



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

**REBUILDING A PARTNERSHIP:
TURKISH-AMERICAN RELATIONS
FOR A NEW ERA
A TURKISH PERSPECTIVE**

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FOREWORD

TÜSİAD (Turkish Industrialists' and Businessmen's Association), which was founded in 1971, according to the principles laid in the Constitution and in the Associations Act, is a non-governmental organization working for the public interest.

TÜSİAD aims at enhancing the development of a social structure committed to the universal principles of human rights, together with the freedoms of enterprise, belief and opinion, secular state governed by the rule of law, participatory democracy, liberal economy and the rules and institutions of competitive market within a sustainable environment. TÜSİAD, in conformity with Atatürk's principles and objectives, with a view of seizing and outreaching the contemporary civilization level, works for the realization of the above-mentioned objective believing in the pioneering and entrepreneurial nature of business people who consider gender equality in politics, economy and education.

TÜSİAD, representing Turkish business working for the public interest, strives for entrepreneurs to operate in conformity with the universal business ethics; supports all the policies aimed at improvement of competitiveness of Turkish economy and social welfare in the globalization process through enhancement of employment, productivity, innovation capacity and the scope and quality of education.

TÜSİAD contributes to the formulation of national economic policies, in an environment with persisting social peace and compromise, for the economic and social development by taking into account the regional and sectoral potentials. TÜSİAD contributes to Turkey's communication taking into account competitiveness at global level, initiates a range of

studies to develop political, economic, social and cultural relations as well as communication, representation and cooperation networks at international level to support the accession process of Turkey to the European Union. TÜSIAD conducts researches, generates opinions, develops projects and organizes activities in order to expedite international integration and interaction as well as regional and local development.

TÜSIAD, in the name of Turkish business, forms opinions and proposals, conveys them to the national parliament, the government as well as foreign states, international organizations and public opinion directly or through media and by using other means, aims to create a unity of opinion and action in the direction of the above-mentioned objectives.

TÜSIAD, in accordance with its mission and in the context of its activities, initiates public debate by communicating its position supported by scientific research on current issues.

This report was prepared by Mr. Soli Özel of İstanbul Bilgi University and Assoc. Prof. Şubnaz Yılmaz of Koç University. Mr. Abdullah Akyüz, TÜSIAD's US Representative contributed to it on the economic dimension. It analyzes the US-Turkey bilateral relations during the presidency of Barack Obama and proposes some policy alternatives in order to rebuild the partnership between two countries in a period of global economic and political restructuring.

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INTRODUCTION

INTRODUCTION

The work on this report began last fall¹. A first draft was ready in November and was presented in the form of a long executive summary for discussion and comments to a limited audience of Washington's Turkey watchers in mid-November at the German Marshall Fund and other venues. The American Presidential elections had just taken place and Barack Obama was elected President.

Turkish officialdom had a guarded reaction to this result mostly because of the commitment of Mr. Obama and his close associates to recognize the tragedy of Ottoman Armenians during WWI as "genocide." The public on the other hand partook of the world's elation at the election of Mr. Obama who, just by virtue of being elected, restored the positive image of the United States much tarnished under the previous administration.

Turkish-American relations were severely bruised in the wake of the Turkish Parliament's refusal to allow American troops to enter into Iraq through Turkish territory on March 1, 2003. This refusal and the subsequent internment of Turkish special operations soldiers by American troops in the town of Suleimanieh in northern Iraq on July 4th of that year were the flash points in the deterioration in relations.

The truth is though that Iraq was already a source of tension in bilateral relations since the invasion of Kuwait and Operation Desert Storm. Iraq crystallized the divergence of views between Turkey and the United States or between the interests of an aspiring regional power and the global power in the post-Cold War setting. The Iraq issue also exacerbated on the Turkish side fears of an independent Kurdistan to the south of the border and raised suspicions of US connivance in that project.

Despite warmer relations in the second half of the 1990s, close cooperation to finalize the construction of Baku-Tbilisi-Ceyhan pipeline that turned Turkey into an energy transport route, and the celebration of a vaguely defined "special partnership", the two sides never really sorted out their potential disagreements. In the absence of a mutually agreed upon framework for moving these relations forward accidents

¹ We started this project with Serhat Güvenç as our co-author. This report and particularly Chapter 3 owe much to his intellectual and textual contributions. Although the weaknesses and errors are obviously ours, we are indebted to him for his input.

could and ultimately did happen. As far as Turkey was concerned, the Iraq adventure produced all the results that Ankara warned Washington would occur. Turkey also had to face and deal with the mostly negative consequences of this expedition. In order to do so, Ankara took many initiatives even before the war began.

After the war Ankara, whose offer to send troops to Iraq was turned down by the Iraqi government because of Kurdish resistance to such a move, was unresponsive to American demands that it downgrade its relations with Iran, a member of the “axis of evil”, and Syria. On the other hand, Turkish cooperation with the United States in Iraq continued despite great dissatisfaction with the level and quality of US help in fighting the separatist Kurdistan Workers Party (PKK). In the meantime, the full scale of the political failures of the American side in Iraq became apparent. Under such circumstances Turkish efforts to integrate the Sunnis into the political process, Ankara’s ability to speak with all the Arab Iraqi parties, Turkey’s constructive initiatives for mediation gained the genuine appreciation of all concerned parties.

Starting with the second Bush administration and more forcefully since the appointment of Robert Gates as Secretary of Defense, the American approach towards Turkey changed. The most important sign of this change came at the conclusion of the critical meeting between President George W. Bush and Prime Minister Recep Tayyip Erdoğan in Washington on November 5, 2007. The President then called the PKK an enemy of Iraq, Turkey and the United States and gave the green light for providing actionable intelligence to the Turkish military.

The commonality of interest was obvious on other issues as well, but policies fell short of cultivating these. For instance, there was much that Turkey and the United States could do together, including on energy security and diversification of energy routes, stability in the Caucasus, and efforts for state formation in Afghanistan

Even in a previously off limits issue such as the Israeli-Palestinian conflict, Turkey managed to assume some ownership and took initiatives, some of which controversial. The image of Turkey improved among the publics of the neighboring countries, particularly in the Middle East, because of Turkey’s democratic system and its ability to forge an articulate and dignified foreign policy.

The starting point of this report then was our belief that in the post-Bush era, independent of the person to be elected President, Turkish-American relations would intensify and gradually adjust themselves to the new realities on the ground. Just a cursory look at the wider Middle East region and the items on the strategic agenda made close cooperation between the two allies imperative. Given that the stakes were much higher now, a better understanding of each other's concerns, interests and designs was necessary to build a firmer foundation for the relations. Therefore we decided to present a Turkish perspective on issues that are on the strategic agenda of the two countries and make a number of recommendations based on our observations and analyses.

Relations with the United States are always of paramount importance for Turkey, even though its foreign policy priorities may change over time. Notwithstanding the claims by some government officials that Turkish foreign policy does not have priorities, but deals with all issues at once, we believe that relations with the United States must be the top priority for this or any other Turkish government. Apart from the obvious common interests in all the aforementioned issues, it serves Turkey's purposes to have an open dialogue and collaborative relations with the global power in addressing the problems and crises of the neighboring regions. We also believe that the United States would benefit from Turkey's assistance and partnership in dealing with and resolving many of the problems that the United States wishes to solve in these regions.

In addition to these bilateral advantages, the strength of the relations with the United States at a time when the transatlantic alliance will be restructured could help Turkey's currently dormant and troubled relations with the European Union as it did in the past. We maintain that Turkey's eventual membership in the European Union is a historical development that will benefit both parties in the 21st century.

The EU will have gained a member whose economic dynamism, strategic weight and regional influence will help its global aspirations. There is much that Turkey would contribute to the needs of the EU on energy security. Last, but not least, the inclusion of a state with a Muslim majority population will help dispel the so-called civilizational arguments that plague Muslim-European/Western relations. The mutual benefits are not only geo-strategic and political but also economic. Washington's support of Turkey's EU membership goal has so far produced mixed effects in Brussels, ranging from enhanced assiduity to resentment. With a very popular US leader now also in Europe,

it is time for the US to support Turkey's integration to Europe not only as a target but also as a process.

As for Turkey, it will consolidate its currently less than perfect secular democracy and fully establish the rule of law only if its process towards EU membership continues. Turkey's deep cleavages between Turks and Kurds, Sunnis and Alevis, and secular middle classes and Islamic groups would be much easier to overcome in a genuinely democratic system where citizenship is redefined along broader European lines. The institutionalization of Turkey's political and administrative structures along European lines will help alleviate the identity issues and the ensuing *kulturkampf* that lately surfaced in the country as well.

Turkey changed considerably in the past twenty years and has yet to find its new domestic political and social balance. The passing of traditional political elites, as well as the power-shift both in the body politic and the economy, all signal a profound transformation in the country. This transformation was a function of Turkey's economic development, the rise of new, provincial, religious and conservative elites and mass migration from rural to urban areas. The newcomers, the elite and the masses alike, did not share the same cultural and ideological predispositions of the Western-oriented establishment.

The ascent to social and political power of these new elites found its culmination in the electoral victory of the Justice and Development Party (AKP). The assumption of power by these new political actors gradually put its mark on the bureaucracy, symbols of social life, and idiom of politics. Survey after survey found that the Turkish public was gradually becoming more conservative. This conservatism had heavy religious overtones and is overbearing.

Yet, it was during the AKP's first two years that some daring reforms were enacted and Turkish policy on Cyprus most notably changed. More importantly perhaps was that the Turkish public support for the EU course was an overwhelming 72 percent on average. This support is still at a respectable level despite all the EU-bashing that ensued.

However tenuous the AKP elites' proclivity for European ways may have been, it was members of the Turkish secularist elites who, in the last few years, have drummed

up anti-Westernism and a chauvinistic nationalism that swayed the middle classes. Furthermore the public's current disenchantment with Turkey's Western partners was to a significant extent a function of the irritation with some blatantly discriminating members of the European Union and of American policies.

During the past few years Turkey became visibly more involved in the Middle East. At times it took daring, unilateral initiatives, such as receiving Hamas leader Khaled Meshal in Ankara when Turkey's Western allies were trying to ostracize the organization that had just won Palestinian parliamentary elections. Such developments led to speculations about Turkey's foreign policy orientation.

Was Turkey's foreign policy moving the country away from the West and was this shift a function of the ruling AKP's ideological/Islamist preferences? Was Turkey after all turning its back on the West? Was the AKP finally showing its true colors after consolidating its power and having used the EU accession process to politically undermine the secularist establishment, notably the military? If so, what did this suggest for the future of Turkey's secular system and once again by extension for Turkey's Westernness?

We try to address these and related questions in different parts of our report. It is our contention that the concerns raised will not have an adverse effect on Turkey's strategic relations with the West or on the rebuilding of Turkey's partnership with the United States.

We make an effort to look at Turkish-American relations in the context of the post-Bush international environment. In seeking to define common interests in three particular areas and issues, we seek to provide a Turkish understanding of the strategic realities of the day, such as energy and the Caucasus, transatlantic relations and the Middle East. We also highlight the importance of strengthening the much neglected economic dimension of the bilateral ties.

Since the elections and the presentation of our draft, developments on the ground have somewhat almost overtaken our project. The new administration almost immediately activated the Turkish file and continued on the path established by its predecessor. With a speed for which we were not prepared, high level visits took place one after

the other and one of our main recommendations that the President visit Turkey as part of one of his European tours will have materialized before this report is published.

In our view, by going to Turkey for a bilateral visit on the tail end of his first European trip to attend three summits, President Obama will have highlighted the importance accorded to improving Turkish-American relations. Quite clearly, such a visit reinforces the American view that Turkey is a European country and highlights the fact that it is a member of the Atlantic Alliance.

The visit will have underscored the messages conveyed by Secretary of State Hillary Clinton during her own recent visit to Ankara that Washington sees Turkey as a valuable ally in Iraq, Afghanistan, Middle East peace process and the Caucasus. Mrs. Clinton reiterated that the administration particularly appreciates the secular, democratic nature of the regime and wishes to consolidate Turkey's Westernness, both in the strategic sense and in terms of the country's political and ideological identity.

To the extent that in the new framework of Turkish-American relations the attributes of Turkey will receive as much attention as its geographical location and its strategic capabilities, we will indeed have entered a new and more fruitful era in this decades old alliance.

CHAPTER
1

STARTING OVER

1. STARTING OVER

There was a time when Turkish-American relations were celebrated in popular songs. One of these from the 1950s promised, “America, America/ as long as the world turns/ the Turks will be with you/in the fight for freedom.”

That was then.

In the past several years, Turkey consistently ranked as the country where the United States is the least popular and anti-Americanism in politics, fiction or film pays off handsomely. The relations between the two countries have gone through one of their periodical downswings and suffered a particularly rough period after the Turkish Parliament rejected on March 1, 2003 the government’s motion to allow the deployment of American troops in Turkey.

Nowadays the relations appear to be back on track, institutional suspicions are being overcome and trust is being gradually rebuilt between the two allies. In an era when public opinion plays a substantive role in the shaping of foreign policy or at the very least puts constraints on it, the repair work on Turkish-American relations must start with altering the negative image of the United States in Turkey that formed during the Bush Presidency.

The latest Transatlantic Trends survey of the German Marshall Fund had a section labeled “Turbulent Turkey.” One of its key findings highlighted that the Turkish respondents remain among the most critical of the US and EU leadership in world affairs. Only 3 percent of the respondents stated that Turkey should act in cooperation with its close Cold War ally, the United States, in international affairs, while 48 percent responded that Turkey should act alone.² In a similar fashion, the 2008 Pew survey indicates US popularity in Turkey to be as low as 12 percent, which is a record.³

This picture presents a sharp contrast with the popularity of the United States in Turkey during the immediately preceding Bill Clinton Era. The collaboration with the United States during the capturing of the Kurdish terrorist leader Abdullah Öcalan

2 *Transatlantic Trends Survey*, German Marshall Fund of the United States, 2008, pp.19-22, www.gmfus.org/trends/doc/2008_English_Key.pdf.

3 *24 Nation Pew Global Attitudes Survey*, Pew Research Center, Washington D.C., June 12, 2008, www.pewglobal.org.

and President Clinton's citing of Turkey among "the top ten emerging markets" for American investments have significantly contributed to this positive atmosphere. Moreover, President Clinton won the hearts of ordinary Turks by visiting the devastated earthquake zone in November 1999 and his genuine empathy with the victims was highly appreciated.

The Bush administration's unilateralist policies in Iraq and the rough diplomatic style it adopted alienated many Turks, from policy-makers to ordinary citizens. Washington's lack of adequate cooperation with Ankara in Turkey's fight against the violent separatist PKK, recognized as a terrorist organization by both the United States and European Union fanned the flames of a passionate anti-Americanism.

With the election of Barack Obama to the Presidency and the already apparent change in both the style and substance of American foreign policy, there is a more positive attitude regarding the future of bilateral relations. In fact, a recent local poll in March 2009 found that President Obama's popularity was already at 40 percent. It is therefore essential to utilize this wave of optimism and public support for improving the US image in Turkey and for turning the tide of anti-Americanism around.

In order to move forward, "it is essential to fill the reservoirs of trust" as former ambassador Mark Parris noted. These have been seriously depleted, but can be replenished through better dialogue and cooperation. In that sense the visit by President Obama at the beginning of April, so early in his tenure and as part of a European trip, is an excellent way to start.

In Turkish-American relations, Turkey should evaluate the Obama administration's foreign policy parameters and the two countries' common interests in a broader perspective, rather than focusing exclusively on the Armenian problem. Turkey's stance as a temporary member of the United Nations Security Council and a NATO ally is of crucial importance for the American administration in regions like Iraq, Iran, Afghanistan, Pakistan, and other Middle Eastern countries. Additionally, energy security, dynamics of the Caucasus region, and relationships with Russia, within the scope of the Black Sea region, will be the high priority issues for American foreign policy that require intense Turkish cooperation.

In his victory speech after the elections, President Obama, pointing out to the difficulties awaiting him said, “The road ahead will be long. Our climb will be steep.” In the foreign policy arena of this challenging journey, the American administration’s cooperation with a critical ally like Turkey will be a determining factor not only for starting a recovery process in Turkish-American relations, but also for achieving peace and stability in Eurasia and the Middle East.

Following a highly problematic period in bilateral relations, the winds of change have the potential to bring about significant opportunities for cooperation provided that they are utilized effectively.

Domestic Developments and Structural Factors

Our report is inspired by the simple observation and the concomitant view that both parties would benefit immensely from working together. The synergy between the two would prove both necessary and indispensable to build stability in the wider Middle East and ease the integration of the region to the global economic order. To reach such a state of cooperation, the current state of the relations ought to be clearly and honestly assessed. As a report published by Center for Strategic and International Studies (CSIS) stated, “a new strategic framework for US-Turkey relations would reflect the changing geopolitical dynamics and allow for both more effective pursuit of enduring common interests and management of areas where policy preferences and interests diverge.”⁴

In recent years many reports and analyses had been published in the United States that attempted to provide just such a framework. The common thread in most of them was the importance of maintaining Turkey as a member of the Western alliance and the great concern was “to not lose Turkey” or “winning Turkey” as a recent report would have it.⁵ In addition to bringing under the spotlight the pending issues, problems and conflicts between the two sides, most such reports were compelled to treat Turkey’s usually turbulent domestic politics with considerable seriousness and at times with great consternation.

4 CSIS, “Turkey’s Shifting Dynamics: Implications For US-Turkey Relations”, June 2008, p. 21

5 Philip Gordon and Ömer Taşpınar, *Winning Turkey*, The Brookings Institution, Washington DC: 2008

The belief that Turkey's strategic choices and preferences would be solely or mainly a function of its domestic configuration gained considerable ground recently. In that context, the fact that Turkey had a government formed by a political party that has an Islamist past led to the expression of concerns over Turkey's Western identity. Many commentators expressed serious doubts and rang the alarm bells over Turkey's alleged slide towards an exclusively Islamist, non-secular, undemocratic and anti-Western identity.⁶ The question was thus raised whether ultimately Turkey's identity was going to be compatible with membership in the Western alliance.

That, in turn, had two dimensions: For one, could Turkey remain Western if its old, hitherto pro-Western, and increasingly sidelined ruling elites, turned ever more authoritarian and anti-Western as they faced the challenge of the AKP and the forces it represented? Secondly, would the electorally unchallenged AKP resist the temptation of Islamism's siren songs and remain on its self-declared path of "conservative democrat"? Could it remain immune to the lure of illiberal democracy to which its own populism makes it particularly prone?

A corollary to the last set of questions is to shift the debate on Turkey from one that is becoming exclusively culture-centered in both domestic and foreign policy analyses towards one that uses geopolitical, economic and strategic categories in foreign policy and analytical categories for domestic politics. Therefore, the recent intensification of Turkey's involvement in the Middle East should be seen less as a function of the government's religiosity or ideological preferences and more as a result of necessary responses to a fluid and dangerous strategic environment as well as changing parameters of foreign policy-making.

To begin with, today's Turkey is far more self-confident about its power, is much more extroverted in its foreign policy orientation and pursues a multi-dimensional foreign policy. Ankara sees itself as a provider of security and stability in surrounding regions as well as a source of economic activity and a magnet for the peoples of neighboring countries. Economic considerations are more important than before in decision-making and such an outlook privileges stability through engagement rather than potential belligerency.

⁶ For a typical statement of this approach see the op-ed by Soner Çağaptay, "Turkey's turn from the West", www.washingtonpost.com/wp-dyn/content/article/2009/02/01/AR2009020101672_pf.html

More importantly, many analysts miss the element of continuity in Turkish foreign policy. Many of the debates concerning a new vision for Turkish foreign policy and on Turkey's identity as a regional power already took place in the late 1980s and early 1990s when Turgut Özal was Prime Minister and then President until his untimely death in 1993. The 1990s were a dark period of low intensity warfare against the PKK, the sublimation of civilian politics by the military, and close calls for military confrontation with Turkey's neighbors.

The end of the decade saw, with invaluable help from the Clinton administration, the reactivation of Turkey's EU vocation. After that time the gradual, but profound shifts in Turkey's approach reflected both the Europeanization of Turkish foreign policy and a changing domestic environment whereby economic actors and unofficial centers of thought could influence foreign policy-making.⁷ Turkish foreign policy turned less belligerent and more dialogue oriented. It gradually dropped an exclusively "hard security" understanding of national security and started prioritizing economic interests. By the turn of the century, Turkey had much improved relations with three of its neighbors: Iran, Syria and Greece with which it had tense relations. In fact, it came close to having military clashes with Greece and Syria in 1996 and 1998 respectively.

The early formulations for using Turkey's history, geography and cultural diversity as an asset in its relations with neighboring regions and the case for supporting engagement there as a member of the Western alliance were already made by the late Foreign Minister İsmail Cem.⁸ In Cem's formulations Turkey did not have to worry about betraying its Western credentials or alliance commitments by investing in better relations with neighboring regions. For him this was what history mandated and what the new strategic environment demanded. Admittedly, this trend accelerated and evolved after the AKP came to power. The more comprehensive conceptualization of this new approach with a sophisticated historical-cultural-geo-strategic model came from the AKP's point man in foreign policy, Professor Ahmet Davutoğlu.⁹ In this period, therefore, there were significant qualitative changes in the way Turkey engaged its neighbors, particularly in the Middle East.

7 Kemal Kirişçi, "The Transformation of Turkish foreign policy: the rise of the 'trading state' ", unpublished manuscript, 2008.

8 İsmail Cem, *Türkiye, Avrupa, Avrasya*, Bilgi University Press, (İstanbul: 2005)

9 Ahmet Davutoğlu, *Stratejik Derinlik (Strategic Depth)*, Küre Yayınları, (İstanbul, 2000)

CHAPTER 2

EU ACCESSION AND
TURKEY'S WESTERNNESS

2. EU ACCESSION AND TURKEY'S WESTERNNESS

We believe that the post-Bush administration period in world politics will be one of restoration of American power's legitimacy. Both the old rules of global governance and the institutional set-up that made these operational are in need of repair and revision. The period of unilateralism will need to be replaced by one of genuine cooperation, if not multilateralism. If anything, the Iraq and Afghan wars proved that military might can no longer be enough to force weaker parties to submit to the will of the big powers. Similarly, Turkey as a regional power will have to recalibrate its own policies and make the necessary adjustments that stem from a changing strategic environment and from the reordering of its priorities by the United States.

In an advisory note to the President-elect, Zbigniew Brzezinski made the observation that, "President Bush leaves office with the United States bogged down in a huge, unstable and conflict-ridden area from east of Egypt to west of India"¹⁰ and that the Obama administration will have to rise to this challenge by adopting a "comprehensive regional diplomacy." Such a diplomatic approach would also necessitate the assistance and collaboration of America's allies and friends.

Turkey is located close to the centre of the aforementioned area. On almost all issues that are the priorities for the new administration's security and strategic agenda, Ankara is well positioned to be a valuable partner for Washington. In this report we see the rebuilding of Turkish-American relations as an endeavor that needs to take place in the context of revitalized transatlantic relations. Therefore, the amelioration of Turkish-American relations is intimately linked to the continuation, deepening and eventual culmination of Turkey's EU accession process in membership.

However, that process is currently on hold. Only ten chapters out of thirty-five that need to be negotiated before Turkey's accession have been opened. Moreover, the blockage caused by the Cyprus issue still continues. As a recent International Crisis Group (ICG) report on Turkey-EU relations noted, "[Turkey's] prospects for EU membership are at make or break stage." The report detailed how both sides showed by their actions and inactions that they were happy to let relations remain in a coma. Neither side dared to break off relations outright. Given the urgency of the Cyprus

10 <http://www.washingtonpost.com/wp-dyn/content/story/2008/11/09/ST2008110900967.html>

issue, such lack of firm commitment on both sides risked just that dreaded outcome. (In 2006, the European Union gave Turkey three years to open its ports and airports to Greek Cypriot vessels. In the fall of 2009, the EU Commission is scheduled to review the situation, at which time it will make a recommendation about the course of relations with Turkey, if Ankara does not comply with the EU's requirements.)¹¹

The lack of progress and loss of momentum in the accession process are a function of the uncertainties that cloud the process. In the grip of a severe case of enlargement fatigue that tops a crisis of democratic legitimacy, now compounded by a structural economic crisis, the EU has crippling difficulties to take collective strategic decisions on almost any matter. Therefore, it is unable and unwilling to reiterate its commitment to Turkish membership. The enthusiasm of the Turkish public has dimmed considerably by the hostile positions taken by major members of the Union on Turkey's prospective membership. A case in point is France's effective blocking of the opening of five chapters in the negotiation process because their closing might signify eligibility for membership. Never mind that the negotiations are meant to be conducted for full membership!

The EU does not bear all the responsibility for the uncertainty that casts its shadow on the relations. In Turkish politics there is currently no payoff for pro-EU policy steps. The Turkish government all but abandoned the EU process once the negotiations started in October 2005. The fact that technical progress is made on many of the chapters does not make up for the lack of political commitment that so clearly defined the first three years of AKP rule.

The lethargy of the government is partially a function of its irritation with the EU in general on account of unkept promises on Cyprus. There is also deep resentment towards those EU members that object to Turkish membership. These members disregard an extensive body of legal commitments made by the Union. It is also a politically normal response to an environment that puts no pressure on the government for advancing the EU process. To the contrary, the opposition rarely tires of vilifying the EU process and criticizes it with an often vitriolic nationalist discourse. Therefore, the government feels no pressure against its current policy of letting the process advance at snail's pace. Moreover, AKP's main foreign and security policy architects also believe that

11 International Crisis Group, *Turkey and Europe: The decisive year ahead*, Europe Report No. 197 15 December 2008, www.icg.org

the rising strategic importance of Turkey can, and perhaps should, trump the requisite qualifications for membership. Thus, for them the EU would welcome, out of strategic expediency, a Turkey that is not fully eligible in terms of its democracy.

The two sides actually share many interests on issues, such as energy security, the new European security architecture and foreign policy coordination. Turkish foreign policy over the last decade has been mostly in harmony with European positions as is Ankara's more constructive, non-belligerent, diplomacy-heavy approach to a multitude of conflicts and problems that are of interest for the EU as well. After all, Iran's former chief negotiator on the nuclear issue Ali Larijani and EU High Representative Javier Solana met in Ankara. Even the President of France, Nicolas Sarkozy recognized the "splendid" contribution of Turkey in bringing together Israel and Syria for indirect talks in the spring of 2008. As will be explored further in a different section, cooperation on energy policy and energy routes would help both sides escape from the impasse of overdependence on Russian supplies and routes.

In view of the importance of areas of mutual interest, it is reasonable to say that maintaining appearances and keeping the semblance of progress is important for both sides. The EU would not wish to--and arguably could not afford to--fully alienate Turkey. In return, Turkey still needs the economic and political credibility with which the EU accession process endows it.

Recent experience confirmed that deepening of the Turkish democracy along liberal lines necessitates the disciplining force of the EU process. Over the past two years, subtle and open EU reactions and pressures helped the Turkish political system overcome crises that stemmed from the military's intervention in Presidential elections and, most recently, from the closure case against the ruling AKP. Should that process falter either because the EU proves utterly unimaginative or beholden to its members that want only an ambiguous "privileged partnership" or because Turkey loses interest completely, the result could well be a deterioration of democratic standards and practices in Turkey. Such an outcome would certainly be detrimental for the nation. It should also be against the interests of Turkey's EU and NATO partners, particularly the United States.

A democracy that is "*bon pour l'orient*" for Turkey, a formula that proved satisfactory for the United States during the Cold War, is no longer appropriate for the Turkey

of the 21st century. Turkey's social and political problems can only be overcome, transcended or solved in a genuinely democratic setting where the rule of law is firm. Therefore, both because of the nature of the coming era and for the sake of Turkey's ability to influence its surrounding regions by its example, Turkish democratization must remain a priority in both bilateral and transatlantic relations.

It is also worth noting that Turkey's democratic practices and the self-confidence that democratic legitimacy generates in the conduct of foreign policy have fundamentally altered the perception of Turkey in the Middle East. Without exerting itself as a model, Turkey serves as an example, and its constructive approach to the region's problems and reliability as a partner give it a positive image in intellectual and popular imaginations.

Turkey as an Afterthought

In terms of the modalities of rebuilding the partnership, we started with the following observation: Far too often Turkey had remained an "afterthought" in American and transatlantic thinking. In former US Ambassador Mark Parris' words, "we need to break the habit of thinking of Turkey 'as a function of' the crisis of the moment."¹² This change matters because Turks are offended by being sidelined in the search for solutions to problems that are in their vicinity and have a bearing on their well being, stability and security. It also matters because over the course of the last decade, and particularly during the last five years, Turkish diplomacy has registered a number of significant successes, some of them despite American policy preferences, in its surrounding regions, notably in the Middle East.

Therefore, as a regional power and one that is a member of the Western alliance, Turkey, independently of the party in power, will want to be listened to, be an equal partner in policy-making and demand that its interests are taken into consideration. The calculus that as a global power the United States will not have to worry too much about its regional ally's concerns should no longer be operational. To that end, it is imperative to define the common interests and goals of the two allies.

Much has been said and written about different anti-Western tendencies and strategic options in Turkey that have emerged in recent years. Most of the emphasis was on the

12 Mark Parris, "Memorandum to President-elect Obama", *Private View*, Autumn 2008, p. 46

so-called “Islamization” of Turkish foreign policy. We will deal with the debate that raged over this speculative interpretation later. Arguably more important and much less scrutinized abroad was the so-called Eurasian alternative (or its twin the neo-nationalist one) that prioritized relations with Russia, Iran and the rising powers China and India¹³.

We argue that the attractiveness, if there is one, of such alternatives in the minds of some circles was a function of what we term “Turkey as an afterthought.” The adherents of these strategic choices felt that Turkey’s interests were being shortchanged by its Western allies. Likewise they believed that Turkey’s views were not taken into consideration in Western policies that had an impact on Turkey’s security as well. Under these circumstances, one of the forces that enters into play is the “neutralist/unilateralist impulse” that corresponds to the strongly unilateralist tendencies of the public in foreign policy matters.

The Eurasianist option in Turkish foreign policy that had adherents in the Turkish military, outwardly the most pro-American institution in Turkey, emerged as a function of that impulse.¹⁴ That strategic option went hand in hand with a deep admiration for Vladimir Putin and what he accomplished in Russia. It decidedly favored an authoritarian domestic set-up for Turkey. The Eurasianists and their kin the neo-nationalists, consisting overwhelmingly of secularists, civilians and retired or active military personnel, disliked the Bush administration’s Greater Middle East Project. They believed that this was part of a plan to subjugate Turkish interests to those of the United States. Whereas the Islamists thought that the Greater Middle East Project was a ploy to make Turkey subservient to Israeli interests, in the Eurasianist imagination, the neo-conservative project wanted to turn Turkey into a “moderately Islamist” state. Loose or careless talk on the part of some American officials to that effect exacerbated their anxiety.

13 For the competing strands of Eurasianism and Europeanization in Turkish foreign policy, also see Ziya Öniş and Şuhnaz Yılmaz, “Between Europeanization and Euro-Asianism: Foreign Policy Activism in Turkey during the AKP Era,” *Turkish Studies*, vol.10, no.1, (March 2009), pp. 7-24.

14 Ioannis N. Grigoriadis cites the former Secretary General of Turkey’s National Security Council, General Tuncer Kılınç who said in March 2002 at a conference held at the military academy that, “Turkey absolutely needs to seek new alliances. In my opinion, the best direction would be to seek an alliance with the Russian Federation, which would include Iran, without ignoring the United States—if possible. Turkey has not received any help from the European Union. The European Union has negative approaches to the problems that concern Turkey”. http://opedpieces.blogspot.com/2009_01_01_archive.html
Five years later, now retired, Kılınç said in a lecture he gave at the Atatürkist Thought Association’s London office that Turkey should leave NATO, cited in Ömer Taşpınar, “Turkey’s Middle East policies: Between neo-Ottomanism and Kemalism”, *Carnegie Papers*, Number 10, September 2008.

Much more importantly though, such people thought that in the post-Cold War world, and particularly in the post-Iraq world, when America's power and influence were waning, Turkey's interests no longer coincided with those of the West. To the contrary, they argued, the American project ran counter to Turkey's interests. This was so both because of its domestic designs of moderate Islamism and because it undermined Turkey's aspirations for a zone of interest and influence to the East in Central Asia and beyond. The natural result of such thinking was the articulation of a non-Western posture in strategic affairs and an inclination to look for partners, if not allies, in Russia, Iran and beyond these two, in China.

An early spokesperson for that camp was General Tuncer Kılınç, the former Secretary General of the National Security Council, who first voiced this position in 2002 (see fn. 14). He was recently detained in the ongoing *Ergenekon* investigation/trial and was released after a day of questioning. Some of his close colleagues were also detained earlier and the second indictment that came out of the investigation accused them of plotting to stage *coups d'état* in numerous occasions. The published diaries of a former commander of the Navy indicated that two coup attempts in 2003 and 2004 were stopped in their tracks by the then Chief of General Staff General Hilmi Özkök.

Despite its very serious shortcomings, the *Ergenekon* case is still an important step in the right direction to clean Turkey's security apparatuses from clandestine networks engaged in criminality and *putschists*.¹⁵ Such networks, some of them descendants or mutants from the Cold War paramilitary organizations, were formed to challenge the lawful government of Turkey.

However the investigation and the subsequent trial end, it is quite clear that the probe itself, the arrests and the discovery of these networks would not have been possible without the active or tacit support of the Turkish military. In the simplest terms possible then, the pro-Atlanticist and more pro-democracy wing of the Turkish military is gaining strength and phasing out the authoritarian, Eurasianist elements in its midst.

In this restricted sense of the term Turkey is remaining Western. The country's strategic orientation will remain Atlanticist and the Turkish military is comfortable with

¹⁵ These shortcomings include the text of the first indictment; the conduct of the security forces during the arrests, which full of procedural problems; and the public exposure of many people who may not have been related to the case at all.

its identity as a NATO member. Unlike the Cold War period, however, Turkey's own interests will be more strongly articulated in the councils of the Alliance. Nevertheless, such problems do not alter the fundamental choice made by the military and the Turkish government.

The government, despite strong appearances to the contrary, has not repudiated Turkey's Atlantic and especially American ties. The AKP even embraced these over the course of its term in office.¹⁶ One can make the argument, however, that in its second term the AKP government displayed a strong desire to return to the old days of the Cold War, build its relations with the West solely on the American track and expect less pressure for democratization. If this is indeed the case, then a critically important dimension of Turkish-American relations in the future should be the emphasis put on the other meaning of Turkey's Westernness, i.e., its identity as a secular, democratic country that upholds the rule of law. The most significant position that the United States can take to show its commitment to Turkish democracy and Washington's determination to give equal weight to both meanings of Turkey's Westernness then, would be firm support for Turkey's EU accession process.

To sum up then, in our view the United States continues to be Turkey's indispensable partner in transatlantic relations. By the same token membership in the EU remains Turkey's most important strategic and civilizational goal. The role of the United States in promoting closer links between Turkey and the EU had been critical in the past. Therefore, even if there are limits to American influence over the EU in decisions concerning "deep integration", we expect that Washington will continue to play that constructive role.

It is now time for the US to elaborate a more sophisticated support system for Turkey's integration with Europe not only as a target but also as a process. "A new momentum is crucially necessary in the EU-Turkey relationship. This will require a Turkey that is better focused to its European homework. Not only for the legislative alignment, but also in dealing with all other major reform areas which ought to support the integration process: public administration, education, labor market, informal economy, agriculture, regional development"¹⁷.

16 During a recent visit in Washington, DC in March 2009, Professor Davutoğlu stated that, "The US and Turkey is at the historical moment that both countries have similar views at almost all issues." Anadolu Ajansı, 19 March 2009.

17 Bahadır Kaleağası, "EU and Turkey: In search of Lost Time", *Private View*, Autumn, 2008

Recommendations

To the US:

- Work with both the EU and Turkey to help keep the accession process on track.
- Encourage the deepening of Turkish democracy and refrain from confining Turkey's Westernness to its strategic orientation.
- Engage Turkey in decisions that will require its cooperation before the decisions are made and be open to its suggestions and concerns.

To Turkey:

- Continue the reform process and improve the democratic/Western credentials, i.e. take the EU accession seriously again.
- Try new imaginative approaches on Cyprus to unlock the EU process.
- Work closely with the United States to strengthen the Atlanticist position and properly inform the public about your strategic preferences.

CHAPTER
3

MOVING FORWARD ON THE
SECURITY DIMENSION

3. MOVING FORWARD ON THE SECURITY DIMENSION

The drastic changes that marked the end of the Cold War dramatically altered the strategic calculus of the Western security system. Global developments in the post-September 11 context have further transformed the security perceptions of key actors in the international arena. Thus, the radical change in the source and nature of threats gave way to NATO's search for a new role, strategy, and organization. It also paved the way for the emergence of a new European Security architecture, European Security and Defense Policy (ESDP), that aimed to be more compatible with the realities of this new era.

NATO constitutes the single most important pillar of the transatlantic dimension of Turkish-American relations. Turkey has been a staunch ally of the United States throughout the Cold War era. Hence, from the beginning bilateral relations were defined mainly, if not exclusively, along the security dimension. During the Cold War, the military aspect always remained the core of the relationship. As a result, the strongest institutional link that existed between the two countries was the military one.

Reflecting on his service with the Joint American Mission for Military Assistance to Turkey (JAMMAT) right after the proclamation of the Truman Doctrine, Brigadier General R. P. Shugg referred to a conversation between the Turkish Foreign Minister and the Soviet Ambassador. When the Ambassador told the Turkish Minister that the supplies and equipment the US was furnishing to Turkey would only last for 30 days of combat, the latter's answer was: "What if this should be true? Their technique and tactics will stay with us forever."¹⁸

This was both an expression of admiration for the US military and an expectation of Turkey's unbroken association with it. As the US military offered a new paradigm around which Turkey aspired to reform its own military, there was an ample stock of goodwill towards the Americans in uniform. Therefore, US-Turkey relations had from the start featured a profound military dimension and empowered security actors on both sides in shaping bilateral relations. In time, the Pentagon and the Turkish General Staff turned into the most reliable and trusted points of contact for each other. As such,

¹⁸ National Records Administration (NARA), RG NND 853005, Box 330/18179, 111 FY 1951, TURKEY, Memo on MAP Military Missions, Brigadier General R. P. Shugg to Chief of Staff, the Department of Army, (18 February 1950).

they were able to maintain relatively stable links and a healthy respect for each other even in times of serious difficulties in bilateral relations between the two countries.

At the security level, relations became more complicated at the end of the Cold War. With the end of the bipolar era and the absence of the Soviet threat, Turkey's geo-strategic importance came under increasing scrutiny. The interests of the two partners diverged as was to be expected between a global and a regional power in the absence of a well-defined common threat. Operations "Desert Shield" and "Desert Storm," and the subsequent "Operation Provide Comfort," made Turkey uncomfortable. Iraq's meaning for Americans and Turks was altogether different and the tensions that would fully come to surface on the eve of the Iraq war in 2003 were there throughout the 1990s.

In that period, a deficit of trust emerged between the partners, even if that was not articulated, concerning the ultimate intentions of the United States *vis-à-vis* the Kurds of Iraq. These were somewhat dissipated when the United States delivered the leader of the PKK, Abdullah Öcalan, who was a guest at the Greek embassy in Nairobi, to a Turkish military team in Kenya.

Turkish-American relations were challenged further during the early months of 2003 in the context of the US war in Iraq. The decision of the Turkish Parliament on March 1 not to authorize the deployment of US troops to Iraq via Turkish territory had a cold shower effect in Washington, and particularly at the Pentagon. The story of the subsequent Suleimanieh incident of July 4th, when Turkish special operations troops were apprehended and hooded by their American counterparts, was quickly disseminated in the Turkish press. It was now the Turkish military's turn to face a major shock. Hence, the trust and the long-lasting cooperation between the respective militaries were seriously damaged.

Although committed to the transatlantic alliance, Turkey for some time has also displayed the symptoms of "alliance security dilemma". Such alliance security dilemmas are exacerbated by fear of abandonment or isolation. Since the end of the Cold War, Turkey periodically suffered from such fears. It felt unsure of its place in the Western alliance and the institutions such as NATO, not to mention the EU. The post-Iraq war transatlantic rift and US unilateralism, particularly in Iraq during the Bush era, had all heightened Turkish anxiety regarding US intentions.

Despite the strategic partnership rhetoric, Washington and Ankara have failed to develop a strategic consensus that would have guided their relations in the post-Cold War era. The formation of this strategic consensus during the Obama administration, which is keen on mending its transatlantic ties with Europe, is essential for the future of Turkish-American relations, as well as the reconstitution of the Turkey-US-EU triangle. The fact that President Obama will be visiting Turkey as a key NATO ally, important European country, and a leading regional power with a predominantly Muslim population is an extremely significant first step in this direction.

In these triangular strategic/security arrangements, a sensitive issue for Turkey, as far as the NATO-ESDP dynamics are concerned, is the redefinition of the future role of the non-EU members of NATO within the new ESDP framework. During the Cold War, Turkey served as a pivotal actor in NATO's Southeastern flank. Ankara retains its strong interest in European security arrangements and in ensuring for itself a continuing pre-eminent role in NATO. Unlike the other EU member countries of southern Europe (namely Spain, Portugal, Italy, and Greece), Turkey had a high stake in maintaining the institutional status quo, especially since the ESDP excluded Turkey from its decision-making mechanisms.

During the Washington NATO Summit in April 1999, the Strategic Concept (defining NATO goals and strategies) was updated in order to “equip the alliance for the security challenges and opportunities of the 21st century and to guide its future political and military development.”¹⁹ Within this context, Turkey reiterated the necessity of its agreement for any decision of the NATO Council regarding the use of Alliance assets for European purposes. Consequently, the Turks enforced a revision in the formulation of NATO's New Strategic Concept, in which this right is implicitly expressed by reference to a case-by-case basis for Alliance decisions. Accordingly, “arrangements for the release, monitoring, and return or recall of NATO assets and capabilities” were to be “made available, on a case-by-case basis to support WEU-led operations.”²⁰ Moreover, NATO-EU relations were to be structured around already existing mechanisms between NATO and the WEU.

19 *Report of the NATO Summit in Washington, 23-25 April, 1999.*

20 *Ibid.*

The changes affected by the EU in its Nice Summit of December 2000 on the decisions of the Washington Summit caused a major disappointment for Ankara. Not only were there no references to shaping the new security and defense strategies according to the previous mechanisms of the WEU, but also the non-EU members of NATO had been totally excluded from the decision-making structures. Consequently, Ankara argued that non-EU members of NATO should not automatically be expected to comply with political decisions that have been taken without their participation.

Among the WEU associate member countries, Turkey was the country most adversely affected by this restructuring process. Turkey is located in a very volatile area. According to the reports of the French Defense Institute and the International Strategy Institute in Switzerland, Turkey is surrounded by thirteen of the sixteen “hot spots” (i.e., Kosovo, Syria, Cyprus and Chechnya) that are prone to an outbreak of conflicts that could affect European security.²¹ The fact that a number of former Warsaw Pact countries were granted European Union membership before Turkey and would get more influence in European security affairs than a long-standing NATO ally, has been also rather exasperating for the Turks.

Within this framework, Turkey was particularly concerned over the possibility that in case of escalating tensions in the Aegean or in Cyprus, intense pressure from Greece may result in a confrontation between the European Rapid Reaction Force and Turkey. Consequently, to achieve a viable compromise, Turkey had to be reassured that such a scenario would be avoided.

The long-lasting deadlock between Turkey and Greece was a stumbling block for the ESDP. This deadlock was finally overcome through a compromise during the Copenhagen Summit in December 2002. The Council decided that “the ‘Berlin plus’ agreements and the implementation thereof will apply only to those EU member states which are also either NATO members or parties to ‘Partnership for Peace,’ and which have consequently concluded bilateral security arrangements with NATO.”²² Thus, by excluding Cyprus and Malta from EU military operations that used NATO assets, a breakthrough was achieved in providing EU access to NATO capacities and assets. The EU could now utilize NATO logistics and have access to the NATO planning

21 “Türkiye’nin Çevresi Ateşten Gömlek” *Cumhuriyet*, 17 December, 2000.

22 “Declaration of the Council Meeting in Copenhagen on 12 December 2002,” *Presidency Conclusions*, Annex II, Copenhagen, 12-13 December, 2002.

base SHAPE. Lord Robertson, who served as NATO's Secretary General at the time, underlined the importance of this breakthrough by stating, "This is a milestone in the history of relations between NATO and the EU."²³

This development served as a critical turning point for ESDP. It enabled the Union to have a stronger capacity for crisis management. In this respect, Turkey has already played an active role in all EU-led peacekeeping operations since 2003, with the exception of Congo. Thus, Turkey has significantly contributed to the multinational efforts of peacekeeping in the Balkans, Somalia, and most recently in Afghanistan. For instance, in the Balkans, in 1995 Turkey joined the United Nations Protection Force (UNPROFOR) with 1450 troops. Moreover, it participated in NATO's Implementation Force (IFOR) and Stabilization Force (SFOR) with 1200 troops and also contributed to police operations in Bosnia and Herzegovina and Macedonia.²⁴ In addition to these, in June 2002 Turkey has assumed the command of NATO forces in Afghanistan, namely ISAF (International Security and Assistance Force), for nine months and once again in 2005.

Recently, however, significant problems associated with Cyprus's EU membership surfaced in this arrangement. In May 2004, Cyprus, a *de facto* divided island, became a member of the EU. Hence, bilateral problems between Turkey and Cyprus started to dominate the EU-Turkey agenda, as well as the EU-NATO one. NATO excluded Cyprus (and Malta) from activities of "strategic cooperation". However, the EU interprets this differently and tries to promote the Community Solidarity principle. Brussels insists that Cyprus should not be left out and argues that in order to engage in a dialogue with NATO all EU members should participate in the processes. Turkey, especially due to the numerous obstacles that Cyprus creates concerning Turkey's EU membership, is adamant on a strict interpretation of NATO's 2002 decision. As a result, this impasse significantly hinders EU-NATO strategic cooperation. Moreover, Cyprus continues to veto the signature of the security agreement between EU and Turkey and the administrative arrangements that would facilitate Turkey's formal cooperation with the European Defense Agency.

23 "NATO and EU Sign Historic Partnership Agreement," *EU Observer*, 17 December, 2002.

24 Meltem Müftüleri Baç, "Turkey's Accession to the EU: Its Potential Impact on Common European Security and Defense Policy," *Turkey and European Security*, Giovanni Gasparini ed., Rome: Instituto Affari Internazionali, 2007, pp.13-28.

There is therefore an urgent need for a long-lasting and comprehensive solution to the Cyprus issue, which constitutes a major stumbling block both for Turkey's EU membership prospects and for EU-NATO strategic cooperation. Such a solution will have a direct and very positive impact on both fronts. One indirect consequence of solving the Cyprus problem will be to enhance Turkey's potential contribution to international peacekeeping and stabilization operations. Moreover, Turkey can turn itself into a far more capable and willing international security provider, if it can substantially reduce its military commitments in Cyprus from two full strength army divisions. All things being equal, such freed up assets can be used elsewhere.

Recommendations:

TRANSATLANTIC RELATIONS

To the US:

- Repair the transatlantic rift and help reassure Turkey of its place in the Western security community by:
 - working to revitalize Turkey's EU membership prospects,
 - finding a formula to overcome Turkey's ESDP disputes.
- Support the ongoing negotiations between Cypriot parties and seek a rapid solution to the Cyprus Problem. This will:
 - unblock eight chapters in negotiations between Turkey and the EU that are currently suspended,
 - clear the way for improved NATO-EU Security Cooperation.

To Turkey:

- Speed up domestic reforms.
- Take advantage of the UN Security Council membership to pursue a lasting solution in Cyprus.
- Adopt more flexible and constructive positions in NATO-ESDP affairs.

The (Broken?) Brotherhood of Arms

One of the casualties of the war in Iraq was the tight relationship and a deep sense of trust that existed between the Turkish and the American militaries. The sense of betrayal felt by both sides in the wake of the defeat of the March 1 motion or the Suleimanieh incident cannot be overstated. The two militaries are still holding grudges against one another because of their respective experiences.

So, military to military relations as well will need some repair. As the two militaries might have to work together in a number of regional crises, establishing the new parameters of their relationship and the modalities of their cooperation is important. To do so, both militaries will have to develop a better understanding of each other's primary concerns and learn to have a more open dialogue. This is particularly true for the relations between the Turkish Armed Forces and CENTCOM.

Recommendations:

To the US:

- Send in more officers to study in academic programs in Turkey. For instance, Turkey began to receive Olmsted Scholars very recently. The value of such Turkey-educated US officers has already been proven in the field as facilitators of international as well as inter-agency communication.

To Turkey:

- Take greater advantage of US military education and training opportunities and facilities that are made available to the Turkish military.
- Accelerate the transformation of the Turkish military for rapid deployability and sustainability.

To Both Sides:

- Develop exchange programs particularly for cadets in war/naval colleges to promote mutual social and military understanding. Turkish-Greek military cooperation and exchange agreements may serve as a model in this respect.
- Provide opportunities for language training (English and Turkish) to officers and cadets. Language remains a barrier to efficient communication.

CHAPTER 4

CONTINUITY AND CHANGE
IN THE MIDDLE EAST POLICY:
THE ROLE OF IDEOLOGY,
EXPEDIENCY AND GRAND
DESIGN

4. CONTINUITY AND CHANGE IN THE MIDDLE EAST POLICY: THE ROLE OF IDEOLOGY, EXPEDIENCY AND GRAND DESIGN

For the last six years, the Justice and Development Party, which had its origins in the Islamist movement, has ruled Turkey. The AKP took a particular interest in relations with the Middle East and undoubtedly Turkey's ties to the region and the pace of diplomatic activity intensified significantly. Some observers drew from this development the conclusion that the AKP's religious proclivities explained Turkey's policy towards the region. They saw this shift as a natural outcome of the waning of the traditional secularist establishment and the rise of a provincial counter elite that takes religious affinity seriously and is ideologically close to Islamism.

The more alarmist observers viewed recent developments as the "Islamization" of Turkish foreign policy. These fears have been further accentuated with the slowing down of the EU reform process. This assessment, however, overlooks the continuation and in certain respects deepening of relations with Israel. Undoubtedly, as during the recent Israeli assault on Gaza, the relations were occasionally strained. Turkish Prime Minister Erdoğan used very strong language against Israel during operation *Cast Lead*. His clash with Israeli President Shimon Peres during the January 2009 World Economic Forum meeting in Davos made headlines. But in earlier periods too there were such tensions in Turkish-Israeli relations. After all, it was the staunchly secular Bülent Ecevit who accused Israel of committing "genocide" against the Palestinians when he was Prime Minister.

Turkey's foreign policy towards the Middle East had already begun to change in the late 1990s. When President Özal attempted to reconfigure Turkish foreign policy after the end of the Cold War and re-engage the country with its surrounding regions, this effort was dubbed neo-Ottomanism. This is the framework within which the AKP conceives of and practices its foreign policy as well. The re-engagement is as much, if not more, a function of structural changes in the regional order, its balance of power and the strategically revolutionary changes that the American war, perhaps inadvertently, brought about.

The American-led war against Iraq had generated profound changes in the region, the implications of which will not be fully evident for years to come. At the very least, the war caused the following dramatic changes: For one the toppling of Saddam Hussein's Baathi regime was more than just a regime change. It also ended the unchallengeable supremacy of the Sunnis in the power structure of Iraq. It changed the social basis of political power in Iraq by empowering the Shi'a and the Kurds. By extension Shi'a in other Arab states, who have been historically discriminated against, felt emboldened about demanding their citizenship rights.

Secondly, the war elevated Iran to the position of a formidable regional power that challenges the United States and that is seen as a vital threat by Arab states and Israel. Iran also has considerable leverage in Iraq because of the Shi'a connection and since many of the political actors were at some point given sanctuary by Tehran.

No Turkish government could have remained aloof to such dramatic, profound, consequential developments that were taking place just across the border. Turkish interests both in promoting more positive relations with the rest of the region and in protecting Turkey against the spillover effects of instability and conditions of civil war were clearly identifiable. Sir David Logan, former British Ambassador in Ankara, succinctly summarizes the reasons for Turkey's growing attention to the region.

“Geographical proximity brings with it shared interests, but also potential or actual threats where these diverge... (Turkey's) energy requirements are massive, which has vital implications for her relations with Iraq, Saudi Arabia, Iran and potentially Turkmenistan. Turkey ... now has a thriving trading relationship with the Middle East, with her exports to the Middle East rising five-fold between 1990 and 2004, which brings with it a strong interest in regional security and stability.

As for threats, these include WMD proliferation and terrorism, as well as exported fundamentalism. The future of Iraq is important to Turkey not just for trade and oil, but also because a fragmented Iraq would destabilize the Middle East and because northern Iraq can be a safe haven for the PKK. Iran is important not just as a valuable source of energy, but also because, if her nuclear ambitions were realized, she would be a serious threat to regional stability and conceivably to Turkey itself.”²⁵

25 David Logan, “Turkey and the Middle East in a changing context”, unpublished manuscript prepared for the conference “Middle East in a changing context” in Ankara, 11-12 September 2008, p.2

Such structural conditions frame Turkey's policy choices and preferences. As a result Ankara's evolving policy towards the region reflects the opportunities and constraints of these conditions, as well as the limits to an identity of interests with Turkey's alliance partners.

There are two main differences between the pre-AKP period and the period of AKP rule in the conduct of policy towards the region. The first is the conceptualization of Turkey's policy towards the Middle East. In ways that their predecessors did not or could not, the AKP's principals, notably Professor Davutoğlu, presented a theoretical framework that encompassed all of Turkey's moves in the region. Foremost among the principles that were applied to the making of this policy was "zero problem with the neighbors." Turkey, in this approach, also saw itself as a "center" country around which regional politics revolved.

Secondly, the AKP establishment culturally feels much more at ease with their Middle Eastern counterparts and believes that Turkey is the natural leader of the region. As a consequence, theirs can be considered a more impassioned involvement with the region's affairs. It makes use of shared religion to advance a *political* agenda. As the Israeli scholar Ofra Bengio views it, "the AKP turned Islam into a platform for advancing its bid for regional leadership... (it) used Islam as a glue between the three major nationalities in the region, Turkish, Arab and Iranian."²⁶

This element of continuity in Turkish policy towards the Middle East is one of the dimensions of Turkey's deepening engagement in the region. After all, the United States' war effort failed to a large extent in both its military and political goals. The war created a vacuum and an imbalance of power in the region with which the Bush administration could not deal. Consequently, regional actors had to fill this vacuum and take matters into their own hands as the lame duck presidency of Mr. Bush became mostly ineffectual by the end of his second term.

In this context, Turkey was willing to play the role of the stabilizer in the region, even if it professed to have no interest in being Iran's balancer. These circumstances also allowed Ankara to take many initiatives and engage with the region on an institutional basis as well. The idea of "Iraq's neighbors' conference" originated in

26 Ofra Bengio, "Turkey, the Middle East and Israel: Altercating Interests and Orientations", forthcoming, *Turkey Insight*, v.11, n.2

Turkey and the first meeting was held there. Ankara kept the lines of communication open with all the groups in Iraq and was instrumental in convincing Iraqi Sunnis to participate in the general elections of January 2006. Prime Minister Erdoğan worked closely with the Emir of Qatar to broker a deal in Lebanon that would end the crisis of Presidential elections there. Both economic and political relations with the countries of the Gulf improved significantly. The Saudi King saw it appropriate or necessary to visit Turkey in the span of 16 months after 40 years' of absence. The first of his visits took place in the middle of Israel's war with Hezbollah in the summer of 2006.

In a most controversial move, Turkey invited Hamas leader Khaled Meshal to Ankara immediately after the Palestinian legislative elections of 2006. At a time when Turkey's Western partners were organizing a boycott of Hamas unless it fulfilled certain conditions, such as recognizing Israel and renouncing violence, Turkey's move was indeed an act of defiance. Three years later in the wake of Israel's Gaza assault, almost all involved parties are either talking to Hamas or entertaining the idea of doing so. The move arguably looks more far-sighted than was believed at the time even if its timing and handling can still be seen as clumsy.

One of the most striking instances of Turkish mediation was the announcement in the spring of 2008 that Israel and Syria would start indirect talks under the auspices of Turkey. In the wider Middle East as well, Turkey adopted the role of mediator and brought together President Karzai of Afghanistan and President Musharraf of Pakistan. Israeli President Shimon Peres and the Palestinian President Mahmud Abbas both spoke in the Turkish National Assembly on the same day and addressed it in their own language. Turkey became an observer in the Arab League, the first ever elected Secretary General of the Organization of Islamic Conference is a Turk. All in all, Turkey pursued a principled set of policies that prioritized dialogue and engagement over tension and exclusion.

In the region, Turkey's goal is to assure security and freedom for all and rely on political dialogue and inclusiveness, as well as economic interdependence. The government claims to favor ethnic and cultural coexistence everywhere, so as to avoid ethnic or sectarian based conflict and violence. The instruments of choice to pursue these goals are:

- highest level bilateral relations;
- reaching out to all communities in the region;
- regional level initiatives;
- proactive policy for conflict resolution; and
- strengthening relations with regional/international organizations.

So far Turkey, due to its political agility, regional presence and tradition of diplomacy, was able to bring to life these principles and use instruments compatible with them. The Bush administration left the scene with an unfathomable meltdown of American political and economic power and influence. Therefore, the environment within which Turkey conducts its policies changed. Such a change offers both risks and opportunities. The new agenda, in the absence of an aggressive United States should give regional players such as Turkey more leeway. At the same time, should the Obama administration decide to engage fully with the Middle East, which it gave every sign of doing, then Turkey will have to recalibrate its policies and adjust itself to working on a narrower political and diplomatic platform.

On the following four issues American and Turkish interests are in line with one another. The two allies should be able to cooperate, harmonize policies and work towards achieving common goals.

Middle East Peace Process

The paramount interest of Turkey in the region is stability. This explains, at least in part, both the reactions to Israel's wars against Hezbollah and Hamas and the political cover given to Syria at the most solitary moment of the Damascus regime in the wake of the murder of former Lebanese Prime Minister Rafik Hariri. Turkey shared with Syria a common interest in not seeing the formation of an independent Kurdish state and this explains the need to keep in close contact with Syria as well as Iran on this matter. Beyond this, however, Turkey could not tolerate yet another failed state to the south of the border. This is why it resisted American pressures to isolate the Baathi regime. In terms of the so-called Islamization thesis, it is important to note that in the wake of Hariri's murder, it was the then President Ahmet Necdet Sezer, a staunch secularist, who went on a state visit to Damascus.

The Turkish interest in mediating between Israel and Syria was therefore a function of the desire to create the conditions of stability in the region. In fact, the opening of indirect negotiations between Israel and Syria was arguably one of the most important accomplishments of the AKP government. We believe that the Obama administration ought to build on Turkey's record in this relation and have a dialogue with Ankara. Turkey cannot broker an Israeli-Syrian peace, but it can make significant contributions to its making that will necessitate Arab and most importantly American commitment. Given this perspective, we also find the claims that after the row in Davos Turkey cannot continue to play the role of a mediator or honest broker exaggerated and unrealistic.

On the Israeli-Palestinian theatre one should not doubt either Turkey's commitment to the security of Israel or to the well-being, human and political rights of the Palestinians. There are close security/strategic relations between Turkey and Israel. These have recently been enhanced by increased economic and educational exchanges. In fact, Turkish Union of Chambers and Stock Exchanges (TOBB) took the lead, with full support from the Turkish government, in developing projects for the building of industrial zones in Palestinian areas. So far this was the only concrete developmental project for the occupied territories and one that had the support of both Israeli and Palestinian business people, as well as the authorities. Israel-Turkey relations have always had an intrinsic source of tension.

For Turkish public opinion, the legitimacy of these relations is closely related to the plight of the Palestinians. Therefore, the Gaza assault, seen as unjust and illegitimate by an overwhelming majority of the population, invited a strong and emotive reaction from the Prime Minister as well.

Beyond the moral arguments, Prime Minister Erdoğan faults Israel for being insensitive to the regional destabilization its actions cause. The government sees Turkey as a pillar of stability in the region. Because of historical and strategic reasons, it believes that Ankara can and does play a constructive role and by virtue of having good relations with all parties to all conflicts, it can be a facilitator and better still a mediator. The relations with Israel are the stormiest of these, but one that Turkey still cherishes. After all the Prime Minister steadfastly refused to break relations with Israel or recall the Turkish ambassador during the conflict. In fact, Turkish diplomacy was very active during the Gaza assault.

The government also believes that Israel's security is bolstered by its relations with Turkey. Therefore, the Israeli government should be more attentive to Turkey's concerns. Similarly the Turkish government's position during the Gaza assault was meant to convey a message to the United States. Ankara believes that Turkey is a significant actor in Middle East peace making and the diplomatic space it created for itself during the US absence from this conflict should not be discarded when the Obama administration re-engages. We also believe that the government regards the Prime Minister's immense popularity among the region's Muslim populations as a factor for the legitimization of any future peace deal that Turkey will support.

In sum, Turkey wishes to see the end of the Israeli-Palestinian conflict that it considers to be at the root of much of the instability in the region and a source of radicalization in the Muslim world. Since the Obama administration has also made it clear that it shares a similar approach, the two allies can clearly work together and Turkey can assist American efforts constructively to reach that goal.

Iraq

As we argued earlier, Iraq was a big source of tension in Turkish-American relations even prior to the Iraq war. Turkey's strong tradition of a *status quo* power that dislikes disruptions partially explains this. There was also concern that the war would lead to a partitioning of Iraq and the creation of an independent Kurdish state to the south of the border. This, in turn, could lead to a deterioration in the security of Iraqi Turcoman minority for whom Turkey had a special affinity. Turkey was also deeply concerned that the oil rich province of Kirkuk would be taken over by the Kurds, who have already taken many steps to change the demographic balance of the region and controlled most of its administrative positions. Moreover, the separatist-terrorist organization PKK was also based in the Kurdish regions of Iraq.

Neither the Kurdistan Regional Government authorities nor the United States made a genuine effort to take on the PKK, which had escalated its attacks and terrorist activities inside Turkey after 2005. For many Turks the reluctance of the United States to give its full support on this struggle, while professing to fight a global war against terrorism made American intentions suspect. As would be expected, such sentiments contributed to the widespread anti-Americanism that encompassed all segments of society.

This tension began to subside lately. The significant change in the Bush administration's stance on the fight against the PKK obviously played an important part. No less important was the changes within Turkey in the way the government and the military approached the Iraqi file and more conspicuously its Iraqi-Kurdish dimension. After the Bush-Erdoğan summit on November 5, 2007, the United States provided Turkey with actionable intelligence and allowed the Turkish Air Force to attack PKK targets on Kandil Mountain by opening the Iraqi airspace.

In Turkey, the ascent of Abdullah Gül to the Presidency finally opened the way to start a dialogue with Iraqi Kurds at the highest level, a decision symbolized in the visit of Iraqi President Celal Talabani to Turkey. Gradually a framework began to shape whereby Kurdistan Regional Government authorities would lend their support to the fight against the PKK, act more responsibly on Kirkuk, and in return, Turkey would engage them officially. Related to these developments across the border was the need to accelerate the process of reform within Turkey.

In the context of the SOFA agreement and the Obama administration's declared goal of leaving Iraq by the end of 2011, the strategic landscape changed. As Bahadır Koç also notes, the withdrawal of American forces leave the Kurds of Iraq more exposed to an increasingly more assertive Iraqi Army and increases their need to rely on Turkey. The PKK is marginalized and is being squeezed by all parties²⁷. Under these circumstances and given Washington's continued support for fighting the PKK, Turkey's 85 year-old policy towards trans-border Kurds began to change drastically.

In the summer of 2008 Prime Minister Erdoğan visited Baghdad. This was the first visit by a Sunni head of government from the region to the war torn country and the second such visit after Iran's Ahmadinejad. Mr. Erdoğan met with his counterpart and the President of the Republic Jalal Talabani and returned with an agreement to form a "Higher Council of Strategic Cooperation". Some participants argued that this could be the beginning for the region of an entente, such as the Franco-German one in Europe in the wake of the Second World War. Mr. Erdoğan also managed to convince his hosts to include Turkey's oil company, TPAO, in the list of eligible companies to explore in the country. There was also talk of cooperation with Iraqi Kurds to explore gas in northern Iraq and to increase the capacity of the Kirkuk-Ceyhan oil pipeline.

27 Şanlı Bahadır Koç, "Obama's Turkey visit and Turkish-American relations" (in Turkish) unpublished manuscript, 19 March 2009, pp. 3-4

Most recently, President Gül visited Baghdad and met not only with Iraqi authorities, but also the Prime Minister of the Kurdistan Regional Government. All these developments point to a significant redirection of Turkey's policy that will safeguard the autonomy of the Kurdish region, so long as the Kurds continue to cooperate with Ankara and do not attempt a *fait accompli* in Kirkuk. Under these circumstances, we expect that Iraq may well cease to be a source of tension between the United States and Turkey. The two allies could work together to facilitate the American withdrawal, to further integrate the Sunnis into the political process and to bolster the legitimacy and authority of the still fragile Iraqi government.

Iran

In a report published by the Brookings Institution, Sinan Ülgen argued that, "currently, Turkish-Iranian relations are at their peak...Ankara is categorically opposed to the nuclear program of Tehran but essentially fears more the regional repercussions of a nuclear Iran than a nuclear Iran *per se*."²⁸ Ankara is closer to the position of European countries and the EU appreciates its good offices and its contributions to the process of negotiations.

Turkey has indeed improved its relations with the Islamic Republic in the last ten years. Since the accession to power of the AKP, relations have become closer and many energy agreements have been signed--much to the consternation of the Bush administration. These agreements, or pre-agreements to be more correct, on energy projects are more a declaration of intention and reflect a potential for cooperation than a workable arrangement yet.

We believe, like the Turkish government, that it is better to try to engage Iran than to marginalize it. The steps taken by the Obama administration, most notably the President's Newroz message, demonstrate that it favors such an approach as well. In his recent visit to Tehran for an economic summit of Muslim states, President Gül spoke with the Supreme Leader of Iran Ayatollah Ali Khamenei and reportedly conveyed to him the message that Iran ought to pay attention to these openings. In its zeal to be a mediator in all possible conflicts, the government also proposed to do the same

28 Sinan Ülgen, "In search of lost time: Turkey-US relations after Bush", Brookings Institution, March 2009, www.brookings.edu

between Iran and the United States as well, but this was turned down politely, if curtly, by the Iranian President Mahmud Ahmedinejad.

Turkey's message to the United States is that at a time when access to energy is once again a primary concern, it is almost impossible to keep Iran, a major producer of oil and gas with huge reserves of gas waiting to be explored, away from world markets. In fact, to break Russia's grip over Europe on gas, Iranian gas is also necessary. Iranian gas can be transported to European markets through Turkey, which therefore has the added advantage of supporting alternative routes as well.

Neither the good intentions and more accommodating approach of Turkey and European states nor the new openings by the Obama administration may suffice to lure Iran into a genuinely negotiated solution to the nuclear issue. Many factors, including US-Russia relations, will also be important to determine what the outcome of this impasse will be. As Ülgen notes, though, "Ankara cannot stay neutral in a game where the stakes are being raised. Ankara (as a member of the UNSC) would eventually face the unpalatable choice between supporting international sanctions and alienating the regime in Tehran or siding with Iran and risk disavowal from the West.²⁹"

We believe that if Turkey ever comes to such a crossroad and must choose, it will choose the path of its allies.

Afghanistan-Pakistan

As we were putting the final touches on this report, President Obama announced his new Afghanistan-Pakistan plan that is based on the report prepared by a commission he appointed. His speech underscores what the foreign policy and security establishments throughout the world have been saying all along. The Afghan-Pakistan theater is the most dangerous in the world and failure or success there will determine the future of not just these countries, but the NATO Alliance as well.

Turkey has long standing historical and cultural ties to Afghanistan. In the forming stages of the Afghan state, the young Turkish Republic assisted the Afghans in the process of nation-building. This legacy goes a long way to explain why the Provincial Reconstruction

29 Ülgen, *ibid.* p. 4

Team (PRT) that operates in Afghanistan works in a benign environment. Turkey has also assumed the leadership of ISAF twice since 2001 and may yet do so for a third time. The Turkish government and private foundations operate schools and hospitals.

In short, Turkey's presence in Afghanistan is an exercise in soft power. Both the Turkish government and the Turkish military refused to countenance sending combat troops to Afghanistan as part of the NATO contingent. However, given the stakes in this country, Turkey will in all likelihood heed the call of President Obama and send additional troops to train the Afghan police and the military.

Turkey's historically close ties to Pakistan too give it a privileged position to build bridges between these two distant neighbors. In December 2008, President Karzai met his Pakistani counterpart President Zardari in Turkey to discuss security and economic cooperation. Given the disintegration of the Pakistani state and the autonomous operations of the ISI and military intelligence, these may not look too effective, but maintaining a dialogue between political authorities is still important.

The initiative that the Obama administration is taking by investing men, *matériel* and money in Afghanistan would only succeed if the allies give Washington the help it seeks. Turkey's contribution both in nation-building and in promoting political dialogue may, in our view, prove invaluable for the United States provided that Turkey has a clear sense of what the end game is.

Recommendations:

To the US:

ON THE MIDDLE EAST PEACE PROCESS

- Be more actively engaged in the Middle East peace process. Make every effort to be impartial. Continue with the openings to Syria.
- Find a formula to integrate Hamas into the political process and assist the Palestinians with nation-building practices and institutions.
- Make use of Turkey's accumulated experience in the region.

ON IRAQ

- In Iraq, do not act precipitously or leave prematurely. A premature departure, particularly if the Iraqi state is still incapable of providing security for all, will destabilize the country and lead to a promiscuity of violence.
- Do not plan for permanent bases in the north. This would undermine the political position of the Kurds further and increase animosity and probably violence against them.
- Make sure that Kirkuk remains in its particular status and is not integrated to the Kurdistan regional government by force or a *fait accompli*.
- Cooperate with Turkey further to cut off all supply routes and logistical support for the PKK.
- Encourage the economic integration of Turkey and northern Iraq through energy projects, trade and investment.

ON IRAN

- Seek a diplomatic solution. Without concerted action and without taking into consideration Tehran's legitimate interests no durable solution is possible.
- Be as multilateral as possible. Turkey as a partner both in NATO and since January in the UNSC, has the trust of the Iranian authorities, and is willing to be engaged and helpful.
- Avoid a sanctions regime that will hurt Turkey economically in a disproportionate way.

ON AFGHANISTAN-PAKISTAN

- Seek diplomatic solutions to the problem without neglecting the military dimension. Target the elimination of al-Qaeda, but if need be deal with the Taliban.
- Use Turkey's resources and historical ties to the country for nation-building. This would be much more promising than asking for combat troops.
- Turkey operates hospitals and schools in Afghanistan. If possible, provide resources for such projects to continue and broaden their reach.

To Turkey:

ON THE MIDDLE EAST PEACE PROCESS

- Make more of an effort to coordinate your initiatives and policies with the allies and avoid surprises.
- Continue the mediation efforts between Israel and Syria despite the ill feelings generated by the Gaza war episode.
- Make sure that equal distance is always kept from the parties to secure the effectiveness of the mediation efforts.

ON IRAQ

- Continue the opening towards Iraqi Kurds and deepen economic relations with them. Do not treat relations with Iraqi Kurds as a function or extension of Turkey's domestic Kurdish problem.
- Open a consulate in Arbil.
- Continue the reconciliation efforts between Iraqi parties.

ON IRAN

- Use the available channels of communication with Iran to impress on the leadership that they need to be more forthcoming about their nuclear program.
- Make the negative view on Iran's acquisition of nuclear power more explicit.

ON AFGHANISTAN-PAKISTAN

- Communicate to Washington the capabilities in Afghanistan. Present a plan and make concrete proposals.
- Explain the readiness of the country to take part in nation-building in Afghanistan.
- Impress upon the Americans that your historical ties with Pakistan privilege you in playing a role in the stabilization of that country and finding reconciliation between Kabul and Islamabad.

CHAPTER 5

THE EURASIAN DIMENSION:
COMPLEX DYNAMICS OF ENERGY
AND SECURITY

5. THE EURASIAN DIMENSION: COMPLEX DYNAMICS OF ENERGY AND SECURITY

An increasingly significant and strategic region of cooperation between the United States and Turkey is Eurasia. In a book he wrote after the Cold War ended, Zbigniew Brzezinski described Eurasia as a “grand chessboard,” where both global and regional actors constantly compete to secure their geo-strategic and economic interests.³⁰ Turkey certainly has a pivotal position in this grand chessboard and is a consequential regional actor in the Caspian endgame. Three main aspects of the developments in Eurasia are likely to have an impact on Turkish-American relations:

1. Energy Politics of the Caspian Region and Pipeline Politics
2. Russian Resurgence and the Changing Context of Turkish-Russian Relations
3. New Developments in Turkey-Armenia Relations.

Turkey is confronted with the challenge of finding the proper mix of policy between its strong energy dependence on Russia and the arduous task of balancing the intricate dynamics of a very volatile region. The delicate equilibrium and the interaction of domestic and international factors will ultimately affect the path of Turkish-American relations, as well as the outcome of the Caspian endgame.

In a world of rapidly increasing energy demand, the global struggle over access to and the control of energy resources has intensified. Consequently, “the energy ellipse,” encompassing both the Caspian region and the Persian Gulf that contains over two-thirds of the global proven petroleum reserves and more than 40 percent of the world’s proven natural gas resources, is like a strategic “jack-pot.”

Russia, the United States, the EU, and China are the main global actors with significant interests and influence in these areas, while Turkey, Azerbaijan, and Iran are emerging as important regional actors. The challenging task of transporting land-locked Caspian energy to the international markets further complicates the delicate dynamics between energy producers, energy transit countries and energy consumers turning “pipeline

³⁰ Brzezinski, Zbigniew. *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*. (New York: Harper Collins Publishers, 1997), pp. 30-56.

politics” into an indispensable part of energy security. In this respect, Turkey has a persistently growing significance as an energy transit country.

The East-West Energy Corridor, initiated through intensive collaboration between Turkey, Azerbaijan, Georgia and the United States, forms a critical part of these initiatives. The Energy Corridor aims primarily at transporting the Caucasian and Central Asian crude oil and natural gas to international markets via safe alternative routes to Russia and Iran. The major components of this sizeable energy outlet include Baku-Tbilisi-Ceyhan (BTC) crude oil pipeline, the Shah-Deniz natural gas pipeline (Baku-Tbilisi-Erzurum), as well as the other Trans-Caspian Natural Gas Pipeline projects (i.e., the Turkey-Greece-Italy Inter-connector Project and the Nabucco Project), railroads and complementary infrastructure. The completion of the BTC pipeline project has been particularly significant in terms of Western energy security by opening an oil transit route that would present an alternative to Russia in order to get the landlocked Caspian oil to global energy markets.

At the OSCE Istanbul Summit in November 1999, Turkey, Georgia and Azerbaijan reached an agreement, with the endorsement of President Clinton, for building a major pipeline that would take Caspian oil through BTC to mostly Western markets. When the BTC project was finally completed in 2006, it had a total length of 1,767 kilometers (1,098 miles) and cost approximately \$4 billion. One million barrels of Caspian crude oil is pumped each day through this pipeline. The feasibility of the BTC pipeline increased further when Azerbaijan and Kazakhstan signed a Transit Agreement in June 2006 to connect Kazakh oil to BTC. Both countries’ parliaments have ratified the agreement, and as of October 2008, Kazakh oil started to flow into BTC. Consequently, BTC opened a very significant new East-West energy corridor providing an alternative energy route to Russia and Iran for crude oil. Hence, it also enhanced the geo-political significance of Turkey by turning it into a critical energy corridor.

One critical nascent natural gas transit project is Nabucco, named after a Verdi opera. This multinational pipeline, with a potential target date for completion in 2015, will be transporting gas primarily from Azerbaijan (with anticipated additional contributions from Turkmenistan, Kazakhstan and other sources in order to make it economically more viable) to Central Europe via the Turkish gas hub of Erzurum. This project will be significant for EU countries in terms of diversifying their supply and for bypassing Russian territory. Yet, to date the project suffered setbacks because of disputes between

Turkey and the EU over pricing and concerns regarding whether there would be enough natural gas supply to make the project economically feasible. EU member countries also had a difficult time harmonizing their positions and showing their determination to go ahead with the project. Moreover, the Russians made significant efforts to curtail this potential competition.

Recently, Russia has been very active in the field of energy politics, particularly for controlling the supply and the transfer of natural gas resources. Russia is leading the efforts to form a new international gas cartel together with other leading natural gas suppliers, such as Iran and Qatar. Moreover, the Kremlin made considerable efforts to undermine the significance of the Nabucco project for Turkey by promoting its Gazprom backed South Stream Pipeline project as an alternative. One strategic move Prime Minister Putin made to accomplish this goal was to reduce the potential natural gas supply to the nascent Nabucco project through Russia's new energy agreements with Turkmenistan and Kazakhstan.³¹

The South Stream project was announced in Rome on 23 June 2007, when the CEO of the Italian energy company *Eni*, Paolo Scaroni, signed a memorandum of understanding for the construction of South Stream with Alexander Medvedev, who at that time served as the Vice-Chairman of Russian Gazprom. South Stream plans to transport Russian natural gas to Italy and Austria and it will partially replace the planned extension of Blue Stream from Turkey. It will pass through Bulgaria and Serbia to Hungary and Austria. The shortest initial route was projected to pass through the continental shelves of Russia, Ukraine, Romania and Bulgaria. However, because of the recent gas disputes with Ukraine, Russian authorities started to consider a longer route running along Turkey's exclusive economic zone,³² for which they would need the consent of the coastal state according to the UN Convention on the Law of the Sea. Despite serious concerns about economic feasibility of the South Stream project (since it might cost twice as much as Nabucco)³³ and subsequent plans to delay it due to high costs amid a global economic crisis, Russia still views South Stream as a critical project to expand and consolidate Russian influence in the region and in the energy markets.

31 Cenk Başlamış, "Putin Engeli" *Milliyet*, www.milliyet.com.tr/2007/05/13/dunya/adun/html, (last access: January 12, 2009); for a critical analysis of the role of Gazprom in Russian strategic thinking see, Cenk Pala, "Ayı ile Dans: Kutsal Gazprom İmparatorluğu ve Türkiye," unpublished manuscript.

32 "Russia seeks Turkey's permission for South Stream Studies," *Today's Zaman*, February 11, 2009.

33 "Energy Security: South Stream vs. Nabucco Gas Pipelines," *Southeast European Times*, February 14, 2008.

As a sign of the importance that Moscow attributes to this project, Gazprom made an offer to the former Italian Prime Minister Romano Prodi, before he stepped down from the premiership, to become the chairman of South Stream AG.³⁴ This strategic offer resembles the appointment of former Chancellor Gerhard Schröder of Germany to head Nord Stream AG, the consortium constructing the Nord Stream pipeline. This time, however, Prodi has politely declined the offer.

As the adverse effects of the recent gas dispute between Russia and Ukraine and the cutting of gas supplies to European consumers for three consecutive years clearly showed, over reliance on a single supplier and transport route is becoming extremely risky. Alexandr Vondra, Deputy Prime Minister of the Czech Republic, which assumed the EU Presidency as of January 2009 in the midst of a major European energy crisis, acknowledged that energy policy is a priority. He pointed out that, “Diversification on the terrestrial route for gas is a must for Europe”.³⁵

As for the United States, Washington needs to reassert itself as an important global actor in the Eurasian energy competition. A pro-active joint strategy is essential, particularly in the rather neglected field of natural gas, since Moscow is trying to monopolize its control over supply routes. Hence, US support for Turkey in the Nabucco project is becoming critically important.

In addition to these Western connections, Turkey is also interested in a potential North-South Energy Corridor. This project would be pursued in collaboration with Russia and Israel, and the pipelines would transport Russian gas and oil first to Israel and then to Eastern markets, such as India, with rapidly growing energy needs. In July 2008, Turkey and Israel reached an agreement to conduct a feasibility study for a multi-purpose energy transport route, namely Medstream, which will simultaneously transport oil, natural gas, water, electricity and fiber optic cables through parallel pipelines.

Israel is focusing particularly on the oil, natural gas and water dimensions. India is also very interested in the oil part of this project, since its realization would radically

34 In January 2008, Gazprom and Eni have formed a joint venture named South Stream AG, which was registered in Switzerland and equally owned by the two companies. “Eni, Gazprom set up company for South Stream gas pipeline,” *Forbes*, January 18, 2008.

35 Ian Traynor, “Europe’s Plan for Alternative Pipeline faces Big Problems,” *The Guardian*, 7 January 2009.

cut transport time from Ceyhan, reducing it from 49 to 16 days. Hence, it will be providing significant time and cost advantages. Consequently, energy collaboration has been in the limelight of Turkish Prime Minister Erdoğan's five-day visit to India in November 2008. The timing was also suitable, since an alternative energy project between Iran, Pakistan and India for the construction of a natural gas pipeline has been on hold for a long time for political reasons with no real prospects of progress in the short-term.

While it is intensely engaged in developing international pipeline projects, Ankara is facing pressing domestic energy needs. According to the Turkish National Committee of the World Energy Council, over the next decade Turkey's annual energy consumption is expected to more than double, and to reach approximately 222 million tons of oil.³⁶ Ankara's insufficient domestic energy supplies, drastically rising natural gas and electricity costs, and its own over-reliance on Russian natural gas (Turkey purchases 64 percent of its natural gas from Gazprom), raises serious questions about Turkey's own energy security.

Hence, this paradoxical situation also necessitates a more comprehensive energy strategy for Turkey in the near future and closer collaboration with the primary global and regional actors, while seeking a delicate balance in its relations with Russia. On the one hand, Turkey is heavily dependent on Russia for its own domestic energy needs and tries not to alienate its formidable neighbor by collaborating with it in other energy projects, such as the Blue Stream and the potential North-South energy corridor. Yet, on the other hand, it is in fierce competition with Russia in the context of the East-West energy corridor.

Overall, while there had been a very effective cooperation between Turkey and the United States on strategic energy collaboration in the 1990s, Mark Parris' observation that "the past eight years represent a tragic loss of opportunity"³⁷ is accurate. Under the new Obama administration, which set energy security as a top priority, there is the urgent need for a renewed push between the United States and Turkey in close collaboration with their European partners in the field of energy politics. Such

36 Greg Bruno, "Turkey at an Energy Crossroads," Council on Foreign Relations, www.cfr.org/publication/17821 (last accessed: January 2008).

37 Mark R. Parris, "Looking Ahead: The United States and Turkey under Obama," Speech at the Alliance of Civilizations Conference, Kennesaw University, GA, January 29, 2009.

a strategic move will be critical to enhance global and European energy security by providing alternative routes to Russia and Iran and by connecting the land-locked energy resources of the Caspian region to the world markets.

Recommendations:

ON ENERGY POLICIES

To the US:

- Provide support for the Nabucco project, by facilitating the formation of the necessary legal and infrastructure framework to plug Iraqi natural gas to Nabucco before the withdrawal of American troops from Iraq.
- For enhanced and effective cooperation, facilitate high level visits in the energy sector, formulate a "joint Energy Action plan", and establish an institutional coordination mechanism, which was successfully implemented during the Clinton era for the BTC project. Since such an energy strategy is vital for European energy security, there should also be enhanced trilateral collaboration and institutional mechanisms between US-EU-Turkey for promoting this project.

To Turkey:

- Develop "an integrated energy strategy" in order to promote Nabucco and other new energy transit projects more effectively. To that end, work more closely with the United States, the EU and other regional partners, while looking for ways to meet Turkey's own rapidly increasing energy needs.
- Establish the necessary framework to connect Iraqi gas to Nabucco to make it economically viable. Three issues can prove to be quite problematic and need to be addressed to meet this goal: (1) Territorial Integrity and Status problem (the nature of the energy sharing agreement): Arbil-Baghdad relations; (2) Turkey's own dynamics concerning the Kurdish Question; and (3) developments in the Kurdistan Regional Government. (There has been significant progress on this front.)
- Try to reduce Turkey's own energy dependence on Russia through investments in renewable (wind, solar etc.) as well as nuclear energy.
- Turn Ceyhan into "an energy hub" both for oil and natural gas to serve the entire region.

- Emphasize and promote Turkey's goal of not simply becoming a transit country. Persuade partners to help Turkey become a distribution hub. In this respect, it is essential to have better coordination and intensive collaboration between the Ministry of Energy, Ministry of Foreign Affairs and BOTAŞ in order to present feasible plans.

To Both Sides:

- Given the successful Turkish-American cooperation in BTC, devise a new proactive energy strategy, particularly concerning natural gas, in order to build alternative energy routes to Russia. In this respect, it is important to revitalize the Nabucco project.
- Develop effective mechanisms to connect Iraqi gas to Nabucco in the medium term. Russia has already made agreements with Turkmenistan and Kazakhstan and has a claim on their gas production. Azeri gas alone would not make the project economically viable. Moreover, since such a move would generate vested economic interests both for Turkey and Iraq, it will also contribute to enhanced collaboration between the two neighbors and possibly ease tensions between Turkey and the Iraqi Kurds in particular.

The Caucasian Dynamics

Russia's attack against Georgia in August 2008, when Georgia used force in an attempt to recapture its separatist pro-Moscow region of South Ossetia, caused significant turmoil in the region. Against condemnations by the United States and European Union about troop deployments and bombings deep inside Georgia proper, Russian Foreign Minister Sergei Lavrov defended the Russian stance. "Russia has returned to the world stage as a responsible state which can defend its citizens,"³⁸ said Lavrov. Moreover, Russia promptly recognized the two break away pro-Russian provinces of South Ossetia and Abkhazia as independent states.

These actions signal that a resurgent Russia will display an increasingly assertive foreign policy. In response to these new developments, Turkey made a substantive effort to maintain its multidimensional and soft power approach by championing the idea of forming a "Caucasus Solidarity and Cooperation Platform" in the wake of

38 <http://www.alertnet.org/thenews/newsdesk/L1611254.htm> (last accessed: March 2009)

the Georgia-Russia war. Turkish leaders conducted numerous high level diplomatic meetings to promote it. However, since this would primarily be a regional cooperation platform, the United States did not show much enthusiasm about its prospects. Overall, in a new era of possible confrontation between the United States and Russia, Turkey is facing the challenging task of striking a delicate balance between its alliance with the Washington and NATO and its relations with Russia.

In assessing Turkish-Russian relations, it is essential to highlight the significant paradigm shift from the bipolar framework of the Cold War era, during which Turkey closely aligned its policies with the United States and NATO in search of security against its formidable neighbor. During the first decade of the post-Cold War period, a new paradigm has emerged in which confrontation turned into competition. Hence, there has been considerable competition between a US-backed Turkey and a resurgent Russia over political and economic influence particularly in the Caucasus and Central Asia.

Finally, the relations took another extremely important turn in the second decade of the post-Cold war era. While Russia and Turkey maintained a competitive relationship, significant cooperation, particularly in economic matters, occurred. For instance, Turkey's trade relations with Russia had a meteoric rise in recent years reaching a volume of approximately \$40 billion (three times larger than the Turkey-US trade volume) turning Russia into Turkey's top trading partner.

Turkey also became increasingly dependent on Russia for its energy needs. These changes also were influenced by developments in the international context. The drastic downturn in Turkish-American relations in the post-Iraq war context and the relative cooling period in Turkey-EU relations marked by numerous problems after the initiation of the EU accession negotiations were particularly significant. In this period, Turkey also tried to implement a more pro-active and independent foreign policy with a strong emphasis on Eurasia.

As a reflection of the changing dynamics of bilateral relations, Turkish President Abdullah Gül paid a four-day visit to the Russian Federation between February 12-15, 2009, to discuss a wide range of economic and political cooperation issues. Indicating the significance that Moscow attaches to this visit and more generally to Turkey, Gül's visit was elevated from an "official visit" to a "state visit." The Turkish President was, thus, received at the highest level of state protocol, holding meetings with President

Medvedev and Prime Minister Putin. He also traveled to the capital of Tatarstan, Kazan, in order to discuss joint ventures.

In this trip, Gül was accompanied by the Turkish Minister of Energy, the state minister responsible for foreign trade, and a large group of Turkish businessmen. Foreign Minister Ali Babacan also joined the delegation. During this visit, Gül and Medvedev signed a joint declaration highlighting their commitment to mutual friendship and multi-dimensional cooperation. Expanding bilateral commercial ties, cooperation in the field of energy and the developments in the Caucasus have been the major items on the agenda. Even the possibility of starting to use the Turkish Lira and the Russian Ruble in foreign trade in order to increase Turkish exports to Russia at a time of economic crisis came into consideration. This visit certainly reflects the more positive tone in bilateral relations, despite regional competition and occasional tensions.

As highlighted by the leading Turkish officials and foreign policy strategists on numerous occasions, however, Russia does not provide a realistic and sustainable substitute to strategic partnership with the United States, or more generally the West. Ankara's Western orientation and ties, as well as NATO commitments, still constitute its priority engagement. Nevertheless, in trying to understand the new dynamics of the triangle of Turkey-US-Russia relations and the delicate balance that Turkey is trying to strike by maintaining good relations with both sides, it is critical to keep the intricate dynamics of this new paradigm in mind. In this respect, the relatively more nuanced and constructive approach of the Obama administration regarding Russia is more in tune with the current Turkish position and interests.

The March 6, 2009 Geneva meeting of Secretary of State Clinton and Russian Foreign Minister Lavrov sent some positive signals on improving the bilateral relations that became strained under the Bush administration. Prior to the meeting, Mrs. Clinton stressed that it was time for NATO to make a fresh start with Russia and that the alliance "can and must find ways to work constructively with Russia where we share areas of common interest."³⁹ Ironically, during their meeting, citing a phrase first used by the US Vice President Joe Biden to take the opportunity of "resetting" bilateral relations, Mrs. Clinton handed Mr. Lavrov a red plastic button emblazoned with the English word "reset" and its false Russian translation as "*peregruzka*" (meaning "overload") causing a diplomatic

39 James Blitz, "US Heralds 'fresh start' with Russia", *Financial Times*, March 5, 2009, <http://www.ft.com/cms> (last accessed: February, 2009)

blunder.⁴⁰ Looking into the future course of relations, one can realistically expect a bit of both. One significant concrete development, which set the relations on a good “start” during this meeting, was the agreement on a “work plan” to set the stage for a treaty to replace the Strategic Arms Reduction Treaty (START), which expires this year.

In addition to the trilateral context, the political leadership in Turkey also attempts to exploit inter-linkages between different dimensions of foreign policy. Turkey’s facilitator role in various conflict situations acquires increasing importance in enhancing its status as a pivotal regional power. In this respect, if Ankara improves its relations with Yerevan, Turkey can certainly serve as an effective facilitator for the peaceful resolution of the long-lasting Nagorno-Karabakh dispute. Hence, there can be significant collaboration between the United States and Turkey in order to promote security and stability in this highly volatile region. However, this strategy would be more effective if the United States pursues a more multilateral and dialogue oriented approach rather than a confrontational one with Russia. Given Russia’s considerable influence over Armenia, at least a tacit approval of the Russian side is critical for a genuine breakthrough in the Nagorno-Karabakh dispute. In this respect, the Russian strategy will be highly dependent on the overall context of US-Russia relations.

One strategic area of US-Russia competition, as clearly revealed during the Georgian conflict, with significant implications for Turkey is the Black Sea. Due to geo-strategic, socio-political and economic reasons, it is more suitable to consider the Black Sea region in a broader sense and link it to the Caucasus, the Caspian, and the Balkan regions. In the context of the Cold War, the Black Sea was a site of East-West strategic contention. In the post-Cold War era, it has emerged as an even more complicated theater that is hard to manage.

The emergence of newly independent littoral states, as well as the rising tide of territorial, nationalistic, ethnic and religious disputes gave way to numerous conflicts in its vicinity extending from the Balkans to the Caucasus, including those in the former Yugoslavia, Trans-Dniester, South Ossetia, Abkhazia, Chechnya and Nagorno-Karabakh. The existing conflict resolution and peacekeeping instruments, such as OSCE, NATO, and the UN, as well as the confidence building agreements like the CFE treaty, have so far scored limited success in resolving these crises.

40 Mark Lander, “Lost in Translation: A US Gift to Russia,” March 7, 2009.

On a more positive note on the economic front, as pointed out by Mustafa Aydın, “the most institutionalized homegrown institution in the region” has been Black Sea Economic Cooperation (BSEC) Organization.⁴¹ BSEC had been initiated and established with Turkish leadership in 1992. Upon the entry into force of its Charter, it assumed an official legal entity as a “regional economic organization” in May 1, 1999. While promoting the goals of economic cooperation and regionalism, it pursues a project-based approach. BSEC aims to contribute to security and stability in the region through economic cooperation as a major priority.

After the respective NATO and EU enlargements, the Black Sea has become the Eastern frontier of Europe and even more relevant for NATO. Despite strong Russian objections, both Ukraine and Georgia expressed their interest to become NATO members in the future. Hence, on the one hand, a resurgent Russia is trying to firm its grip over the stormy shores of the Black Sea, while on the other, the United States and NATO are also aiming to increase their presence and influence in this volatile, yet highly strategic area. Both Turkey and the United States are trying to promote peace, stability and economic cooperation in this region and there is a strong convergence in this respect.

There is some divergence, however, in the Black Sea strategies of the two allies. Whereas the United States wants to increase its presence and NATO’s naval power in the Black Sea region, Turkey believes that increasing NATO’s naval presence would raise tensions. Particularly as highlighted by an authoritative Turkish diplomat, “attempts to revise the Montreux Treaty are highly problematic and are unacceptable for the Turkish side.”⁴² Instead, Turkey argues that in line with the Montreux Treaty, regional cooperation among and ownership by littoral countries should be the main focus of international efforts. For more urgent situations, Turkey as a NATO member is already present in this area and it has helped maintain stability and avoid escalation of tensions in the maritime security domain in this region under NATO auspices for decades. However, there should also be enhanced institutional cooperation mechanisms within NATO enabling closer and more effective collaboration between Turkey and the United States, particularly in international conflict and crisis situations.

41 Mustafa Aydın, “Regional Cooperation in the Black Sea and the Role of Institutions,” *Perceptions*, vol.10, no.3, Autumn 2005, pp. 57-83.

42 Personal interview with a high level Turkish Diplomat, 24 October 2008.

Recommendations:

ON THE BLACK SEA AND THE CAUCASUS

To the US:

- Acknowledge the significance of the Montreux Treaty as a binding international agreement for providing stability in this region and a safeguard against Russian expansionism since 1936. An attempt towards its modification might dangerously backfire by significantly strengthening the hand of Russia, which is not desirable either for the United States or for any of the riparian states.
- Try to devise a new strategy pursuing a more multilateral and dialogue oriented approach rather than a direct confrontation with Russia. A confrontational approach and polarization also places Turkey in a very difficult position. Ankara is then squeezed between its primary ally the US on one side and its formidable neighbor Russia to which it has strong energy dependence on the other. Russia does not constitute a realistic substitute to the strategic partnership with the US and NATO, however. Turkey will try to implement a tacit balancing policy and will try to avoid actions that would hinder its relations with Russia as much as possible.
- Look for ways that would enhance security and stability in this region. Although Washington would not be a direct party to the “Caucasus Solidarity and Cooperation Platform” advanced by Turkey in the wake of the Georgia war, such a regional cooperation and security mechanism would still enhance US interests through its indirect engagement and close cooperation with Turkey. In this respect, facilitating a tripartite dialogue between Turkey, Armenia and Azerbaijan is very critical.

To Turkey:

- Closely align Turkey’s Black Sea strategies particularly in the short and medium term with the United States and seek more effective institutional mechanisms for cooperation within NATO in this respect.
- Improve Turkey’s relations with Armenia. The opening of the borders would be a daring and consequential move.
- Cooperate and engage more closely with the United States in the background for regional schemes when you try to play the role of a facilitator and form regional arrangements to provide stability in the Caucasus region.

The Armenian Track

The new administration's handling of the allegations of Armenian Genocide issue will prove critical in setting the tone of Washington's relations with Ankara in the new era. It is essential that the Armenian Genocide resolution not pass in the US Congress. If the resolution passes, it would undoubtedly have negative repercussions for Turkish-American relations, dooming these to a negative and counter-productive course from the outset of the Obama period.

The domestic gains of yielding to the demands for the recognition of the tragedy of 1915 as "genocide" would pale in comparison to the damage it would inflict on Turkish-American relations. Especially when there are numerous urgent issues requiring high-level cooperation between Turkey and the United States, such as Iraq and Afghanistan. Moreover, such a development would strongly damage the newly flourishing dialogue and improvement in Turkish-Armenian relations. Given previous statements by President Obama and his top aides concerning the Armenian issue, the stakes are unusually high. Hence, Ankara should not procrastinate in taking proactive steps towards both Yerevan and Washington and stop relying solely on its strategic importance.

Turkish President Gül made a brief, yet landmark visit to Armenia on September 6, 2008 to attend the World Cup qualifying match between Armenia and Turkey in Yerevan. This "football diplomacy" served as a great opportunity to open channels of communication between the two estranged neighbors. This visit has been a significant symbolic first step towards addressing diplomatic and political challenges in bilateral relations, as well as promoting cooperation on broader regional issues. Such an initiative is proof of political will at the highest level towards cooperation.

Currently, the work of the technical committees to improve the relations is continuing. There is some concern and skepticism in Azerbaijan that a possible improvement in Turkish-Armenian relations, such as the opening of the border before the resolution of the Nagorno-Karabakh dispute, might significantly weaken Baku's hand. Turkey has strong cultural and historical ties with Azerbaijan, as well as significant energy interests. Therefore, while recalculating its relations with Yerevan, Ankara needs to keep Baku's concerns in mind as a part of its strategic calculus. As suggested earlier, Russia's support

or at least tacit approval is also essential for a long-lasting solution. If this dispute is resolved, it would be much easier for Turkey to normalize its relations with Yerevan.

The foreign ministers of Turkey, Armenia, and Azerbaijan conducted tripartite negotiations to discuss the future of the relations among the three countries, with the goal of ultimately setting the stage for presidential-level meetings. Turkey's Prime Minister mentioned that it might be possible to re-open the border crossings if the problems between the countries are resolved.

On an even more encouraging note, in a recent interview Turkish Foreign Minister Babacan claimed that although he cannot reveal the details at this stage, the parties are very close to a breakthrough and 2009 could prove to be a critical year. In this respect, the constructive input from the United States is extremely important. How the Obama administration handles the Armenian resolution issue will bear upon the course of the relations between Ankara and Yerevan. To put it more bluntly, Turkish-Armenia relations can break or flourish in the first half of this year.

Recommendations:

ON THE ARMENIAN ISSUE

To the US:

- Address the issue of the Armenian Resolution not only as a matter of domestic politics with respect to the Armenian-American population. Keep in mind the extremely adverse effects on Turkish- American and Turkish-Armenian relations if it passes.
- Support the idea of forming a “Joint Historians Commission” for an objective analysis of historic facts and for encouraging the discussion of this issue on a more academic and objective international platform.
- Rather than focusing on the claims of the Armenian diaspora in the United States, try to foster cooperation between Armenia and Turkey, which will be more constructive and will be more likely to yield strategic as well as political results.
- Support and contribute to the efforts towards the resolution of the Nagorno-Karabakh dispute between Azerbaijan and Armenia. Work closely with regional actors including Turkey in order to achieve this goal.

To Turkey:

- Improve relations with Yerevan and thus try to reduce the adverse impact of the Armenian diaspora on American policy towards Turkey.
- Devise a more comprehensive policy going beyond addressing immediate challenges in the US Congress.
- Open the borders with Armenia and intensify trade and investment links.
- Revitalize the idea of a “Joint Historians Commission” for an objective analysis of historic facts and depoliticize the issue by discussing it at the more technical and academic level.
- Send several delegations to Washington to explain and promote the Turkish case concerning the Armenian issue and also effectively use lobbying strategies for this purpose.
- Continue high level contacts between the two countries, while intensifying the ongoing work and expanding the scope of technical committees between Turkey and Armenia.
- Try to facilitate cooperation between Armenia and Azerbaijan towards the resolution of the Nagorno-Karabakh dispute, which is critical for regional stability and for further improvement of Turkish-Armenian relations.
- Initiate track-two diplomacy and support civil society initiatives in order to overcome long-lasting animosity and biases between the two neighbors.

CHAPTER 6

THE NEGLECTED DOMAIN:
ECONOMIC TIES

6. THE NEGLECTED DOMAIN: ECONOMIC TIES

The analysis of Turkish foreign policy in this report highlights the usually neglected economic dimension in line with the evolution of Turkish foreign policy in the last decade. In that time Turkish foreign policy-making moved away from a perspective that confined the definition of national security to hard security issues to one that took into consideration the economic dimension of issues and policy choices.

Turkey's interest in its surrounding regions has a clearly articulated economic dimension. The new orientation of Turkish foreign policy seeks regional stability both for its own sake and because it is the precondition for mutually beneficial economic interaction with all the neighbors. From energy to enhanced trade to cooperation in attracting foreign investment, common economic interests are likely to proliferate if and when Turkey's neighboring regions can enjoy a political environment that is conducive to economic development.

Therefore, a report on Turkish-American relations must include this much neglected topic and make the initial attempt to gradually bring economic issues to the forefront of the bilateral agenda.

Hitherto, the bilateral relations between the United States and Turkey have been primarily dominated by military/strategic considerations. The economic component has been virtually absent from the strategic framework with a brief exception in the 1980s when the late Prime Minister Özal emphasized the importance of commercial relations, and in early 1990s when the United States focused on big emerging markets that included Turkey. Turkey, as the largest economy of Eastern Europe and Middle East, currently ranks 17th in the world and 6th in Europe.

This observation has two facets. On the one hand, the significantly low level of investments in both directions and the slowly increasing, but still limited, level of bilateral trade volumes do not help change the perception of Turkey by US policy-makers only as a political and strategic pivotal actor. The lack of economic elements supports the traditional and Cold War era perception of this partnership, which prevents new openings that might significantly contribute to reshaping it with the new realities on the ground. On the other hand, being the largest and most dynamic market economy

in the region, Turkey now plays an important role in Eurasia and the Middle East in promoting the economic foundations of liberal democracy in a distant future. The economic aspects of Turkey's increasing soft power in the region are often unnoticed or underestimated, particularly by the United States. The exponentially increasing trade volumes between Turkey and its neighbors, as well as significant Turkish investments in surrounding countries and some of the neighboring countries that are becoming wholly or partially the de facto hinterlands of the Turkish economy, are evidence of the intensifying role Turkish economy plays in its region.

US-Turkey Economic Relations

The lack of economic foundations in the larger picture makes this partnership more vulnerable to political fluctuations and considerations in both countries. Even though increasing investment and trade volumes in a relatively short period of time is not an easy task to achieve, both governments should put determined and concerted efforts in making economic relations a relatively significant component of this partnership.

In this era of globalization, notwithstanding the slowdown due to the recent global crisis, the volume of international trade and investment has been increasing at double digit rates annually. The process of trade liberalization has enabled the total world trade to surge 11 fold in the past 15 years. Similarly, cross border investments have increased more than 10 fold in the same period.

Despite the fact that the US has been the single largest investor outside of its borders with a total investment of \$2.8 trillion (2007), the share of Turkey as a recipient country has been minimal, around \$10 billion as of 2008⁴³. Nearly half of these investments were made in the last few years, during a period in which Turkey made an impressive progress in improving its political and economic stability. Turkish investments in the US are also very limited (it is estimated to be less than \$2 billion) but, it should be remembered that Turkey has not been a capital exporting economy until very recently.

In the area of trade, foreign trade volume of Turkey reached to 277 billion US Dollars in 2007, an impressive surge of 25 fold since 1980⁴⁴. As of end-2007, Turkey is the 6th

⁴³ <http://www.bea.gov/international/datatables/usdctry/usdctry.htm> (last accessed March 2009)

⁴⁴ <http://www.dtm.gov.tr/dtmadmin/upload/EAD/IstatistikDb/eko01.xls> (last accessed March 2009)

largest trade partner of the European Union. The competitive markets such as OECD, EU and USA account for 65% of Turkey's total exports. The US-Turkey bilateral trade volumes have increased rather at a modest pace, only 7 fold between 1985 and 2007, significantly less than the increase in global trade volumes as well as Turkey's overall foreign trade performance. As of 2007, the total bilateral trade volume was recorded as 12.226 billions⁴⁵. The US is Turkey's seventh largest export market and the fifth biggest import market. The US market represents only 3.9% of Turkey's exports and only 4.8% of its imports. Turkey's share in US trade is trivial, with 3 per thousand in American imports of around \$2.2 trillion.

The Significance of the Turkish Economy

Turkey with a GNP of \$655 billion (2007), per capita income of nearly \$10,000, a population over 70 million, a very dynamic private sector, high growth rates, and a substantially improved political and economic climate in the wake of 2000-2001 crisis now stands as a central country in a region on which the world intensively focuses⁴⁶. The market driven and highly diversified Turkish economy has become over time a fundamental component of a multi-party democracy in a region characterized by former soviet countries, monarchies and/or single product (oil) based economies trying to survive in this increasingly global, open and competitive world.

In an era of emerging non-state actors, corporations have increasingly become key players in international relations. Turkish corporations, since the opening up of the economy to outside competition by Turgut Özal in the 1980s, have made major steps in expanding trade, increasing investments and undertaking large construction projects in surrounding countries. The expansion of Turkish business interests has been one of the most notable drivers of Turkey's foreign policy activism and increasing soft power in the region. The process that started with openings to the Caucasus and Central Asia in the 1990s, now extends to the Middle East, southeast Asia, the Balkans and even Africa. At the same time, the Turkish economy has intensely integrated with the European economies through the Customs Union. As a result of all these developments, Turkey, and particularly Istanbul, turned into the economic epicenter

45 <http://www.dtm.gov.tr/dtmadmin/upload/EAD/IstatistikDb/eko06.xls> and <http://www.dtm.gov.tr/dtmadmin/upload/EAD/IstatistikDb/eko07.xls> (last accessed March 2009)

46 <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> (last accessed March 2009)

of the region attracting workers seeking jobs and entrepreneurs willing to cut business deals from neighboring countries.

During the last two decades, Turkish democracy has largely consolidated itself as a consequence of a more open economy and society as well as the EU process that gained momentum in the new millennium. It is clear that democracy cannot easily flourish in a closed economy or in a country whose economy depends on one single product such as oil. An open and diversified economy contributes to the emergence of new non-state national actors, which are essential components of any consolidated democracy. Therefore, the relatively advanced, highly diversified and adequately globalized nature of the Turkish economy presents a viable model not only economically but also politically for the countries of the region.

This unique position highlights another aspect of Turkey and it should lead the US policy makers to view Turkey as a “key economic partner” to not only carry out mutually beneficial economic projects with but also promote as a role model in influencing the countries of the region to move towards a more liberal democracy and economy.

Recommendations:

To the US:

- Highlight Turkey’s economic role in integrating surrounding regions to global markets. Support this process through well-designed programs.
- Encourage US companies to view Turkey as a gateway to the region’s markets.
- Develop programs aimed at fostering joint ventures between Turkish and American companies in Turkey and surrounding markets.

To Turkey:

- Educate Turkish SMEs about the US business culture and the economic opportunities offered by the US market.
- Encourage more Turkish investments in the United States.
- Set up a special unit to deal with increasing trade and investments with the United States.

To Both Sides:

- Attribute a radically important role to bilateral economic and commercial relations.
- Set up joint and permanent “Trade and Investment Promotion Centers” in both countries.
- Renew the focus on Caspian and Central Asian energy projects.
- Revitalize existing committees/platforms by setting concrete goals and strict deadlines.
- Set up a high profile “CEO Forum” consisting of CEOs of major companies from both countries.
- Develop programs capitalizing on the large numbers of Turkish students studying in the United States.

CONCLUSION

CONCLUSION

In conclusion, at its simplest the common interests of Turkey and the United States are:

- ensuring stability in the area that Brzezinski identified which includes the Middle East, the Gulf, the Caucasus and the Caspian basin as well as Central Asia, Afghanistan-Pakistan;
- ensuring the security of energy supplies and routes;
- avoiding the proliferation of failed states in the region as to more effectively fight against transnational terrorism;
- beefing up of the economies of the countries in the region which would in turn strengthen economic actors and help create an integrated economic area that will partake of globalization; and
- promoting peaceful resolution of conflicts in the region, preventing the proliferation of weapons of mass destruction and keeping Russia as a responsible non-aggressive power in the critical regions of the Caucasus and the Black Sea.

Once the agreement is there that these are shared goals and the two sides communicate to one another their particular demands, concerns and bottom lines, then it would be a lot easier to move forward. To that effect, in this report, we have made specific recommendations to both parties for particular items on their respective agendas.

In the words of Turkey's former Ambassador in Washington Faruk Loğoğlu, "(Turkey's) unique capabilities...are among the factors that enable Turkey to play a useful and facilitating role in the Middle East, the Caucasus and the Balkans. However Turkey's activity and efforts alone will not be enough to bring these complicated conflicts to resolution. We need to connect Turkish energies to the capacities of the US and the EU. Such synergizing should enhance the overall effectiveness of the Euro-Atlantic community".⁴⁷

Almost ten years ago, on the eve of his visit to Turkey, President Clinton spoke at Georgetown University for the 10th anniversary of the end of the Cold War. Just days

⁴⁷ Faruk Loğoğlu, "Open letter to President-elect Obama", *Private View*, Autumn 2008, p.53

before he was to address the Turkish Parliament, he suggested that the coming 21st century would to a large extent be shaped by Turkey's choices in defining itself as well as its present and future role. President Clinton expressed his belief that the future will be a better one if Turkey succeeded to be a stable, secular and democratic state that was fully part of Europe.

The view expressed by President Clinton is still the right perspective for any American administration to have on Turkey. We believe that the Obama administration will approach Turkey from this perspective. In such a case, the two allies may yet bring about the best period in their relation.

The Obama administration has shouldered the momentous task of rebuilding American power, prestige and popularity around the world. Given the strategic landscape and the relatively diminished capabilities of the United States, this can be best done with the help of friends and allies. Arguably few other countries will be as critical for US strategic interests, foreign policy goals and overall success in accomplishing these goals as Turkey. A cursory look at the top priorities of the US strategic agenda would confirm this observation. Simply put, for the resolution of almost every pressing problem that the next administration will need to tackle, Turkey is likely to be called upon, has certain assets that it can mobilize or has the capability to provide assistance and a frame of reference for action.

From this perspective, we come to the conclusion that Turkey can be of significant assistance to the United States in dealing with the problems of Afghanistan, Pakistan, Iraq, Iran and the Caucasus, as well as in moving the moribund Middle East peace process forward, which will be crucial for rebuilding Turkish-American partnership in a new era.

