

## *Chapter Twenty-One*

# **Cooperation on Energy Security: The Turkish Perspective**

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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 CO2 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.

