 2008/919/JHA) which specifies terrorist offences and related penalties. Turkey should comply with the Council Framework Decision defining the notion of terrorist offense, and implement the action plans aimed at eliminating the violations of human rights. See: Ceran, A. “Vize Serbestliği Diyaloğunda Hasar Kontrolü: Vizesiz Avrupa Neden Hayal Değil?” [“Damage Control in Visa Liberalization Dialogue: Why is a Visa-Free Europe not a Dream?”], İKV Değerlendirme Notu (İKV Evaluation Note) 196, March 2017. [http://ikv.org.tr/images/files/ikv\\_degerlendirme%20notu\\_196\\_.pdf](http://ikv.org.tr/images/files/ikv_degerlendirme%20notu_196_.pdf).

<sup>48</sup> Ibid.

pean Commission's Fifth Report on the implementation of the Deal, dated March 2, 2017, reported that seven benchmarks remain to be fulfilled.

Even though the negative political atmosphere stalled the dialogue, there is room for progress. The technical side of the process is almost complete. If Turkey and the EU show political will and reach a consensus, necessary steps can be taken to break the deadlock. Both the EU and Turkey should focus on their common interests. The EU should consider Turkish sensitivities on terrorism, while Turkey should consider every move of reform as a gain and not forget that the EU is its most suitable partner to cooperate in many fields, not the least in migration management.<sup>49</sup>

### **Concluding Remarks**

The migrant crisis of 2015 was not merely a European issue, it is a global crisis. Aware that mass migration would pose a challenge to individual countries and the world order, U.S. President Obama convened a Leaders' Summit on the Global Refugee Crisis held on September 20, 2016, following the UN Secretary General's High-Level Summit on Refugees and Migrants (held on the previous day). With those meetings, the Obama administration directly addressed the migration and refugee crisis, and called for action. However, recently elected President Trump is notorious for his anti-immigration stance. Harsh measures to prevent the entry of migrants and asylum-seekers have marked his first months in office (e.g., the arrival of all refugees has been suspended, and a resettlement program for Syrian refugees has been halted). This anti-immigration stance might be temporary, but it is risky for Europe where migrants and asylum-seekers are not welcomed and face more restrictive policies in an environment with increased numbers of right-wing populist parties.

Europe is asymmetrically affected by refugee flows compared to the U.S. While most of the asylum seekers arrive in the U.S. through resettlement and the number of people granted refuge is smaller, most of those who enter EU territory do so irregularly and illegally. As seen in the recent crisis, this type of migration is the main reason behind the EU's efforts to decrease the number of migrants and refugees coming to Europe. The Migration Deal with Turkey clearly shows this intention. Migrants and asylum seekers might not be welcomed in Europe or the U.S., but as this

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<sup>49</sup> Ibid.

is clearly a global problem, collaboration is necessary. Countries such as Turkey are hosting too many asylum seekers and have difficulty providing assistance. Hosting almost three million Syrians since 2011, Turkey has spent over 25 billion dollars. The burden should be shared, and Turkey needs help from both the EU and the U.S.

Even though the “1:1 mechanism” has not fully been implemented and has many deficiencies, it is the outcome of a rejuvenation of EU-Turkey relations. This momentum needs to be maintained and strengthened, as migration management makes Turkey and the EU interdependent and could help create an atmosphere of trust and lay the groundwork for future cooperation.



## *Chapter Twenty-One*

# **Cooperation on Energy Security: The Turkish Perspective**

*Erdal Tanas Karagöl*

The increases in the world population and the growth of national economies have resulted in a global increase in energy demands, which in turn has raised the global dependency on fossil fuels. The oil crises in the 1970s were a reminder of the significance of energy resources, and the advantages for country's that control them. The desire to control these exhaustible resources has contributed to numerous political and military conflicts. Consequently, energy security has become one of the most significant concerns of both state and non-state actors in the recent decades. A common mistake when considering energy security is to focus on the security of its supply. There is also the demand side; the countries that produce energy resources need others to lack these sources to export them. Cooperation, and interdependence, is thus inevitable.

Energy security is very different for each country with many variables; exporters, importers, hubs, energy activity centers, energy corridors, energy resources flow, investors, etc. As energy security has been an increasingly important issue for national and foreign-policy agendas in recent decades, it has been a popular topic in international relations for much longer. Nevertheless, literature has differed widely. Yergin's 2006 article in *Foreign Affairs* questioned the rise of energy security since World War I (WWI), when Winston Churchill decided to shift the British navy's fuel source from coal to oil. The article examines how to ensure energy security and what it means for exporter and importer countries. It refers to the major players general conditions in the global energy game, describing the U.S. and the EU as the world's two leading energy consumers, and China and India as growing economies, while also providing requirements of international cooperation and recommendations to both states and non-state actors.<sup>1</sup> The conditions enabling states to agree and develop cooperation are sometimes underestimated by researchers. Although the

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<sup>1</sup> Yergin, Daniel. "Ensuring Energy Security." *Foreign Affairs* Volume 85(2), 2006: pp. 69-82.

article focuses mainly on the United States, the framework draws on a broader understanding that can be applied to other regions. The possibility of success of cooperation depends on how problems are approached. Smaller groupings, such as the EU, tend to be more effective.<sup>2</sup>

Hughes and Lipsky's article, "The Politics of Energy," differs from others in trying to answer three significant questions. It first renders the reasons of increasing concern on energy security. Later on, it specifies questions desired to be answered, "which energy sources are prioritized?", "how efficient are countries in the use of their energy resources?" and "which tools do governments use to achieve their energy objectives?". The study also investigates the role of different interest groups in energy policymaking, setting it apart from most of the literature. The article draws on works from realist tradition to explain what energy security means for state-actors, and provides Morgenthau's identification that "control over natural resources [is] a central element of national power in both war and peace."<sup>3</sup>

Energy security is intertwined with the study of geopolitics, demonstrating that geography is a crucial element for local and global political developments, personal, national, and international economics, foreign policy, environmental policy, and national and international security.<sup>4</sup> The power of an actor, however, does not merely depend on its economic or military prowess, its natural resources, or its geographic location. The country's demography, culture, history, technology, and level of education also determine its strength and capabilities. In this sense, it is accepted that the actors of international politics are not only affected by internal factors, they are also directly affected by regional and global issues.

Turkey, a bridge between the West and the East, a center between oil and gas producers and consumers, the third most populous country in the region, and the world's 18<sup>th</sup> largest economy, is a rising power in the region and an influential actor in international politics. After World War II (WWII) and the collapse of the Soviet Union, Western powers understood that they needed Turkey more than ever. Turkey's membership in several Western organizations attests to it (e.g., the United Nations in

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<sup>2</sup> Keohane, Robert O. and Victor, David G. "The Transnational Politics of Energy." *Dædalus, Journal of the American Academy of Arts and Sciences* Volume 142(1), 2013: pp. 97-109.

<sup>3</sup> Hughes, Llewelyn and Lipsky, Phillip Y. The Politics of Energy. *Annual Review of Political Science* Volume 16, 2013: pp. 449-469.

<sup>4</sup> Chapman, Bert. *History of Geopolitics and Biographies of Key Personalities (20th Century)*, 2011.

1945, the Council of Europe in 1949, NATO in 1952, the EC-Turkey customs union in 1963, and the OSCE in 1975). Turkey plays an important role in energy security of the region due to its strategic geographical location, and holds a huge renewable energy potential. The recent pipeline projects, Turk Stream, which will carry gas from Russia to Turkey and from Turkey to the European market; and TANAP, which will supply gas from Azerbaijan to Turkey, and then to Europe, strengthened Turkey's position. It will drastically affect the region's energy equation in Turkey's favor.

## **Transatlantic Partnerships**

Until recently, the main energy security concern was oil. Before, coal used to be the primary driving power of economic activity and was one of the reasons for both World War I (WWI) and World War II (WWII). Indeed, one of the main pillars of the European Coal and Steel Community (now the EU) was—as its name suggests—to ensure the fair distribution of coal and steel. However, suddenly oil started gaining more importance, and soon, it became one of the driving forces behind armed conflicts around the globe. Thus, it is undeniable that energy security plays a big role for national security. Countries instinctively compete for natural resources, and their ability to control them demonstrates their power in both wartime and peace.<sup>5</sup>

As the primary energy consumption varies from one country to the next, their energy security policies differ as well. However, especially for countries located in the same region, these resources tend to be the same. Consequently, cooperation becomes a need for securing energy supply and demand.

### ***Turkey and the United States***

Despite the long-standing relationship between Turkey and the United States, bilateral collaboration in the field of energy is quite limited. Cooperation between these two countries started predominantly on security-related matters, and their alliance was mainly of a military nature. When the 1970s oil crises hit the global oil market, their effects were acutely felt in oil importing states. The Arab petroleum exporter countries' embargo

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<sup>5</sup> Hughes, Llewelyn and Lipsy, Phillip Y. *opt.cit.*

and cuts in petroleum products doubled, and then tripled the prices of oil. The situation posed a serious challenge to oil-based economies, and seventeen states, including Turkey, the U.S. and the major economies of Europe, agreed to found the International Energy Agency (IEA). The primary duty of the IEA was to ensure the security of oil supply by allowing the countries to cooperate and respond to possible disruptions. Today, however, as the structure and players of the global energy market have changed, its area of responsibility has widened to ensuring information transparency, providing long-term policies, granting spheres for global dialogue, monitoring and analyzing the energy markets and policies, and coordinating the emergency sharing of supplies and energy conservation.<sup>6</sup> Because of the IEA, Turkey and the U.S. started their cooperation in energy security, but from then on, their cooperation in this field has been mainly through other international organizations.

As national economies grow and their demand for energy increases, measures to improve international cooperation have been varied. The United Nations founded the UN-Energy mechanism under the Department of Economic and Social Affairs (DESA) in 2004. The priorities of UN-Energy are to promote coherence in the UN system's multi-disciplinary response to the World Summit on Sustainable Development, ensure information and experience sharing among its members, promote interaction among stakeholders, and focus on cooperation in energy policy-making and ensure their implementation.<sup>7</sup>

In recent decades, terrorist attacks on energy infrastructures such as oil and gas pipelines have become more common. As a response, at the Bucharest Summit in 2008, NATO members presented a report on "NATO's Role in Energy Security," establishing principles and recommendations for future action. In 2010, the members widened their scope of cooperation by incorporating energy security issues. In the same year, the energy security section in the Emerging Security Challenges Division at NATO's Headquarters and the NATO Energy Security Center of Excellence in 2012 were founded to ensure cooperation on energy security. Since then, considering that problems in energy supply influenced both national and global security environments, NATO has committed to increased development of the energy realm. Although protection of energy infrastructure is the responsibility of national governments, NATO con-

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<sup>6</sup> IEA. "Key World Energy Statistics 2016," p. 1.

<sup>7</sup> UN Economic and Social Council. "Energy for Sustainable Development."

tributes to the protection of energy suppliers and transit countries for the welfare of its allies. “Consultations on energy security among Allies and partner countries, intelligence sharing, organizing specific events, such as workshops, table-top exercises and briefings by external experts” are among the responsibilities of NATO.<sup>8</sup>

In 2008, the bilateral cooperation between Turkey and the U.S. started to develop, and a number of agreements were signed between the two countries to enable nuclear trade, deepen the relations on nuclear cooperation, exchange best practices, and support Turkey’s nuclear policies.<sup>9</sup>

Since 2009, the energy cooperation was added to the G-20 meeting agenda, whose members, including Turkey, the U.S., and the EU, account for approximately 85 percent of the global economy, and 75 percent of global energy demand. The G-20 issues (in the energy field) are energy security, the phasing-out of fossil fuels, market transparency, energy efficiency, renewable energy, and energy information sharing.<sup>10</sup> At the 2015 G-20 Istanbul Summit, the energy ministers agreed on access to energy for all; voluntary collaboration on energy access; collaboration with international energy institutions on climate change, market transparency, energy efficiency and energy security; decreasing the use of fossil fuels; increasing renewable energy; and supporting relevant technologies.<sup>11</sup> In the latest 2016 G-20 summit in Hangzhou, renewable energy, actions tackling the climate change and security of supply, decreasing the use of fossil fuels and CO<sub>2</sub> emissions, were the primary topics discussed.<sup>12</sup>

To avoid Russia’s influence, the U.S. has continuously supported Turkey and the EU to decrease their dependency on Russian oil and gas and to diversify their energy suppliers, and has objected any projects that could strengthen Russia’s control. U.S.-Russia relations have affected attitudes towards Turkey and the EU. During President Clinton’s term, the U.S. expressed its support for the Baku-Tbilisi-Ceyhan Oil Pipeline, which transmits Azeri oil to Turkey through Georgia, and the Southern Gas

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<sup>8</sup> NATO. “NATO’s role in energy security,” 2016. [http://www.nato.int/cps/en/natohq/topics\\_49208.htm](http://www.nato.int/cps/en/natohq/topics_49208.htm).

<sup>9</sup> Varnum, J. C. “Closing the Nuclear Trapdoor in the US-Turkey “Model” Partnership, Opportunities for Civil Nuclear Cooperation,” The Center on the United States and Europe at Brookings, p.1.

<sup>10</sup> IEA. “Cooperation with key international fora.” <https://www.iea.org/topics/engagement-worldwide/subtopics/cooperationwithkeyinternationalfora/g20/>.

<sup>11</sup> G-20. “Communiqué - G20 Energy Ministers Meeting, 2015, Istanbul.”

<sup>12</sup> G-20. “G20 Voluntary Action Plan on Renewable Energy, 2016, Beijing.”

Corridor (SGC), planned to carry Caspian gas to Europe through Turkey.<sup>13</sup> U.S. support increased following the Ukraine crisis, which resulted in disruptions in Russian gas supplies to Eastern European countries and Turkey. Consequently, the Obama administration developed policies to export LNG to Europe to decrease its dependency on Russian gas. At the same time, the Turkish Energy Minister Yıldız also expressed plans to import LNG from the U.S.<sup>14</sup>

During his visit to Greece, Amos Hochstein, special envoy and coordinator for the U.S.' International Energy Affairs expressed a desire to cancel the Russian-controlled Turk Stream, and advised to form projects on the Eastern Mediterranean, Middle East, and Caspian Region with gas reserves passing through Turkey.<sup>15</sup>

Turkey plays an important role as the center for energy trade. The country's existing infrastructure and good relationships with resource-rich countries have made it a valuable player in many energy scenarios in the region.

### *Turkey and The European Union*

The scarcity of fossil fuels, which are the backbone of the economy and therefore its development, has brought countries together to cooperate in the energy field. Turkey and the EU, as one of the biggest energy importers in the region, have been collaborating through various international organizations. However, the nature of their relationship differs from the Turkey-U.S. cooperation, due to complex Turkey EU accession process.

The foundation of the EU is based on the distribution of energy resources. However, the focus of the EU has changed over time, and members focused more on economic issues. After a while, increasing dependency on imported fossil fuels resulted in concerns among member states. When the EU began to recall the importance of energy, the Commission enacted the International Energy Charter in 1991. "In a world of increasing interdependence between net exporters and net importers of energy, it is widely recognized that multilateral rules can provide a more balanced and

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<sup>13</sup> Winrow, G. "Realization of Turkey's Energy Aspirations - Pipe Dreams or Real Projects?" (Washington D.C.: The Center on the United States and Europe at Brookings, 2014).

<sup>14</sup> Ibid.

<sup>15</sup> İşeri, E. "Enerji boru hatları rekabeti ve Türkiye," *Al Jazeera*, 2015. <http://www.aljazeera.com.tr/gorus/enerji-boru-hatlari-rekabeti-ve-turkiye>.

efficient framework for international cooperation than offered by bilateral agreements alone or by non-legislative instruments.”<sup>16</sup> The charter transferred into a treaty, signed in 1994, establishing cooperation between EU member states and other developed nations, aiming to cultivate the countries’ energy potential and ensure security of their energy supply. Turkey is a signatory of the Energy Charter Treaty. The charter included the following articles:

- Ensuring transparency: Providing information on energy, products and materials;
- Contributing to the better functioning of the energy market;
- Respecting the environment and minimizing harm while conducting operations using energy resources.

In addition, signatory states committed themselves to form policies on energy efficiency and measures supporting the functioning of the energy market.<sup>17</sup> Provided that the treaty did not yield the desired results, in 2006 the EU founded the “Energy Community” as an international organization dealing with energy policy while bringing together EU and non-member states in Southeast Europe and the Black Sea region. This time, Turkey did not sign the treaty, but chose to act as an observer country. The primary aim of the Energy Community is the same as the Energy Charter Treaty: Enhance the security of its energy supply for economic development and social improvement while enhancing competition, creating an integrated energy market, attracting investment, and improving the environmental situation. The Energy Community was founded to spread the EU’s energy *acquis* to non-member states, covering the areas of electricity, gas, renewable energy, energy efficiency, oil, environment, competition, infrastructure, and statistics.<sup>18</sup>

On October 1, 2015, the Energy Community Secretariat published a report on Turkey’s compliance with the Energy Community *acquis*. Accordingly, although Turkey did not sign the treaty and is not under any legal obligation to implement the *acquis*. Turkey can be considered a pioneer of liberalization and a benchmark for a region still struggling to over-

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<sup>16</sup> European Commission. *The Energy Charter Process*. 2015. <http://www.energycharter.org/process/overview/>.

<sup>17</sup> European Commission and EU Council. *European Energy Charter*; Brussels: European Union, 1998.

<sup>18</sup> Energy Community Secretariat. *Energy Community Facts in Brief*; Vienna: Energy Community, 2013.

come its unfortunate fragmentation.”<sup>19</sup> Moreover, there is hope that the integration of Turkish national network with the internal energy market of the EU will further enable the integration of the gas markets. Turkey is seen as a gateway for diversification of the Europe’s natural gas supply through existing and planned pipeline connections.<sup>20</sup>

After gas shortages in 2006 and 2009, the possibility for gas supply cooperation in the EU increased even further. Legislation was enacted with one common target: Decrease dependency on Russian gas and diversify gas supplies. Turkey, in this context, plays a crucial role: It is the EU’s key partner for the energy security and supply diversification. On January 28, 2016, during the high-level dialogue between Turkey and the EU on energy, Turkey’s importance for Europe’s energy security was once again emphasized. “Given its strategic location, Turkey is a key partner for Europe’s energy security and diversification,” said Miguel Arias Cañete, EU commissioner for energy and climate action. The TANAP pipeline would connect EU’s natural gas pipelines to the Southern Gas Corridor planned to bring the Caspian region gas to the EU.<sup>21</sup> Apparently, the TANAP project, ratified in March 2015, is vital for the EU as a central part of the SGC. Planned to be completed during the second half of 2018, TANAP will surely bring together new energy projects.

Turkey and the EU are strategic partners promoting the development of bilateral pipelines with the aim of strengthening the security of supply. Future projects on infrastructure development enhancing oil and gas flow, construction of LNG terminals and necessary storage facilities will likely be brought to the agenda.

## Recommendations

As countries’ energy consumption differs, their policies on energy security vary as well. Their diverse policies, legislation, and regulatory regimes could become sources of conflict. However, in a system where all actors

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<sup>19</sup> Energy Community Secretariat. *Energy Governance in Turkey; Report on Compliance with the Energy Community Acquis*, Vienna, 2015.

<sup>20</sup> Energy Community Secretariat. *Energy Governance in Turkey; Report on Compliance with the Energy Community Acquis*, Vienna, 2015.

<sup>21</sup> European Commission. “EU and Turkey strengthen energy ties,” 2016. <https://ec.europa.eu/energy/en/news/eu-and-turkey-strengthen-energy-ties>

are interdependent, cooperation becomes inevitable, especially when it comes to energy security.

Considering that the world's energy consumption is heavily driven by fossil fuels (by approximately 86 percent),<sup>22</sup> energy should be an important field of cooperation and not a cause of risk. In this sense, "the recognition of the globalization of the energy security system" needs to be ensured through the negotiation of as many actors as possible in energy supply chain.<sup>23</sup> Thus, securing critical infrastructure is a vital. The production facilities of manufacturing countries, especially in terms of oil and gas, are vital for importing countries as the maintenance of their productivity also concerns the continuation of their economic activity. Although they are subject to domestic authorities, their security should be ensured by all stakeholders. This is especially true for pipelines encompassing a broad geography, which are often exposed to terrorist attacks, and require special security measures. NATO can ensure that its allies act in a coordinated manner in monitoring and ensuring the security of this infrastructure.

Political tensions among states affect energy relations. Platforms that enable countries to enter dialogue and exchange ideas are crucial. In this sense, such organizations should be given more emphasis and include a wide participation.

Technology is another driver of ensuring energy security. The shale boom that the U.S. experienced in recent years has made the country the world's largest producer of natural gas and the second-largest producer of oil.<sup>24</sup> The vast U.S. territory contains unconventional fossil fuel reserves, mainly shale oil and gas. However, the high expenses of extraction and processing activities, made their importing relatively cheaper. Technological developments in horizontal drilling and hydraulic fracturing decreased these costs, and enabled the U.S. to increase the production of shale oil and gas. The U.S.' advances also created alternatives for other energy importers that possessed similar resources. According to the EIA's report "Technically Recoverable Shale Oil and Shale Gas Resources," there are enough shale reserves in Turkey and the EU that could prevent them from importing energy for a while. However, the most important factor is that improved technology can make these resources serviceable. In this sense,

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<sup>22</sup> BP. *Statistical Review of World Energy 2016*, p.1.

<sup>23</sup> Yergin, D. Ensuring Energy Security. *Foreign Affairs* Volume 85(2), 2006: pp. 69-82.

<sup>24</sup> IEA. *Key World Energy Statistics 2016*, p.1.

the U.S. has advised the EU and Turkey to decrease their dependency on Russian energy resources.

To provide diversification in supply, the U.S. could support the EU to import natural gas from Iran, Turkey's second-largest natural gas supplier. Existing infrastructure in Turkey could help realize this; the Tabriz-Ankara Pipeline could be extended to European market.

Turkey could choose not to respond to Russia's efforts to prevent alternative projects where it is not involved. The realization of TANAP and TAP will create the Southern Gas Corridor, quite significant for the EU's energy security. Iranian gas exports to the EU and the completion of SGC would be beneficial for all parties. Turkey and the EU would diversify their gas suppliers, Iran and Caspian Region suppliers would diversify their importers, and it would serve the U.S.' purpose to reduce the allies' dependency on Russia, and help Turkey's goal to be an energy center.

The absence of a bilateral cooperation on energy between Turkey and the U.S. is clear. As long-lasting partners, the two should construct intensified energy relations which could serve both countries' interests. As an expert on nuclear power plants (NPPs), the U.S. could provide more assistance to Turkey's construction plans. Similar to the Akkuyu Project, the U.S. may undertake the construction and operation of such a facility.

## **Conclusion**

Increases in population, economic growth, and industrial activities have resulted in an increase in energy demand. Fossil fuels, which provide the largest share in global energy consumption, are exhaustible, making it necessary for countries to cooperate to ensure national, regional, and global energy security. This has made energy security the core element of energy policies.

Turkey, the U.S., and the EU have collaborated under the umbrella of several international organizations, such as the IEA, the Energy Charter, and UN-Energy. However, these organizations remain insufficient to serve national interests. Therefore, deepened bilateral cooperation needs to be ensured to achieve these countries' policy goals. Considering that Turkey has been applying EU laws on energy issues ever since its accession process began, relations between Turkey and the U.S. on energy issues should broaden to include technology exchange and the sharing of best

practices. Shale technology is the first thing that catches the eye of investors.

As discussed in this chapter, the EU needs Turkey to diversify its natural gas supply through alternative projects, but Turkey also needs the EU to strengthen its position between energy importers and exporters, establishing its role as an energy center. Turk Stream and TANAP would serve both countries' interests, and they could lead to additional projects. U.S. support for Turkey and the EU would only add to its plans and policies towards the region. Cooperation between these three actors is strong enough to change the balance in the regional and global energy market. They should take this into account and act accordingly.



## *Chapter Twenty-Two*

# **Cooperation on Energy Security: The European Perspective**

*Nicolò Sartori*

Despite the emergence of the shale revolution in the United States, which led to a growing independence from hydrocarbon imports, energy security in the Eurasian region still represents a priority in the development of the political and economic relations across the Atlantic Ocean. In this context, energy cooperation between Turkey and its Western partners is no exception. In the last two decades, energy has been a central factor in shaping the foreign policy of Ankara, and it has dictated its partnership with the European Union.<sup>1</sup> On the one hand, the West's energy security concerns have reinforced the political dialogue with Turkey, granting Ankara a privileged place in the foreign policy objectives of the U.S. and its European partners. On the other hand, fluctuating strategic priorities have influenced the levels of energy cooperation and integration between Turkey and its Western counterparts.

While the energy security debate emerged at the international level in the aftermath of the 1973 oil crisis, key implications for relations between Turkey and its transatlantic partners surfaced only at the beginning of the 1990s. With the end of the Cold War, Turkey suddenly found itself in-between the vast hydrocarbon reserves located in the Caspian region and its Western consumers, eager to accede to new and diversified energy resources. Turkey was instrumental to the Washington-supported concept of multiple pipelines, aimed at preventing any actor from having a monopoly over the export of the Caspian energy resources.<sup>2</sup>

The reliability of Turkey as a transit country resulted in the implementation of the so-called “contract of the century,” the 1994 international agreement on the joint development of the ACG oil fields<sup>3</sup> in the Azer-

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<sup>1</sup> The Jamestown Foundation. “Azerbaijan and the Southern Gas Corridor: Implications for U.S. and European Energy Security.” Conference Report, September 2013.

<sup>2</sup> Weiss, Andrew S. et al. “Promoting International Energy Security—Volume 2: Turkey and the Caspian.” RAND Corporation, 2012.

<sup>3</sup> Azeri, Chirag and deep-water Guneshli oil fields.

bajani sector of the Caspian Sea signed in Baku. The transit through Turkish territory allowed Azerbaijani oil to bypass the congested Bosphorus, ensuring a secure and profitable way to reach international markets.

With the rapid emergence of energy security concerns in the European Union at the beginning of the 2000s, the value of Turkey as an energy bridge between the East and West appeared clear across the entire transatlantic community. In this context, the launch of the Southern Gas Corridor—a pipeline network running from the gas-rich Caspian basin to the EU, thereby bypassing Russian territory—by the European Commission in 2003, expanded energy cooperation with Turkey to the gas sector and granted Ankara a central role in Europe's energy diversification strategy. Meanwhile, Turkey's rapid economic growth led to an impressive increase in domestic energy demand, forcing Ankara to expand its gas imports from abroad. The main outcome was a dependence on Russian supply, who became the top energy provider for the Turkish market. In the context of political tensions between Russia and the EU, the evolution of the energy cooperation between Moscow and Ankara—and in particular its implications for Europe's energy security—became a priority for the transatlantic agenda. Growing concerns about the use of Russia's energy abundance as a weapon aimed at Europe encouraged Washington to intensify its diplomatic pressure on Ankara, with a goal to both limit Moscow's energy leverage on its allies, and to reinvigorate energy cooperation between Turkey and the EU.

Today, Turkey's contribution to transatlantic energy security is vital, including the expansion of energy supplies from the Middle East through the Southern Gas Corridor (SGC). In particular, Ankara plays a fundamental role in the development and evacuation of gas resources located in the Eastern Mediterranean, where Turkey has a strong political footprint, and where it might be instrumental in speeding up energy cooperation to the benefit of the entire transatlantic community.

### **Turkey: The Gateway for New Energy Resources**

Turkey is surrounded by roughly 70 percent of the world's energy resources. To the north, separated by the Black Sea, it borders with Russia, the global leader in terms of hydrocarbon reserves. To the east, it shares a border with the Caspian region, rich with vast oil and gas resources located in Azerbaijan and in Central Asian countries such as Turkmenistan and Kazakhstan. South-east, Turkey borders with Iran and Iraq, and in a

broader sense with the Persian Gulf, which is home to about half of the world's oil reserves and of 40 percent of the global gas resources. Finally, looking south, it is part of the Eastern Mediterranean region - which includes the territorial waters of Cyprus, Lebanon, Gaza, Israel, and Egypt—a region that is rapidly emerging as a new hotspot for the development of hydrocarbon resources. Due to its geostrategic location, Turkey has traditionally played a crucial role in ensuring secure access to energy resources for Western consumers.

At first, Turkey's transit role was mainly ensured through the Turkish Straits - the Bosphorus and the Dardanelles - which are still the only passage for oil tankers exiting or entering the Black Sea, going to or from the Mediterranean Sea in order to reach their market destinations. The flow of oil and products supplies—mainly from Russia, Azerbaijan and Kazakhstan—transiting through the Straits reached a peak of 3.4 million barrels per day in 2004, when they accounted for roughly 5 percent of total oil traded at the global level.<sup>4</sup> Today, these values have stabilized to a little below 3 million barrels per day.<sup>5</sup> In light of such intense traffic, an interruption of energy flows through the crowded straits is increasingly being perceived as a chronic and severe challenge to both Turkey's and Western energy security. In order to reduce these threats and minimize the related economic and environmental risks, Ankara and its transatlantic counterparts teamed up to find a solution to this problem. The Turkish government is particularly concerned about the risks derived by the intense hydrocarbon flows through the straits, and it has attempted to impose stricter curbs and to develop alternative routes for the energy supplies between the Black Sea and the Mediterranean.<sup>6</sup>

The realization of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, operational since 2006, is certainly the most visible result of these efforts.<sup>7</sup>

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<sup>4</sup> IHS CERA. "New Realities in Oil Transit Through the Turkish Straits," Special Report, Cambridge, 2011.

<sup>5</sup> The decrease is due to the Russian decision to send part of its exports through Baltic Sea ports, and because of the activation of the Baku-Tbilisi-Ceyhan oil pipeline. The pipeline allows the transit of a million barrels of crude oil per year from the Caspian Sea to the Turkish port of Ceyhan, where they are loaded on boats to travel to their destination.

<sup>6</sup> For more than a decade, Turkey has tried to promote the construction of a bypass pipeline that would reduce the need for tankers to transit the Bosphorus. The project would transport oil from the Black Sea port of Samsun across Turkey to the terminal at Ceyhan on Turkey's Mediterranean coast. Turkey's proposal contrasted with the Russian project to build a shorter pipeline that would originate in Bourgas on Bulgaria's Black Sea coast and terminate at the Greek port of Alexandroupoli.

<sup>7</sup> Starr, Frederic S. and Cornell, Svante E. (Eds.). *The Baku-Tbilisi-Ceyhan Pipeline: Oil*

These efforts date back to the end of the Cold War, and were facilitated by the U.S. in an attempt to fill the regional vacuum followed by the disintegration of the Soviet Union. Establishing energy cooperation with the newborn Caspian republics became a foreign policy priority for the Western community: Azerbaijan, Kazakhstan, and Turkmenistan. These states are rich in oil and gas resources,<sup>8</sup> and during the Soviet period they were the primary contributors to the hydrocarbon exports of the Soviet bloc. Due to their landlocked nature, these countries are entirely dependent on their immediate neighbors (i.e., Iran and Russia) to deliver their hydrocarbon supplies to Western markets. The exports of oil and gas from the Caspian region have been ensured by Soviet transportation systems for decades, and in the immediate aftermath of Soviet disintegration, Moscow was able to keep its involvement in the energy exports of its former Soviet subordinates.

Once these countries regained full control of their oil and gas deposits, they immediately sought alternative export options allowing their supplies to reach Western markets bypassing the Russian transmission systems. In this context, with the strong support of the U.S. and the rest of the transatlantic community, Turkey successfully presented itself as a pivotal player for the evacuation of the oil and gas supplies from the Caspian region.<sup>9</sup> The signature of the “contract of the century” - through which the Azerbaijani government and the Azerbaijan International Operating Company (the AIOC)<sup>10</sup> launched the joint development of the ACG oil fields<sup>11</sup> in the Azerbaijani sector of the Caspian Sea—was a clear testament to Turkey’s growing strategic position.

As publicly expressed by the Clinton administration and outlined on numerous occasions by various U.S. officials, transit through Turkey would have strengthened the independence of the Caspian republics and their economic cooperation with Turkey and the West, while promoting diver-

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*Window to the West*. Central Asia-Caucasus Institute and Silk Road Studies Program, Washington D.C., 2005.

<sup>8</sup> Most of the crude reserves belong to Kazakhstan and, to a lesser extent, Azerbaijan, while the latter has large natural gas deposits, mainly in the huge Shah Deniz field located in the Caspian offshore. In addition, Turkmenistan’s western desert is believed to hold the world’s second-largest natural gas stocks, estimated at about nine trillion cubic meters (Tcm). Source: BP Statistical Review of World Energy 2016, London. <http://on.bp.com/2bSW4Mf>.

<sup>9</sup> Sasley, Brent. “Turkey’s Energy Policy in the Post-Cold War Era.” *Middle East Review of International Affairs* (Vol.2 n. 4, Rubin Center, Herzliya, 1998).

<sup>10</sup> A group of ten international oil companies led by UK’s BP and U.S.’ Amoco.

<sup>11</sup> Azeri, Chirag and deep-water Guneshli oil fields.

sified and reliable energy sources for European partners.<sup>12</sup> The establishment of the Turkish route—although initially opposed by Western companies and business because it was more expensive compared to the transit from the existing Russian network—achieved another strategic goal for the transatlantic community: keeping Caspian pipelines from running south to Iran, thus preventing the Islamic Republic to control flows to international markets.

The political decision to continue with the BTC was made in 1999, after intense international debate on the financial and commercial feasibility of the initiative.<sup>13</sup> During that period, the U.S. government decided to reconsider its unconditional support for the project, asking for stronger evidence of economic, technical, and environmental viability. After that, it took another three years for engineers and economists to guarantee the full sustainability of this initiative. With these reassurances, the U.S. administration granted public financial support to ease investment in the BTC through governmental agencies such as the Overseas Private Investment Corporation (OPIC) and the U.S. Export-Import Development Bank. The strong political and financial backing from across the Atlantic eventually encouraged the members of AIOC to establish the BTC Pipeline Company in August 2002.<sup>14</sup> Within years, the advantages offered by the BTC compared to the other options that were available became evident to all international actors, the Caspian producers, Turkey, and the Western companies and consumers. The realization of the pipeline laid the basis for Turkey's positioning as a regional energy hub (while reducing environment-related risks in the Istanbul area) and for eventually ensuring a secure and economically advantageous energy route to the transatlantic community.

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<sup>12</sup> Zarifian, Julien. "U.S. Foreign Policy in the 1990s and 2000s, and the Case of the South Caucasus." *European Journal of American Studies* (Vol.10 n.2, 2015).

<sup>13</sup> The Intergovernmental Agreement was signed by the presidents of Turkey, the Republic of Azerbaijan, and Georgia during the OSCE Summit held in Istanbul on November 18, 1999. U.S. President Bill Clinton also signed the Agreement as a witness.

<sup>14</sup> The foundation stone for construction of BTC was laid by participation of the Presidents of Azerbaijan, Turkey and Georgia, and the US Energy Secretary in Baku, in September of the same year.

## Integration with EU: The Southern Gas Corridor

The energy partnership with Azerbaijan and optimism about Turkey's transit role acted as a catalyst for the development of another important initiative, this time in the gas sector. To ensure an outlet to Azerbaijan's offshore gas deposits, the governments of Azerbaijan, Georgia, and Turkey signed an intergovernmental agreement (in March 2001 in Ankara), accompanied by a purchase contract for the sale of large part of the Shah Deniz field production to Turkey, whose rapidly growing natural gas demand was fueled by the domestic economic boom. The double deal was followed by an agreement on "transit, delivery and sale of the natural gas via the South Caucasian Pipeline (SCP) system on the territories of Republic of Azerbaijan and Republic of Georgia," signed in September of the same year, in Baku. The agreement gave a green light to the realization of the so-called Baku-Tbilisi-Erzurum (BTE) pipeline, a conduit expected to annually deliver 6.6 billion cubic meters (bcm) of gas to Turkey along with 0.8 bcm to Georgia.<sup>15</sup> The BTE delivered its first gas supplies to Ankara in 2007. Not only does it contribute to diversifying Turkey's gas imports, but it is also the initial section of the European Commission's Southern Gas Corridor.<sup>16</sup> The Corridor—a pipeline network running from the gas-rich Caspian basin to the EU crossing the Turkish territory and thereby bypassing Russian soil—represents a policy priority and a fundamental test case for energy cooperation between Brussels and Ankara.

The Southern Gas Corridor has received bipartisan support and has been a priority for U.S. foreign policy since the George W. Bush and Obama administrations, as witnessed by the activism of various U.S. Special Envoys for Eurasian Energy and U.S. Special Envoys for International Energy Affairs across the region.<sup>17</sup> Transatlantic arguments in favor of the opening of the Corridor include the diversification of Europe's energy supply, stronger economic development in the area via infrastructure projects and, in general, enhanced regional cooperation. In addition, the project would enable U.S. allies in Central and Eastern Europe to move away from—or at least reduce—their reliance on Russian gas supply, lim-

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<sup>15</sup> Socar. "Keeping energy options open - Azerbaijan has a key role to play in energy supply to Europe." *First Magazine*, 2009. <http://www.firstmagazine.com/DownloadSpecialReportDetail.630.ashx>.

<sup>16</sup> Bozkurt, Giray Saynur (Ed.). *Blue Black Sea: New Dimension of History, Security, Politics, Strategy, Energy and Economy*, Cambridge Scholar Publishing, Newcastle upon Tyne, 2003.

<sup>17</sup> The Southern Gas Corridor has been publicly supported by U.S. Secretary of State, Rex Tillerson, under the Trump administration.

iting Moscow's political leverage.<sup>18</sup> From a Turkish perspective, the SGC is a key element of Ankara's strategic relations with the West, and particularly with the EU. As repeatedly highlighted by high-level officials, Turkey's role within the Corridor was expected to strengthen the country position in the accession process to the EU, and more general, its integration into the Western community.<sup>19</sup>

In Brussels' original plans, the SGC was expected to result from "the integration of multiple pipeline systems which would [have] transport[ed] gas not from a single supplier but from multiple sources."<sup>20</sup> These would include Azerbaijan, but also Iran, Iraq, and other potential exporters from the broader Middle East and North Africa (MENA) region. In the last decade, the nature of the Corridor has been reviewed on a number of occasions for political, geographical, industrial, and commercial reasons, and its current structure is very different from the one initially envisaged. In this context, the role of Turkey as a key transit country has never been called into question.

In the original proposal conceived by the European Commission in 2002, the key enabler of the Southern Gas Corridor was the 3,825 km-long Nabucco pipeline. The project aimed to deliver 31 bcm annually to Southeast and Central Europe.<sup>21</sup> Turkey's territory, crossed from east to west by Nabucco's route, was central to deliver the Caspian gas to Baumgarten in Austria. However, despite the strong political support from both Brussels and Washington, the Nabucco project (and its successor initiative, Nabucco West<sup>22</sup>) failed to gain the support of the Shah Deniz-producing consortium, mainly due to the commercial and financial shortcomings of the project, namely the lack of supplies in the early years and the insufficient gas demand in the Central European target markets. As an alternative to Nabucco, the

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<sup>18</sup> Tsereteli, Mamuka. "The Southern Energy Corridor: A Strategic Priority for the U.S.?" Analytical Articles, Central Asia-Caucasus Institute and Silk Road Studies Program, Washington D.C., 2015.

<sup>19</sup> Koranyi, David and Sartori, Nicolò. "EU-Turkish Energy Relations in the Context of EU Accession Negotiations: Focus on Natural Gas." Working Paper n. 5, Global Turkey in Europe, 2013.

<sup>20</sup> Demiryol, Tolga. "The Geopolitics of Energy Cooperation between Turkey and the European Union." *L'Europe en Formation* (Vol. 54, No. 367 (Spring 2013)): p. 16, pp. 109-134.

<sup>21</sup> RWE Press briefing. "The Nabucco Pipeline Project—Fourth Corridor to Europe." Berlin, 2009.

<sup>22</sup> In May 2012, the Nabucco consortium revised its original plan, putting forward a shorter, cheaper, and less capable pipeline—Nabucco West—to transport Azerbaijani gas from the Turkish-Bulgarian border to Central Europe.

Trans-Adriatic pipeline (TAP) was selected to deliver Azerbaijani gas from the Turkish/Greek border to Italy via Greece and Albania.<sup>23</sup>

In this context, Turkey's changing energy priorities contributed to determine the final decision. Ankara played a direct role in the establishment of what became the Nabucco project's death sentence, the realization of the Trans-Anatolian Pipeline (TANAP).<sup>24</sup> TANAP effectively replaced Nabucco by transporting Azerbaijani natural gas from the Georgian-Turkish border to the Turkish-European border (where it connects to TAP). The shareholders of the 16 bcm/year pipeline (which will gradually be increased to 24 bcm) include the Baku-controlled Southern Gas Corridor Closed Joint Stock Company,<sup>25</sup> with 58 percent of the shares, the Turkish company BOTAS with 30 percent, and BP with 12 percent, determining a significant power-shift in the hands of Azerbaijan.

While TANAP represented a major push for the advancement of the Southern Gas Corridor, blocked for years by the weaknesses of Nabucco, the realization of the pipeline represented a significant departure from the idea initially conceptualized by the European Commission (EC). In particular, powerful up-streamers such as SOCAR and Shah Deniz consortium-member BP took center stage in the Corridor, replacing the group of European companies expected to develop and manage Nabucco, thus vertically consolidating gas production and transport activities. Turkey—eager to secure additional volumes of gas at a lower price than Azerbaijan—played along and agreed to take part in TANAP. Driven by changing domestic energy priorities and intensified political clashes with the EU, Turkey's repositioning has been instrumental in Baku's attempt to acquire a much greater role throughout the whole Southern Gas Corridor value chain. At the same time, it downscaled the EU's role to one of a relatively passive spectator, with potentially disadvantageous long-term consequences for both Turkey and the EU.

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<sup>23</sup> Sartori, Nicolò. "Energy and Politics: Behind the Scenes of the Nabucco-TAP Competition." IAI Working Papers, No. 13127 (July 2013). <http://www.iai.it/pdf/DocIAI/iaiw1327.pdf>.

<sup>24</sup> The realization of TANAP was sanctioned by the signature of a memorandum of understanding between Azerbaijan and Turkey on December 24, 2011, followed by an intergovernmental agreement and the "Host Government Agreement" on June 26, 2012.

<sup>25</sup> The SGC was created under the terms of an Azerbaijani presidential decree as the vehicle to consolidate, manage, and finance the country's interests in Shah Deniz, South Caucasus Pipeline (SCP), the Trans-Anatolian Pipeline (TANAP) and the Trans-Adriatic Pipeline (TAP). The Republic of Azerbaijan, through its ministry of economy, owns 51 percent of SGC's equity, while the remaining 49 percent is held by the State Oil Company of the Azerbaijan Republic (SOCAR) which is entirely owned by Azerbaijan.

Despite the changing nature of the Corridor, neither the West nor Turkey have a desire to halt their regional cooperation, and they try to keep the initiative at the top of their energy agenda, as demonstrated by the “EU-Turkey High Level Energy Dialogue and Strategic Energy Cooperation.”<sup>26</sup> From a transatlantic perspective, these outcomes do not alter Turkey’s importance in the Eurasian energy picture, but they do impose a deep reflection upon (possibly accompanied by new engagement initiatives) the status of the transatlantic energy partnership.

### **The Russian and the Eastern Mediterranean Dossiers: From Cooperation to Divergence?**

As mentioned above, the Ankara-Baku bilateral initiative on the TANAP project contributed to alter the nature of the Southern Gas Corridor, and more in general to put under scrutiny the status of the energy partnership between the West and Turkey. In addition to flirtations with Azerbaijan, Turkey revitalized its energy dialogue with Russia, with significant results. As a first step, in December 2011, the parties reached a deal allowing the Gazprom-led South Stream pipeline to pass through Turkey’s Exclusive Economic Zone (EEZ). In exchange, Ankara secured significant price discounts from Gazprom, as Moscow agreed to renegotiate long-term oil-indexed gas contracts. This move was criticized by the EU, which brought Turkey’s reliability as a partner into question; Brussels had always considered the realization of South Stream a vital risk to the feasibility of the Nabucco project and—more generally—to the Southern Gas Corridor initiative.

Yet, Ankara’s strategic convergence with Moscow went even further. In the aftermath of the conflict in Ukraine and the annexation of Crimea in spring 2014, Russian president Vladimir Putin personally announced the suspension of the South Stream project, to be replaced by the newly conceived Turkish Stream pipeline.<sup>27</sup> The conduit, expected to link the Russkaya compressor station in Krasnodar Krai with the Turkish territory in Kiyıköy, would theoretically enhance the transit role of Turkey in the

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<sup>26</sup> Tagliapietra, Simone and Zachmann, Georg. “Designing a new EU-Turkey Strategic Gas Partnership.” Bruegel Policy Contribution (Issue 2015/10, Brussels, 2015).

<sup>27</sup> Construction of the Turkish Stream gas pipeline began on May 7, 2017 in the Black Sea near the Russian coast.

region, but at the same time would have at least two major implications for transatlantic energy cooperation and security.

The first implication is Ankara's increasing dependence on Russia gas, which already contributes to 60 percent of Turkish consumption, due to an import capacity of 32 bcm ensured by the offshore pipeline Blue Stream and by the Trans-Balkans pipeline transiting through Ukraine, Moldova, Romania, and Bulgaria. The realization of Turkish Stream, although theoretically aimed at fully replacing the transit from the Ukrainian territory, would increase Gazprom's capacity to flood the Turkish gas market (with an additional 15.6 bcm imports infrastructure), strengthening Moscow's political and economic leverage over the country. The second implication relates to the possible use of Russia's influence on Turkey as a foreign energy policy tool towards the EU. Moscow could use its dominant energy position in the Turkish market and exploit its strategic influence on Ankara to slow down the development of the Southern Gas Corridor, in order to limit the success of the energy diversification policies undertaken by Brussels in the last decades.

The Turkish government is well aware of the risk of excessive gas dependence on Russia, and highlights the importance of developing and implementing a sustainable energy diversification strategy. However, political divergences with Brussels, coupled with impelling short-term financial and economic exigencies, may lead Ankara too close to Moscow and endanger its role of energy partner in the Eurasian region.

Moreover, Turkey has a great and obvious stake in development and export strategies for energy resources located in the Eastern Mediterranean.<sup>28</sup> The region emerged as a future gas-exporting region after the discovery of major gas fields in Israel (Tamar was discovered in 2009, and Leviathan in 2010), Cyprus (Aphrodite in 2011), and Egypt (Zohr in 2015). Both the U.S. and the EU have worked extensively to encourage the establishment of a framework of regional cooperation to overcome the political, commercial, and technological issues that impede its full development. Turkey is a crucial actor in this context: the position of the Turkish government on the status of Cyprus and the still-unresolved issue with the Turkish Republic of Northern Cyprus (TRNC), are two major

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<sup>28</sup> Nicolò Sartori, Lorenzo Colantoni, and Irma Paceviciute. "Energy Resources and Regional Cooperation in the East Mediterranean." IAI Working Papers, No. 16127 (October 2016). <http://bit.ly/2rWiYOL>.

factors slowing down the exploitation of the hydrocarbon deposits from the island.

Even though the recently discovered hydrocarbon deposits are located in the waters off the southern part of the island (in Greek territory), Turkey strongly opposed the unilateral extraction of the resources. In 2014, Ankara sent two research vessels into block 9 and block 12, located more than 300 kilometers from the Turkish coast, in response to the first ENI and Noble drilling activities that followed the first round of concessions. The second round of concessions launched by the Cypriot government received even stronger opposition: Turkey complained against the “unilateral” and “irresponsible and provocative” move of Nicosia, threatening to exclude the companies involved from all future energy activities. The situation is further complicated by overlapping concessions with the blocks defined by both the Turkish and TNRC counterparts, which have been all assigned to the Turkish Petroleum Corporation (TPAO). The political volatility on the island and the resulting business uncertainty has discouraged private companies from operating in the area, thereby limiting the advancement of exploration and production activities.

The antagonism between the two governments on the island leads to limited options for gas exports from Cyprus, and in general from the Levant basin. In fact, one of the options available is the development of a subsea pipeline connecting Cyprus and Israeli gas deposits to Turkey, possibly extending the link to the Southern Gas Corridor and EU markets. This is generally considered the most feasible export routes for the Eastern Mediterranean gas, as Turkey represents a geographically close and economically logical export market for Cypriot and Israeli gas. However, the political situation in Cyprus—along with territorial disputes between Syria, Lebanon, Israel, and Palestine in parts of the transit area—prevents the materialization of this option, as well as the full development of hydrocarbon deposits located in the Eastern Mediterranean.

## Conclusion

Energy security interests have been a powerful driver for the strengthening of Turkey’s transatlantic ties.<sup>29</sup> The strategic location of the country,

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<sup>29</sup> Deni, John R. and Smith Stegen, Karen (Eds.). *Transatlantic Energy Relations: Convergence or Divergence?* Routledge, Abingdon, 2014.

ideally placed as a bridge between vast hydrocarbon resources in the Caspian and Middle Eastern region, and the remunerative Western energy markets, has been extensively used by Ankara to deepen its political cooperation and integration with its U.S. and European partners. However, over the last two decades, fluctuations in the strategic priorities of Turkey and its changing energy interests led Turkish authorities to make choices that were not necessarily in line with the objectives of the transatlantic community.<sup>30</sup>

Despite these deviations, however, energy cooperation in the Eurasian region remains an important variable in the transatlantic security equation, and Turkey is a fundamental pillar in safeguarding U.S. and European interests in the area. Notwithstanding its tactical zigzagging, Turkish policymakers are keeping energy cooperation with the West alive, in large part as a counterbalance for an excessive dependence on potentially unreliable energy partners elsewhere.

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<sup>30</sup> For instance, Ankara's energy flirtation with Baku, or the more worrisome strengthening of Turkey's energy ties with Russia.

## *Chapter Twenty-Three*

# **Cooperation or Confrontation in the Fight against Terrorism: Turkey and the Transatlantic Alliance**

*Murat Yeşiltaş and Merve Seren*

Turkey has been an integral part of the transatlantic security architecture ever since its membership to NATO in 1952. During the Cold War-era, Turkey played a vital role to NATO's southern flank by deterring the Soviet Union's expansionist policies. NATO states felt threatened by Soviet ideology, and state-sponsored terrorism was regarded as a Soviet phenomenon. Although Turkey remained neutral during World War II (WWII), it chose to stay under the security umbrella of U.S.-led NATO in an attempt to join an economic and military modernization process following the war. Soviet demands for territorial concessions and bases on the Turkish Straits strongly influenced Turkey's decision to opt for a western orientation.<sup>1</sup> Declaring the Soviet Union a "common threat," Turkey's role was pivotal in neutralizing the expansionist communist threat. On the other hand, Turkey's NATO membership was crucial in implementing counter-terrorist policies and strategies. Unsurprisingly, this situation provided both political and military insurance for Turkey, at least until the first disagreement took place in Cyprus. While Turkey considered the aggressive behavior of the National Organization of Cypriot Fighters (EOKA) a terrorist threat against the Turkish population on Cyprus, the U.S. administration under President Johnson heavily criticized Ankara for its interference in Cyprus. Later on, the emergence of the Kurdistan Workers' Party (PKK) during the 1970s dramatically changed the nature of Turkey and its transatlantic relations in defining, cooperating, and fighting against terrorism. Until 1997, the PKK was not on the U.S.' foreign terrorist organizations list, and it was not on the radar for the European community either. However, this changed when the U.S. helped Turkey capture the PKK leader in Nairobi, Kenya, in 1999.

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1 Footnote 1 seems to be missing.

In the post-Cold War era, NATO became the key security architecture in the West, changing the strategic perception of newly emerged non-state threats. More importantly, the instability in Turkey's neighborhood once again proved Turkey's geopolitical significance in the eyes of the Western world. Nevertheless, the U.S. and EU perception of the PKK issue remains blurry. The West declined Turkey's demand for military assistance, which led Turkey to believe that the West, and particularly the U.S., was arming the PKK.

The 9/11 Al-Qaeda terrorist attacks on U.S. soil also impacted the relationship between Turkey and the transatlantic community, particularly in the fight against international terrorism. The proliferation of terrorist organizations pushed the U.S. and EU to collaborate with Turkey to develop a comprehensive strategic framework to tackle the changing nature of terrorism. As the U.S. broadened its definition of terrorism and changed its strategies to counter this threat, Turkey's contributions to the "global war on terrorism" became more visible. In other words, in the post-9/11 era, cooperation between Turkey and the West had moved in a positive direction. The terrorist attacks in major European cities (Istanbul in 2003, Madrid in 2004, and London in 2005) accelerated the level of cooperation between Turkey and its allies.

However, the invasion of Afghanistan and Iraq by a U.S.-led coalition force in 2001 and 2003 respectively, had a negative impact on Turkey's perception of its allies. The Arab uprising and its spillover effects across the Middle East and North Africa (MENA) brought a completely different dimension to the terrorism threat in terms of the characteristics and tactical features of terrorist organizations. While this so-called revolution should have led to a deepening cooperation between Turkey and its allies, the reality over particular cases such as the PKK/YPG and ISIS threats brought the two sides at odds with each other. This divergence escalated in last months of the Obama administration, coinciding with turbulent times in Turkey-EU relations.

There are three different but closely related issues that are evaluated in this chapter to understand the cooperation and dynamics in Turkey's contribution to the transatlantic community in the fight against international terrorism. The first domain is normative, in which this paper analyses the contextual aspect of the common threat perceptions of terrorism between Turkey and the transatlantic alliance. The second domain is institutional, where this chapter focuses on the question of how and to what extent Turkey contributes to the strengthening of its institutional mech-

anisms on a regional and international level in preventing radical violent extremism and terrorist mobilization in the context of the foreign terrorist fighter (FTF) phenomenon. The third domain represents the policy-oriented level, including intelligence sharing, common security measures, and police facilities necessary in preventing potential terrorist activities. To analyze the interrelated impact of cooperation among the transatlantic community in the fight against international terrorism on a normative, institutional, and functional level, this paper sheds light on two main cases to unpack the very nature of cooperation and divergences among the transatlantic community. The first one is ISIS, which exemplifies the level of cooperation between Turkey and transatlantic countries, and the second is the PKK, which evolved from cooperation to confrontation on the regional and international level.

By critically analyzing the dimension of cooperation and confrontation, this paper argues that the relationship between Turkey and transatlantic countries in the fight against terrorism represent two different policy-orientations that could shape the future of the relationship.

### **Cooperation in the Fight Against Terrorism: Neutralizing the ISIS Threat**

Contrary to the disagreements within the Turkey-transatlantic alliance in the fight against terrorist organizations such as the PKK (or its affiliate in Syria, the YPG), the fight against ISIS is much more aligned. One of the main driving forces behind cooperation is the common threat perception that is shared by Turkey and the transatlantic countries. This common threat perception makes full cooperation possible. On a normative level, Turkey is an active partner in developing an international legal framework in counter-terrorism measures. Within this context, Turkey has played an active role in the development of a universal legal framework under the UN system. Accordingly, Turkey has become a party to all UN counter-terrorism instruments and strongly supports the global strategy and implements UN Security Council resolutions on international terrorism.<sup>2</sup> On an institutional level, Turkey has played a vital role in strengthening global and regional institutions to deter terrorism activities and recruitment mobilization, especially with regards to the issue of foreign terrorist fight-

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<sup>2</sup> "Turkey's Contributions to the Anti-Daesh Coalition." The Ministry of Foreign Affairs of Turkey. [http://www.mfa.gov.tr/turkey\\_s-contributions\\_s-to-anti\\_deash-coalition.en.mfa](http://www.mfa.gov.tr/turkey_s-contributions_s-to-anti_deash-coalition.en.mfa).

ers.<sup>3</sup> In this regard, Turkey has initiated, (along with the U.S.), the Global Counterterrorism Forum (GCTF) and was its co-chair between September 2011 and April 2016. As a leading member of the international coalition force, Turkey is also co-chair of the coalition's working group on foreign terrorist fighters and the horn of Africa working group within the GCTF.<sup>4</sup> The UN Counter Terrorism Centre (UNCCT) report released in May 2015 named Turkey one of the most effective countries in contributing to the fight against terrorism.<sup>5</sup>

In the scope of cooperation between Turkey and the transatlantic community, Turkey is also a member of the Financial Action Task Force on Money Laundering (FATF), the policymaking body for global anti-money laundering/countering terrorist financing. Turkey is reviewing legislation and implementing measures against terrorist financing, and has co-led, with the U.S., a report on ISIS financing in 2015 within the FATF framework. Turkey's Financial Intelligence Unit (MASAK) operates in cooperation and coordination with law enforcement authorities and prosecutors on the national level. MASAK also cooperates with other FIU's through the EGMONT Group<sup>6</sup> and actively contributes to FATF efforts. Turkey has created a legal framework in line with FATF recommendations to implement UNSC Resolutions 1267 and 1373, calling for the punishment of terrorist financing and the freezing of assets.<sup>7</sup>

Turkey has faced serious challenges to its national security as a result of the rapid emergence and spread of terrorist organizations on its southern borders. The process of the hyper-localization and radicalization of the armed conflict in Syria has accelerated and increased the terrorism threat

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<sup>3</sup> Boghaniw, Priyanka. "Who's Who in the Fight Against ISIS?" *PBS Frontline*, <http://www.pbs.org/wgbh/frontline/article/whos-who-in-the-fight-against-isis/>; "Turkey's Critical Role in the Global Coalition." <http://theglobalcoalition.org/en/turkeys-critical-role-in-the-global-coalition/>.

<sup>4</sup> Co-chaired by the European Union and Turkey, the Horn of Africa (HOA) Capacity Building Working Group aims to build capacity to counter terrorism and violent extremism in the region, by identifying and bridging capacity-building gaps. For more information, see: <https://www.thegctf.org/Working-Groups/Horn-of-Africa-Capacity-Building>.

<sup>5</sup> The United Nations Security Council Report S/2015/338.

<sup>6</sup> The Egmont Group is a united body of 152 Financial Intelligence Units (FIUs). The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing. For more information on the EGMONT Group, see: <https://www.egmontgroup.org/en/content/about>.

<sup>7</sup> Security Council Committee pursuant to resolutions 1267 (1999) 1989 (2011) and 2253 (2015) Concerning ISIS (Daesh) Al-Qaida and Associated Individual Groups Undertaking and Entities. <https://www.un.org/sc/suborg/en/sanctions/1267>.

against Turkey, in particular that of ISIS. In this context, there are three main reasons behind the radical transformation of the ISIS threat: The rapid escalation of ISIS attacks in terms of its frequency and havoc, the ISIS strategy of gaining ground in Turkey by forming and expanding associated actors, and the beginning of ISIS's direct targeting of Turkey because of its harsh measures against the terrorist organization, both within and outside of the country.<sup>8</sup> More importantly, ISIS has aimed to localize itself in Turkey with a desire to consolidate pro-ISIS discourse. Therefore, on both domestic and international operational level, Turkey contributes to the global fight against terrorism through military means and has conducted military operations to eliminate the ISIS threat from its Syrian border. It has done so under the scope of Operation Euphrates Shield, started on August 2016. This was the first time that the Turkish army launched a cross-border ground operation and as such directly engaged in the Syrian civil war with aim to push ISIS out from its southern border. Turkey has also played a role in the coalition's operational efforts, namely in terms of capacity-building.

To eliminate the ISIS threat and prevent the spread of terrorism, Turkey's struggle with ISIS has consisted of two essential components: First, measures taken at a domestic level with the aim of preventing terrorist activities against Turkey's national security; second, measures taken on an international level, aiming to contribute to international efforts taken by the global anti-ISIS coalition. The anti-ISIS coalition, GCTF, and UNCCT are the main pillars of international efforts against ISIS.

Turkey, in large part because of its geographic location, quickly recognized the ISIS threat and added the group to its list of terrorist organizations on October 10, 2013,<sup>9</sup> long before European countries had done so.<sup>10</sup> Turkey contributes to transatlantic alliance in the fight against ISIS on three levels: Preventing FTFs from traveling through the country, enhancing border security, and conducting large-scale security raids against ISIS's networks. Firstly, Turkey has adopted measures against the threats directed by FTFs and the related challenges, which emerged at its borders. Within this context, at the beginning of the Syrian civil war and during

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<sup>8</sup> Yeşiltaş, Murat. "Turkey's ISIS Problem." *The New Turkey*. <http://thenewturkey.org/turkeys-isis-problem/>.

<sup>9</sup> For more information on Turkey's terrorist organization list, see: <http://www.resmigazete.gov.tr/eskiler/2014/06/20140603-16-1.pdf>.

<sup>10</sup> "ISIS is a terror organization with bloody hands." *Sabah*, September 25, 2014. <http://www.sabah.com.tr/gundem/2014/09/24/isis-eli-kanli-bir-teror-ogutudur>.

the proliferation of violent non-state military groups across the region, Turkey became a strategic transit country for foreign fighters.<sup>11</sup> At the same time, Turkey was vulnerable to the possibility of returning FTFs from conflict zones, which rapidly escalated the danger of attacks within the country and across Europe. In this notion, Ankara has actively supported all decisions of the international community to prevent FTFs from crossing into Turkey from Syria. Turkey is defined as one of the “target countries” for FTFs on their way to and from conflict zones. In addition, Turkey’s threat perception encompasses two additional dimensions. Turkey’s concerns begin when any foreign terrorist fighter decides to leave the conflict zone, as he or she is likely to cross Turkey on the way back home, thus becoming a direct threat to Turkey’s security.<sup>12</sup> Moreover, the foreign fighter may decide to stay in Turkey and not risk the journey home.<sup>13</sup> In this context, Turkey:

- Contributed to the formation of a list to prevent potential FTFs from entering Turkey,
- Established risk analysis units to detect and neutralize FTFs if they do enter Turkey;
- Undertook concrete measures to increase physical border security;
- Seized the properties of individuals who are involved in terror;
- Followed the international community’s strategy for the fight against ISIS.<sup>14</sup>

In terms of foreign fighters, the Turkish contribution to the international community is multi-dimensional. The first pillar of Turkey’s anti-ISIS strategy is to develop a common preventive strategy that must be developed by the FTF’s country of origin. This is the first step in which every country has its own responsibility to investigate and inform the secondary countries of the mobilization of foreign terrorist fighters.<sup>15</sup> There-

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<sup>11</sup> Bingöl, Oktay. “Foreign Fighters Problem and Turkey.” *SSPS*, (Vol 1, Issue 1, 2016): p.47. [http://scholar.google.com.tr/scholar?q=Turkey+and+Foreign+Fighters+threats&hl=en&as\\_sdt=0&as\\_vis=1&oi=scholar&sa=X&ved=0ahUKEwjS4dDB1vfTAhUnIpoKHb46DqsQgQMIIIDAA](http://scholar.google.com.tr/scholar?q=Turkey+and+Foreign+Fighters+threats&hl=en&as_sdt=0&as_vis=1&oi=scholar&sa=X&ved=0ahUKEwjS4dDB1vfTAhUnIpoKHb46DqsQgQMIIIDAA).

<sup>12</sup> Yalçinkaya, Haldun. “Turkey’s Struggle Against the Foreign Terrorist Fighters of DAESH.” *Perception: Journal of International Affairs* (Spring 2016, Vol 21, Number 1): pp. 27-44.

<sup>13</sup> Yalçinkaya, Haldun. “International Cooperation against Foreign Terrorist Fighters: The Experience of Turkey.” *ORSAM Review of Regional Affairs* (No 22, February 2015).

<sup>14</sup> The authors’ interview with members of MFA of Turkey, May 2017.

<sup>15</sup> ISIS’ Brussels attack is an example of the importance of intelligence sharing among countries. One of the terrorists who carried out the attacks that killed more than 30 people in Brussels

fore, cooperation on the level of information and intelligence sharing is vital in preventing violent extremist and terrorist mobilization. In accordance with UNSCR resolution 2178 (2014),<sup>16</sup> the source countries' primary obligation is to prevent such persons to join a terrorist organizations.<sup>17</sup> Until the FTF has reached its destination, all transit countries have a responsibility to prevent their further travel. Within this context, Turkey's main counter-terrorism effort is to develop a comprehensive framework and mechanism among the transatlantic countries to prevent recruiting networks and the dissemination of extremism propaganda. Therefore, especially between Turkey and the European countries,<sup>18</sup> there is a "necessity to develop timely, concrete, actionable and full intelligence sharing from source countries" about suspected actors of terrorism.<sup>19</sup> The main instrument for this purpose is the sharing of a no-entry list of potential FTFs. When looking at publicly available numbers, a remarkable increase is seen in the no-entry list after 2014. Also, the large increase in information-sharing to create this list has been extremely effective. The UN Security Council's resolution 2178 contributed to the international awareness about foreign fighters, which has helped add more names to the no-entry list.<sup>20</sup> Thus, insufficient cooperation leads to poten-

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was first caught in Turkey in June 2016 and deported to Belgium, but the Belgian authorities released him despite Turkey's warnings that he was "a foreign fighter." See: "Brussels suicide bomber el-Bakraoui 'caught in Turkey last June'—as it happened." *The Guardian*. <https://www.theguardian.com/world/live/2016/mar/23/brussels-attacks-police-search-airport-bomb-suspect-live?page=with:block-56f2b9c9e4b0b17c6904b0a1>.

<sup>16</sup> Resolution 2178 adopted by the UN Security Council at its 7272nd meeting, on 24 September 2014. [http://www.un.org/en/sc/ctc/docs/2015/SCR%202178\\_2014\\_EN.pdf](http://www.un.org/en/sc/ctc/docs/2015/SCR%202178_2014_EN.pdf).

<sup>17</sup> The report underlines that foreign terrorist fighters are a growing threat against (i) their states of origin; (ii) the states they transit; (iii) the states where they are active; and (iv) those states' neighboring zones. Essentially, the UN CTC report identifies five urgent measures that need to be taken by member states: (i) Preventing inter-state travel of FTFs; (ii) law enforcement; (iii) countering incitement to terrorism, including through the Internet; (iv) criminalization; and (v) financing of foreign terrorist fighters. For the full text of the report, see: [http://www.un.org/en/sc/ctc/docs/2015/N1514129\\_EN.pdf](http://www.un.org/en/sc/ctc/docs/2015/N1514129_EN.pdf).

<sup>18</sup> Kardaş, Tuncay and Özdemir, Ömer Behram. "The Making of European Foreign Fighters: Identity, Social Media and Virtual Radicalization," in Murat Yeşiltaş and Tuncay Kardaş (ed), *Non-state Military Actors in the Middle East: Geopolitics, Ideology and Strategy*. Palgrave Macmillan, 2017, pp.213-237.

<sup>19</sup> Swedish Interpol Units notified their Turkish counterparts on January 14, 2013 that individual "A"—a Bosnian citizen who lived in Sweden—was believed to be traveling to Syria. After investigation, it was established that "A" was in Gaziantep. He was arrested on January 15, 2013, merely 2 hours after the Swedish authorities' notification. See: <http://www.bern.emb.mfa.gov.tr/images/localCache/12/d5821c60-7b95-4548-9800-9fd15bf0aa43.pdf>.

<sup>20</sup> "Measures against Foreign Fighters." TC Dışişleri Bakanlığı sunumu, ORSAM Çalıştayı.

tial weaknesses in measures to be taken against foreign fighters.<sup>21</sup> At this juncture, Turkey's criticism is that European countries, in particular, have not shared sufficient information about foreign fighters who plan to join the conflict in Syria.

The number of FTFs on the no-entry list reached 14,515 persons from 101 countries by 2015.<sup>22</sup> This was a huge increase from the 5,000 persons in the summer of 2014 and around 7,000 in the fall of 2014. The increase in the number of foreign fighters listed is the result of cooperation between source countries. The number of foreign fighters expelled from Turkey upon entry jumped from 1,040 in late 2014 to a current of 1,471 from 81 countries.<sup>23</sup> According to Süleyman Soylu at the migration policies board meeting in February 2017, the number of foreign fighters expelled increased drastically in a short period of time. In this context, Soylu pointed out that authorities deported 4,369 people from 99 countries.<sup>24</sup>

The second pillar of Turkey's anti-ISIS strategy is to prevent FTFs to travel through Turkey. For this aim, Turkey has established a comprehensive no-entry list developed in partnership with other countries to prevent the transit of terrorists through Turkey. In this regard, Turkey is continuously enhancing security measures to intercept foreign terrorist fighters at airports and other border crossing points through the Risk Analysis Units (RAU). As of June 2017, about 40,000 foreigners were included in the no-entry list since the Syrian crisis erupted. More than 4,000 foreigners were deported since 2011.<sup>25</sup> To prevent FTF from reaching conflict areas via Turkey, security measures have been reinforced, including RAUs and enhanced passenger screening and security checks in regions adjacent to

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<sup>21</sup> "Davutoğlu: Suriye sınırını kapatırız ama mülteciler ne olacak?[Davutoğlu: We Close the Syrian Border but What will Happen to the Refugees?]" *BBC Türkçe*, January 12, 2015. [http://www.bbc.com/turkce/haberler/2015/01/150112\\_davutoglu\\_suriye\\_sinir](http://www.bbc.com/turkce/haberler/2015/01/150112_davutoglu_suriye_sinir); AK Parti Genel Başkan Yardımcısı Nebati: AB yabancı savaşçılar konusunda kendi ayıbını örtmeye çalışıyor, [The EU is Trying to Cover up its own Defects on Foreign Fighters]. *AB Haber*, July 9, 2015. <http://www.abhaber.com/ak-parti-genel-baskan-yardimcisi-nebati-ab-yabanci-savascilar-konusunda-kendi-ayibini-ortmeye-calisiyor/>; Çavuşoğlu daha çok istihbarat paylaşımı istedi [Çavuşoğlu Wanted more Intelligence Sharing]. *Al Jazeera*, March 13, 2015. <http://www.aljazeera.com.tr/haber/cavusoglu-daha-cok-istihbarat-paylasimi-istedi>.

<sup>22</sup> "Yabancı Savaşçılar [Foreign Fighters]." [http://www.goc.gov.tr/icerik6/yabanci-savascilar\\_363\\_378\\_4742\\_icerik](http://www.goc.gov.tr/icerik6/yabanci-savascilar_363_378_4742_icerik).

<sup>23</sup> Ibid.

<sup>24</sup> "Migration Policies Board Gathered." GOC Turkey, April 5, 2017. [http://www.goc.gov.tr/icerik6/migration-policies-board-gathered\\_914\\_1017\\_10555\\_icerik](http://www.goc.gov.tr/icerik6/migration-policies-board-gathered_914_1017_10555_icerik).

<sup>25</sup> "Turkey's Contributions to the Anti-Daesh Coalition." The Ministry of Foreign Affairs of Turkey. [http://www.mfa.gov.tr/turkey\\_s-contributions\\_s-to-anti\\_deash-coalition.en.mfa](http://www.mfa.gov.tr/turkey_s-contributions_s-to-anti_deash-coalition.en.mfa).

the Syrian border. RAU has also been deployed to major bus terminals. Until now, around 7,500 people were checked by these units and more than 1,700 of them were denied entry into Turkey.

The third pillar of Turkey's struggle against ISIS is to make intensive security raids to eliminate the terrorists who did manage to enter. In these widespread police raids, several ISIS factions were uncovered and some prominent ISIS leaders were neutralized. Istanbul and Ankara, the border cities Kilis and Gaziantep, and Adyaman and Bingöl are the main areas where the group has sought to establish itself. As seen in Figures 1 and 2, the frequency of security raids has increased drastically since June 2016 and rapidly intensified after the Istanbul Atatürk Airport attacks.

The fourth pillar of Turkey's anti-ISIS strategy is the strengthening of border security by deploying more personnel and technologically advanced systems to prevent FTFs from entering Turkish soil. Another leg of Turkey's policy of border security is the physical measures that have been taken on the Syrian border since 2014.<sup>26</sup> A total of 317 border posts were gathered under a central command, and a third "border special forces commando brigade" was formed in the early stage of Syrian civil war.<sup>27</sup> Bringing border posts under the same roof is important to coordinate border security. Furthermore, Turkish land, security, police forces and other military institutions have introduced additional measures to tighten border security and fight against human trafficking along Turkish-Syrian border. In response to ISIS' advancements along the border,<sup>28</sup> Turkey strengthened physical security measures along its 911-kilometer-long border with Syria.<sup>29</sup>

According to a military, the number of people detained on the border jumped from 50 in 1,000 people detained (before the ISIS threat) to 950

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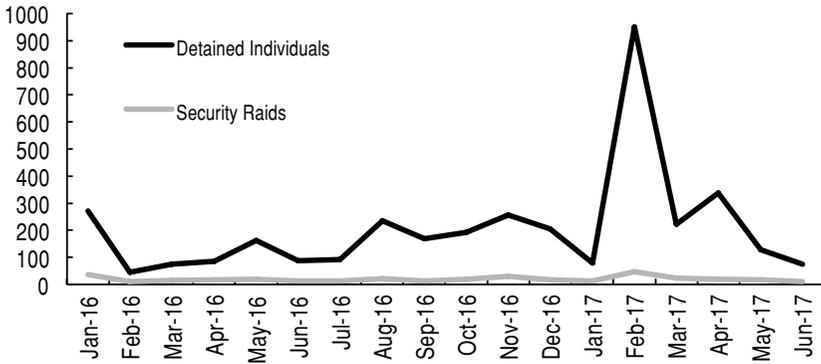
<sup>26</sup> Yeşiltaş, Murat. "Neighboring Civil War: Turkey's Border Security with Syria." *SETA Policy Report*, 2014.

<sup>27</sup> "Orgeneral Necdet Özel: İyimser öngöründe bulunmak güç [General Necdet Özel: Its is Difficult to Make an Optimistic Predictions]". *NTV*, March 25, 2015 <http://www.ntv.com.tr/turkiye/orgeneral-necdet-ozel-iyimser-ongorude-bulunmak-guc,I1z-McWfI0a4V0yzi2MMOw>.

<sup>28</sup> "Karkamış gümrük kapısına duvar örüldü [The Wall was built in Karkamış Border Gate]." *Hürriyet*, January 1, 2014.

<sup>29</sup> Turkey increased the number of border patrol stations, dug 375.6 kilometers-long trenches, installed 153.3 kilometers-long barbed wire, constructed a 23.1 kilometers-long wall, positioned 26.3 kilometers of accordion barrier systems, installed 422.6-long border illumination poles, and created a border patrol path.

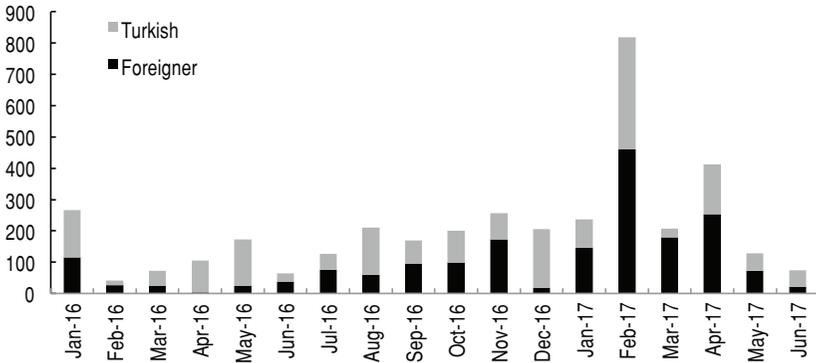
**Figure 1. Number of Security Raids and Detentions.**



\*The numbers given are based on media scan and may diverge with official data.

Source: SETA Terrorism Database.

**Figure 2. Detentions by Nationality.**

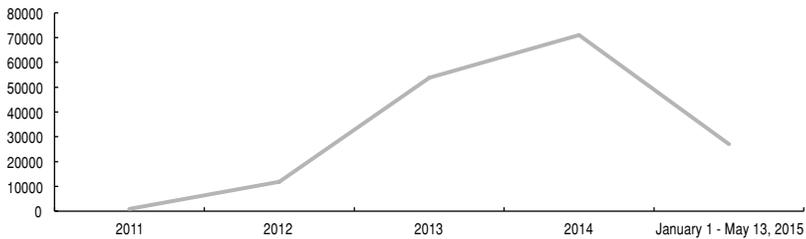


\*Militants whose country of origin data unavailable were considered Turkish citizens.

Source: SETA Terrorism Database.

in 1,000 detainees after 2014.<sup>30</sup> The figures do not include the flow of Syrian refugees that occurred after severe clashes near the border. Before 2014, the number of people detained near the border reached 70,000 according to the information released by Turkish general staff. The figure dropped owing to border security measures taken after 2014 (see Figure 3).

<sup>30</sup> The authors' interview. May 20, 2015.

**Figure 3. The Number of People Captured at the Syrian Border.**

\*Data in the graph does not include the figures of asylum seekers.

Source: SETA Terrorism Database

On an operational level, Turkey opened the Incirlik air base for anti-ISIS coalition warplanes. This is of crucial importance for the international air campaign because of its proximity to conflict zones in Syria, resulting in more effective air strikes.<sup>31</sup> In this context, Turkey has:

- Allowed its airspace to be used by coalition aircrafts for both combat and non-combat roles, including intelligence gathering and personnel recovery;
- Offered its military infrastructure to the U.S. and other coalition partners, allowing for over 60 aircrafts with over 1,200 personnel to be deployed on counter-ISIS operations in Syria and Iraq;
- Through airstrikes, artillery and other military campaigns, Turkey destroyed 487 ISIS targets.

A U.S. official defined the opening of Incirlik a “game-changing” development.<sup>32</sup> The U.S. deployed its Reaper unmanned aerial vehicles (UAV), F-16 fighter jets, and military personnel to Incirlik. For example, six F-16s and 300 personnel were transferred there from the Aviano air base in

<sup>31</sup> Sly, Liz and DeYoung, Karen. “Turkey agrees to allow U.S. military to use its base to attack Islamic State.” *The Washington Post*. [https://www.washingtonpost.com/world/middle-east/turkey-agrees-to-allow-us-military-to-use-its-base-to-attack-islamic-state/2015/07/23/317f23aa-3164-11e5-a879-213078d03dd3\\_story.html](https://www.washingtonpost.com/world/middle-east/turkey-agrees-to-allow-us-military-to-use-its-base-to-attack-islamic-state/2015/07/23/317f23aa-3164-11e5-a879-213078d03dd3_story.html); Özer, Verda. “We really can’t succeed against ISIL without Turkey: US.” *Hurriyet Daily News*. <http://www.hurriyetdailynews.com/wereallycantsucceedagainstisilwithoutturkeyus.aspx?PageID=238&NID=86993&NewsCatID=510>.

<sup>32</sup> Zenko, Micah. “Is Flying Out of Turkey a “Game-Changer” in Destroying ISIS?” *Newsweek*, August 29, 2015. <http://europe.newsweek.com/flying-out-turkey-game-changer-destroying-isis-332233?rm=eu>.

Italy.<sup>33</sup> U.S. military personnel in Incirlik increased from 1,300 to 2,500.<sup>34</sup> Before the agreement, coalition war planes were taking off from bases in the Persian Gulf (such as al-Udeid in Qatar and al-Dhafra in United Arab Emirates) but these bases were too far from the conflict zones to be entirely effective. With the opening of Incirlik, flight times were reduced significantly because of the easier refueling while close air support supply capacities to ground forces were enhanced.<sup>35</sup>

Even though there are many levels of cooperation between Turkey and the transatlantic alliance, there is still some disagreement over the question of how the two sides synchronize their political and military action against ISIS. This is especially true regarding the definition of the concept of “Islamic terrorism.” While Turkey prefers to label terrorism without reference to Islam, the western alliance uses the terms “radical Islamic terrorism” or “Islamist terrorism” when defining ISIS. The last official meeting between Turkey’s President Erdoğan and Germany’s chancellor Merkel is a case in point. During a press meeting between the two leaders, Merkel defined ISIS terrorism as “political Islam-Islamic terrorism,” while President Erdoğan publicly opposed this definition.<sup>36</sup> U.S. President Trump has also referenced to “radical Islamic terrorism” during his inauguration in January 2017.<sup>37</sup>

The second issue between Turkey and the transatlantic alliance, and particularly between Turkey and the U.S., is their opposing views on strategy and tactics to defeat ISIS. From the beginning, Turkey supported developing a comprehensive strategy for solving the Syrian civil war, while the U.S. preferred to prioritize defeating ISIS while ignoring the regime’s brutality as the main driving force of ISIS’ emergence in Syria. The tactical differences between Turkey and the transatlantic community on how to organize the ground battle to defeat ISIS in Raqqa has created an obstacle

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<sup>33</sup> Ibid.

<sup>34</sup> “Analysts: Turkey Unlikely to Follow Through on Threat to Close Coalition Airbase.” *VOA News*, February 23, 2016. <http://www.voanews.com/a/analysts-turkey-unlikely-to-follow-through-on-threat-to-close-coalition-airbase/3203689.html>.

<sup>35</sup> Wilkinson, Tracy and Hennigan, WJ. “Straddling East and West, Turkey is a critical U.S. ally in fight against Islamic State.” *Los Angeles Times*, July 15, 2016. <http://www.latimes.com/world/europe/la-fg-turkey-us-importance-20160715-snap-story.html>; Zenko, Micah. *Opt.cit.*

<sup>36</sup> “Erdoğan tells off Merkel for using phrase ‘Islamist terrorism.’” February 2, 2017. <https://www.thelocal.de/20170202/erdogan-tells-off-merkel-for-using-phrase-islamist-terrorism>.

<sup>37</sup> “The Inaugural Address.” *The White House*, January 20, 2017. <https://www.whitehouse.gov/inaugural-address>.

in making a full-scale cooperation against ISIS possible. In addition, the transatlantic community has viewed the PKK and YPG as partners in the fight against ISIS, which has become a source of severe disagreement within the coalition.

### From Cooperation to Confrontation: PKK and PYD/YPG

The coalition against ISIS and other Salafist terrorist organizations has been much more cooperative than their coherence on the issue of PKK terrorism against Turkey. Turkey has been fighting against the Marxist-Leninist PKK terrorism group since 1980. After more than thirty years of conflict between Turkey and the PKK, the two sides reached a *de facto* cease fire in 2013 and began to negotiate.<sup>38</sup> During this time, however, the Arab uprising and the Syrian civil war began to affect Turkey's domestic Kurdish issue and the Kurds in the entire Middle East.<sup>39</sup> The emergence of ISIS and its territorial expansion particularly in the Syrian territory fundamentally transformed PKK's military and political strategy not only in Turkey but also in Syria and Iraq, as the PKK wanted to fill the power vacuum in northern Syria.<sup>40</sup> At this stage, while ISIS became one of the most influential violent non-state military actors across regions, (especially in Syria and Iraq), PKK and its subordinate organizations PYD (and its armed wing YPG) were yet another influential non-state military actor, although tactically perceived as one of the main anti-ISIS forces following the Ayn Al Arab conflict, termed a "Kobane defense" by the PKK, referring to the Kurdish name of this Arab city. More importantly, U.S. and European political and military support consolidated PKK's geopolitical and military influence in the region and began to undermine Turkey's national security.

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<sup>38</sup> Balcı, Ali and Kardaş, Tuncay. "Inter-societal security trilemma in Turkey: understanding the failure of the 2009 Kurdish Opening." *Turkish Studies* (Volume 17, Issue 1, 2016). <http://www.tandfonline.com/toc/ftur20/17/1>.

<sup>39</sup> Dalay, Galip. "Kurdish Politics Amid the Fight against the ISIS: Can a Common Cause Surmount Old Rivalries," in Murat Yeşiltaş and Tuncay Kardaş (eds.) *Non-state Military Actors in the Middle East: Geopolitical, Identity and Strategy*. New York: Palgrave Macmillan, June 2017.

<sup>40</sup> Yeşiltaş, Murat and Özçelik, Necdet. "PKK Terörünün Yeni Dinamikleri: Radikalleşme ve Şehir Çatışması (The New Dynamics of PKK Terror: Radicalization and the Urban Warfare.]." *SETA Policy Paper*, Nisan 2016, Sayı 157 [https://setav.org/assets/uploads/2016/05/20160426225231\\_pkk-terorunun-yeni-dinamikleri-pdf.pdf](https://setav.org/assets/uploads/2016/05/20160426225231_pkk-terorunun-yeni-dinamikleri-pdf.pdf)

Two PKK and YPG related-issues have negatively affected Turkey's transatlantic relations. The first issue relates to the transatlantic community's treatment of the PKK's fight against Turkey since July 2015 and its active political presence across Europe, even though the organization was labeled a terrorist organization by NATO, most EU countries, and the U.S. Secondly, the question of how Turkey and transatlantic countries can overcome the dilemma of supporting PKK/YPG in Syria and risking to undermine Turkey's national security. As was mentioned elsewhere in this chapter, Turkey and its transatlantic allies have different priorities regarding the PKK and YPG.

On a normative level, since the 1990s, both the U.S. and Europe have recognized the PKK as a foreign terrorist organization and criticized its terrorist activities against Turkey. In 1999, the U.S. helped Turkey find and capture PKK leader Abdullah Öcalan. U.S. officials have acknowledged that its authorities shared intelligence that Öcalan was hiding in the Greek Embassy in Nairobi, Kenya. The Greek government, under enormous pressure from the U.S., collaborated in tricking Öcalan to leave the embassy, letting him believe that he was about to fly to the Netherlands. However, the perception of the PKK among the European countries dramatically changed in the post-Arab Spring era, in particular the antagonistic conflict between PKK and the ISIS in the Syrian war zone. The PKK was perceived as a strategically reliable ally, and the PYD and YPG, a secular character of the PKK and its Syrian franchises played a vital role in constructing the new PKK image in Europe.

In terms of the normative aspect of defining terrorism, there is no difference between Turkey and the transatlantic community. However, the way in which European countries self-constructed discursive strategy in defining PKK's role within the context of the European public space is very problematic in the eyes of Turkish authorities. Therefore, Turkish authorities, (including former presidents and prime ministers), have often criticized Turkey's allies for not assisting in its fight against PKK terrorism. More importantly, European countries define PKK-related activities within the context of civil society domain and democratic civil rights. The treatment of PKK-activity across Europe is not limited to a normative aspect of divergence between Turkey and the transatlantic countries. There is also the process of institutionalization and de-securitization of PKK-affiliated organizations among the transatlantic community. Various organizations are playing a significant role in carrying out PKK activities in European countries despite the fact that PKK is recognized as a terrorist

organization and numerous intelligence agencies have referred to its illegal and criminal activities in Europe. However, many European countries are hosting different types of PKK-affiliated “civil” organizations and PKK-owned newspapers, journals, and magazines.<sup>41</sup> PKK members in European countries collect money from various communities, particularly from the Kurds, to finance the PKK’s fight against Turkey.<sup>42</sup> Furthermore, PKK members are allowed to seek political asylum in European countries.<sup>43</sup> Intelligence reports have analyzed PKK’s varying strategies across Europe. One striking example is the German Domestic Intelligence Agency report of 2008, which states:

KONGRA-GEL has recently reorganized its structure in Germany. Instead of being divided into three regions, northern, middle and southern Germany, there are now seven so-called “Eyalets,” which each encompass 28 districts. The leaders of the units are appointed by the European PKK leadership. The authorities consider these organizational units and their officials to be acting in a conspiratorial manner. “Command and Obey” is their principle for implementing strategies.<sup>44</sup>

The level of cooperation between Turkey and transatlantic countries over the issue of PKK terrorism is limited. The main strategy for European countries is the normalization of the PKK-affiliated activities under EU institutions. This is especially true following the Arab Spring. Here, the normative differences meet the institutional-level disparities. Large platforms provide PKK-affiliated organizations with more space to consolidate its influence in the eyes of the European public. A striking example is EU’s changing definition of framing the PKK. Recently, a federal court in Bel-

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<sup>41</sup> Alper Sozer, Mehmet and Yilmaz, Kamil. “The PKK and its evolution in Britain (1984–present).” *Terrorism and Political Violence*, 2016, pp.1-19.

<sup>42</sup> According to recent EUROPOL report on terrorist activity across Europe, in France alone, the fundraising campaign of PKK is believed to have yielded 5.3 million euros. See: “European Union Terrorism Situation and Trend Report.” EUROPOL, June 2017. <https://www.europol.europa.eu/newsroom/news/2017-eu-terrorism-report-142-failed-foiled-and-completed-attacks-1002-arrests-and-142-victims-died>.

<sup>43</sup> Witrock, Philipp. “Kurdish Propaganda and Patriotism: How the PKK Operates in Europe.” <http://www.spiegel.de/international/world/kurdish-propaganda-and-patriotism-how-the-pkk-operates-in-europe-a-565298.html>; Onay, Abdulkadir. “PKK Criminal Networks and Fronts in Europe.” February 21, 2008. <http://www.washingtoninstitute.org/policy-analysis/view/pkk-criminal-networks-and-fronts-in-europe>; Clerix, Kristof. “The PKK in Europe.” May 21, 2008. <http://www.mo.be/en/article/pkk-europe>.

<sup>44</sup> Witrock, Philipp. *Opt.cit.*

gium ruled that the PKK activities cannot be classified as terrorism, and fall under the definition of an “armed campaign.”<sup>45</sup> The example is not limited to the legal difference between European countries and Turkey. While there is little cooperation between Turkey and its transatlantic partners over PKK’s activities in Europe, there is also a lack of cooperation on a policy-oriented level. An example is the number of PKK-affiliated individuals listed by Turkey compared to the EU countries. EU countries are hosting more than 100 different persons that have joined terrorist-related activities in Turkey but were not extradited by European authorities.

In addition to the disagreement and conflict between Turkey and the transatlantic countries over PKK-affiliated activities in Europe, the former U.S. Defense Secretary<sup>46</sup> stated that PKK’s sister organization<sup>47</sup> in Syria (the YPG) symbolizes a political confrontation between Turkey and the transatlantic community. Turkey’s perception of the PKK and YPG as a threat is clearly an issue of confrontation between Turkey and its transatlantic partners. Firstly, the YPG is playing a vital role for the PKK’s ongoing terror attacks against the Turkish state since the cease-fire ended in 2015. It is known that the YPG is used by the PKK as an integral part of its irregular warfare strategy against the Turkish Armed Forces in the southeastern part of Turkey, both in terms of manpower<sup>48</sup> and military equipment.<sup>49</sup>

While pursuing its domestic security and national interest in overseas irregular warfare, the U.S. relies on several allies and partners. The two important irregular warfare instruments that caused the U.S. to get involved in the Syrian civil war are, 1) supporting insurgency movements against Syrian President Bashar Assad’s regime, and 2) countering ISIS terrorism. In the U.S. concept of irregular warfare, counterterrorism operations are presumed to support a counterinsurgency and stability, and this concept depends on coordination and collaboration with its allies. Hence, this type of operation is not supposed to bolster a possible insurgency

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<sup>45</sup> “PKK activities ‘armed conflict,’ not terrorism, rules Belgian court.” *Rudaw*. <http://www.rudaw.net/NewsDetails.aspx?pageid=257679>.

<sup>46</sup> “US defense chief admits links among PYD, YPG, PKK.” *Hurriyet Daily News*, April 29, 2016. <http://www.hurriyetdailynews.com/usdefensechiefadmitslinkamongpydyppgpk.aspx?pageID=238&nID=98499&NewsCatID=358>.

<sup>47</sup> *Ibid*.

<sup>48</sup> Ferris, Jared and Self, Andrew. “Dead Men Tell No Lies: Using Martyr Data to Expose the PKK’s Regional Shell Game.” *Defence Against Terrorism Review (DATR)*, Vol. 8, 2016.

<sup>49</sup> Acun, Can and Keskin, Bünyamin. “The PKK’s Branch in Northern Syria: PYD-YPG.” SETA Report, 2017, [http://setav.org/en/assets/uploads/2017/04/PYDYPH\\_En.pdf](http://setav.org/en/assets/uploads/2017/04/PYDYPH_En.pdf).

movement jeopardizing the homeland security of a traditional ally country. The U.S.' changing position regarding the PYD and YPG raises many doubts about its exact stance on Turkish security. While fighting against ISIS in Syria, the U.S. seems to create an insurgency movement supporting the PKK through the YPG. More importantly, while shifting its policy priority from supporting an insurgency to counter ISIS, the U.S. has created a space for undesired actors (such as the PKK and Russia) in Syria.

Secondly, the PKK recruits foreign fighters for the fight against ISIS in Syria, and against Turkey. While recruiting YPG soldiers for the fight against ISIS, the allies are turning a blind eye to YPG organizing against Turkey. Armed YPG fighters have carried out terror attacks against Turkish civilians and security forces with weapons that were most likely provided by the U.S. and Russia to fight ISIS. Moreover, enhanced with foreign military assistance, YPG fighters have also called for European citizens to take up arms and fight against Turkey, pointing to a PKK-oriented insurgency on Turkey. YPG fighters have announced many times that they are militarily ready to fight against Turkish security forces on Turkish soil.

Thirdly, in addition to Turkish border security, a PYD-controlled corridor along the Turkish border is a security concern for different ethnic groups living in northern Syria. By intentionally ignoring ethnic balances in northern Syria, the PYD is pushing offensive geopolitical ambitions on other ethnic groups.<sup>50</sup> Soon after the YPG capture of Tal Abyad in mid-June of 2015, some Arab residents had to leave their home, "we left because of the airstrikes—this was the main danger—but we were also told by the Kurds to leave. Some homes were taken by the YPG."<sup>51</sup> As the PYD and YPG consolidates and secures its territorial gains in northern Syria with the help of U.S. military assistance, the Free Syrian Army (FSA) was crushed by Russian, Iranian, and Assad's military power and more refugees were forced into Turkey.<sup>52</sup> The YPG is also part of a collective military offensive with assistance from Russia, the Syrian regime, and Hezbollah in the fight against moderate opposition groups in the conflict in Aleppo.

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<sup>50</sup> See International Crisis Group's Report. "The PKK's Fateful Choice in Northern Syria." Middle East Report (Volume 4, Number 176 May 2017). <https://d2071andvip0wj.cloudfront.net/176-the-pkk-s-fateful-choice-in-northern-syria.pdf>.

<sup>51</sup> Kafanov, Lucy. "Refugees from Syria's Tal Abyad face uncertain future." *Al Jazeera*, June 19, 2015. <http://www.aljazeera.com/news/2015/06/refugees-syria-tal-abyad-face-uncertain-future-150618101233030.html>.

<sup>52</sup> Yeşiltaş, Murat and Özçelik, Necdet. "Turkey, US and PYD: Strategic ally or local partner?" *Daily Sabah*, February 17, 2016. <http://www.setav.org/en/turkey-us-and-pyd-strategic-ally-or-local-partner/>.

Therefore, for Turkey, the U.S. and Western countries should be aware that the YPG is one of the main actors responsible for the refugees fleeing Aleppo toward the Turkish border.

More importantly, Turkey believes that supporting the YPG in the fight against ISIS is not a well-designed political or military strategy, and could result in a strategic pitfall for the future of the Syria and the U.S.-Turkey's long-standing strategic cooperation over regional security issues. ISIS will not be defeated completely, the Assad regime will become more powerful with Russia involved in Syria, the Syrian opposition is losing its belief in Western powers, and the PYD and PKK pose a threat to the people of Turkey and Syria. The U.S.' military and political engagement with the YPG will eventually be the main driving force behind potential instability in the entire Middle East. The U.S. may be able to suppress the ISIS threat by fronting YPG on the ground, but this strategy will likely result in the emergence of many more terror organizations in the Middle East.

Based on these dynamics, the PKK has pursued its operational and tactical goals of easy access to military equipment and instruments in Syria, geopolitical expansion attempts in Syria, and attacks in Turkey. Separating the YPG from the PKK can only be the result of an ignorant ally or an evil-minded enemy.

The U.S. points out that the rise in sectarian and ethnic conflict has increased hostilities in other countries and made terrorism widespread. Favoring the balance between a terrorist partner and a state ally will probably cause a loss in U.S. legitimacy in pursuing security in other countries. Therefore, using the YPG to defeat ISIS is not only a wrong strategy, it is also ethically problematic in countering global terrorism that will be main obstacle for the Turkey-transatlantic relations. Thus, while a cooperation between Turkey and the transatlantic alliance against ISIS is more concrete, the different security and political priorities among the transatlantic community with regard to PKK/PYD/YPG are hampering the fight against international terrorism.

Although the U.S. and Europe are expected to stand with their strategic ally, the clash of national interests depends on the difference of long-term goals and the threat perceptions in their own strategic environment. This might alter their attitude towards Ankara's counter-terror policies and strategies. In other words, policies leaning on understanding based on imposition and compulsion (with which national interests of an alliance

are protected unilaterally), will harm the principle of “common interest”; therefore, eliminate or at least weaken the probability of effective sustainability of alliance missions. Hence, determination and reconciliation of “national interests” of member states and “common interests” upon which they will become allies is among the leading issues that such alliances are faced with.

Certainly, following the country’s membership to NATO in 1952, there have been times when Turkey-NATO relations were strained and receded due to differences in strategic vision on defense and security. In fact, aside from political and military considerations that are continuously brought forward because of the arms transfer to PKK/YPG militants from NATO allies, several issues should be recalled. First, Russia has yet to enlist PKK as a terrorist organization. Second, the PKK satellite office in Moscow still conducts covert terrorist facilities. Third, apart from the U.S. and Germany, Russia is also being accused of supplying arms and transferring weaponry to the PKK. Intelligence recordings clearly show Russian soldiers with YPG militants, equipped with Russian arms.

## **Conclusion**

Despite the global threat stemming from extremist non-state armed groups (such as ISIS and PKK-YPG) and the changing nature of international terrorism, the international society and global institutions are still looking for an effective way to respond to the threat of global terrorism. While the international community is trying to understand the root causes of international terrorism, states are struggling to develop common normative, legal, institutional, and military means to counter this rising global threat. The global diffusion of terrorism threats and violent extremism requires a comprehensive response that provides solutions on national, regional, and international levels. Yet, the existing global counter-terrorism offense continues to suffer from three main weaknesses: The lack of a universal agreement on a normative level, the lack of multilateral action on an institutional level, and the lack of effectiveness in the techniques countering extremist ideologies and the de-radicalization on the policy-oriented level.

Taking into consideration the weaknesses of the global counter-terrorism regime and policy practices among the transatlantic countries, this chapter examined Turkey’s counter-terrorism efforts within the context of its struggle against ISIS and the PKK. There are three interrelated domains for

the level of cooperation and confrontation between Turkey and its transatlantic allies in the fight against international terrorism: Normative, institutional, and policy-oriented. While Turkey and its transatlantic partners are cooperating against the threats emanating from ISIS, the PKK-PYD case shows that the two sides have different priorities and framing strategies. More importantly, the PKK case represents a clear divergence between Turkey, the U.S., and the EU. The latter are practically undermining Turkey's national security priorities on the national and regional level. Therefore, to overcome the global terrorism issue, Turkey and its transatlantic partners should create a common agenda that could combine normative, institutional, and policy-oriented levels simultaneously.

In order to overcome the challenge of terrorism, Turkey and its partners should rethink their common principles and policies in the case of international terrorism. To this aim, the two sides should revitalize their *awareness* to enhancing the sharing of intelligence and strategic analysis. Another part of this principle is to promote a common understanding about counter-terrorism by creating strategic communication and specific rules of engagements. Moreover, both sides should improve their *capabilities* to preventing terrorist threats. Acknowledging terrorism as an asymmetric threat, with the assistance of NATO, the transatlantic countries should share their expertise and best practices. This may imply NATO's chance to play a leading role in counter-terrorism in reference to the constitutional framework of the United Nations. Last but not least, the two sides should develop a new strategy of *engagement* against terrorist organizations and violent non-state military actors.

## About the Authors

**Kevsler Hülya Akdemir** graduated from Istanbul Şehir University, Department of Political Science and International Relations in 2015. In 2016 she completed the Double Major Program at Sociology Department of the same university. Akdemir continues her graduate studies in Political Science and International Relations program of İstanbul Şehir University. Started to working at SETA Foundation's Society and Culture Directorate as a Research Assistant in January 2017, Ms. Akdemir's area of academic interests are religion-politics and media-politics relations and Islamic movements in Turkey.

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# Turkey and Transatlantic Relations

Sasha Toperich and Aylin Ünver Noi, Editors

Turkey's position in transatlantic alliances goes back in the 1950s. Turkish Foreign Policy "Fresh Look" was launched just prior to the failed coup d'etat last July, and was intended to mend ties with its neighbors with whom Turkey has strained relationships. Turkey's new pragmatic reconciliation policy strives to build bridges without damaging existing transatlantic alliance. The goal of developing good relations with its neighbors that surround the Mediterranean and the Black sea, presents Turkey with a number of challenges. Turkey is seen as a bridge between West and East due to its geographic location. This volume intends to shed more light into past, present and future Turkey-Transatlantic relations, focusing on a history of Turkey-Transatlantic relations, the impact of current developments in Turkey and its neighbors, and Turkish domestic and foreign policies in Transatlantic relations.

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