Turkey’s Neighborhood

Edited by Mustafa Kibaroğlu

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Foreword

In tandem with the globalization of our economy and ever increasing contacts with fairly large neighborhood, the Turkish Foreign Policy Institute believed that the preparation of a conspectus of Turkey’s relations with her neighbors would be helpful, not only for developing better knowledge in our country but also for the growing importance Europe’s neighborhood is assuming for the European Union.

The participation of the Polish Institute of International Relations in this endeavor through the contributions of their researchers has not only enlarged the content of this study but also helped to enlarge the area of study. Turkish contributors come from different Universities in Ankara with whom Turkish Foreign Policy Institute has close links.

We owe much to Bilkent University’s International Relations Department that has hosted the Turkish-Polish preparatory conference for this book.

Without untiring and patient work of the editor of this tome, Assoc. Professor Mustafa Kibaroğlu this project could not have been completed.

I strongly believe that Polish-Turkish cooperation that began with this book will continue further in the coming years and express my deep gratitude to all those who have contributed to the preparation of this book.

Seyfi Taşhan,
President, Turkish Foreign Policy Institute
Introduction

Mustafa Kibarğlu

For nearly two decades, the Balkans, the Caucasus and the Middle East have been the centers of gravity of a series of dramatic events in the world. The wars in the Gulf provoked by Iraq's invasion of Kuwait; ethnic conflicts in the Caucasus flared up with the collapse of the Soviet Union; and the atrocities in Yugoslavia erupted by the secessionist demands of Slovenia, Croatia and Bosnia-Herzegovina, have long constituted the top priority items on the world political agenda in the immediate aftermath of the Cold War. The political geography of all three regions have undergone significant developments paving the way to the emergence of new independent states and radical changes in the regimes of existing states.

Unlike the Cold War era during which the states had little room to maneuver in their relations with the neighboring states because of the fear of disrupting the stability in the bi-polar international system, the new era is characterized with uncertainty and instability.

In the Balkans, much of the instability is eventually settled with the involvement of the United States (US) in the equation with its military might and heavy-weight diplomacy enforcing peace agreements between the fighting parties, and the European Union (EU) using its “soft-power” to heal the wounds of past atrocities. There are still unresolved conflicts areas such as “Kosovo” whose independence from Serbia is likely to remain a major foreign policy issue for many countries in the greater region. The expansion of the EU toward the Southeastern Europe by admitting Bulgaria and Romania as full members, and by giving membership perspectives to Croatia and Serbia raises hopes that the conflict might be contained and resolved eventually.

In the Caucasus, the level of tension has been at times up or down depending on a number of factors. For instance, attempts of the US to penetrate into the region under the pretext of its “global war on terror” strategy cause strong reactions of Russia, which in turn pursues controversial policies toward regional actors with a view to restoring its supremacy in regional politics. Russia’s ability to influence the management of the intra-state conflicts is said to be the prime underlying factor in the current state of affairs in regional politics, which is still far from being stable due to the presence of so-called “frozen conflicts” across the region as identified by the Organization for Security and Co-operation in Europe (OSCE).

The Middle East has gone through a series of traumatic developments, which had serious implications extending beyond the region’s boundaries.
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The “Gulf Wars” in 1991 and 2003 resulting from the ambitions of Iraq to become a regional hegemonic power as well as the desire of the US to transform the entire region from radical autocratic and totalitarian regimes into moderate democracies, have shaken the foundations of the long-established sets of relations among the regional actors. Similarly, the pace of developments in the US-Iranian relations due to the ambitious nuclear program of the latter added more strain to the already strenuous relations across the region. Controversies arising from the mere presence of the State of Israel whose right to exist is not recognized by most states in the region have been no less significant for the lack of stability in the greater Middle East.

Turkey, being at the epicenter of these three regions, found itself surrounded with arcs of instability in almost every direction. Due to the high degree of uncertainty in the international system, the task of the Turkish decision-makers to formulate adequate foreign policy options that would best serve Turkey’s national interests has become increasingly difficult. Anticipating the dramatic shifts in the power structures at global and regional levels has been very crucial for determining Turkey’s foreign policy orientations in such a chaotic neighborhood. To what extent this has been done, and what lessons, if any, have been drawn from the implementation of foreign policies toward the neighboring states over the last two decades, constitute the two major questions whose answers will be sought in this book in about dozen chapters written by highly competent academics and researchers.

The number of Turkey’s neighbors has doubled almost overnight due to the drastic changes briefly mentioned above. However, the change was not only in the number of states neighboring Turkey, but was also in the nature of Turkey’s bilateral relations with these states many of which have undergone a period of painful transition from closed dogmatic regimes toward open liberal democratic societies. Hence, the primary objective of this book is to study the changing nature of Turkey's relations with its neighbors throughout all these years in constant turmoil following the end of the Cold War period, which was relatively stable.

With these in mind, the chapters in Part One of the book stand as specific country studies, including Bulgaria, Ukraine, Georgia, Azerbaijan, Iran, Iraq and Syria. Each chapter starts by providing detailed background information about the radical changes that have taken place in the domestic politics as well as the foreign policies of the state in mention. In addition to that, an analysis of the relations between that particular state and Turkey during the same period follows suit, also incorporating forecasts about the future pace of bilateral relations. Considering that the external factors that have affected the foreign policy behaviors of the states concerned may have also affected Turkey’s bilateral relations with them the country-specific chapters are designed that way.
Country studies in Part One have been chosen according to a certain criteria. Turkey’s relations with some of its neighbors such as Greece and Armenia are highly complex and sensitive in nature and also very comprehensive in content. As such, they would require highly elaborate studies which would be beyond the scope and the purpose of this book. Therefore, they are not commissioned to experts. Russia was also left outside the context of the book. Because, it is obvious that Russia is not at the same scale, by any measure, with any of Turkey’s other neighbors. Yet, Russia’s influence on the Balkans and the Caucasus can be traced easily in the studies of the respective countries in these regions.

In Part One, country studies are lined up clockwise starting with Bulgaria onwards. As such, all three regions around Turkey will be covered one after another. In Chapter One, Dr. Birgül Demirtaş Coşkun analyses the political, economic and societal transformation undergone by Bulgaria since the collapse of the bipolar order. Dr. Coşkun gives a historical background on Bulgaria during the Cold War, by citing reasons as to why it was highly dependent on the Soviet Union. The assimilation policy adopted by Bulgarian authorities against Turkish minorities in Bulgaria during which more than 300,000 Turks were deported in 1989 is also elucidated. Then, the Post-Cold War political transition of the country where westernization becomes a priority both in domestic and foreign policy is also discussed. Dr. Coşkun explains the Bulgarian efforts to join the Western world through organizations such as NATO and the European Union. The improvement in Turkish-Bulgarian relations and the cessation of the assimilation policy is an important feature of the chapter, even though the author admits that there are problems due to the existence of some Kurdish organizations in Bulgaria. Yet, Dr. Coşkun emphasizes that the improving relations between Turkey and Bulgaria should be understood from the perspective of the Bulgarian efforts of Europeanization and that the nationalist movements in Bulgaria have to be taken into account.

In Chapter Two, Hüseyin Oylupinar deals with the changes that Ukraine underwent since its emergence as independent actor in the international arena and he gives a thorough historical background on the Ukrainian experience. Oylupinar explains in detail the transformations that have occurred in the Ukrainian state institutions, economic life and the society that were until the country’s independence and beyond under the heavy influence of the Soviet system. The author also focuses on the external dynamics that shaped Ukrainian foreign policies after the end of the Cold War, especially its relations with Russia. Evolution of the Turkish-Ukrainian relations after the Cold War are analyzed around three major issues, namely stability in the Black Sea region, economic and political cooperation, and the conditions of the Crimean Tatars. Hüseyin Oylupinar concludes that various channels of communication and areas of cooperation emerged after the Cold War in Turkish-Ukrainian relations and that taking those relations further is an alternative for both countries.
In Chapter Three, Dr. Özlen Çelebi analyzes the basic parameters and the major policy outcomes of the relations between Turkey and Georgia from a historical perspective. The study focuses mainly on relations in the post-Cold War era. The first part of the study deals with the pre-Cold War relations. The basic contours of the Georgian politics and the Turkish foreign policy in general are briefly discussed in this part. The Soviet factor in the region and Georgian as well as Turkey’s relations with the USSR are analyzed within this framework as well. The second part of the chapter deals with the Cold War politics and the bilateral relations in this period. The aim of this part is to draw a historical map on which the readers could find the routes to the contemporary relations. The third part focuses on the post-Cold War relations. The impacts of the dissolution of the USSR and changing Turkish foreign policy behaviors are studied in this part. The final part of the study is spared for reflections of today’s relations on the possible developments in future.

In Chapter Four, Dr. Pınar İpek analyzes the major economic and political events that have taken place in Azerbaijan since its independence from the Soviet Union in 1991 in order to identify the challenges and opportunities for the stability of Azerbaijan and their implications for the relations between Turkey and Azerbaijan. Dr. İpek analyzes the evolution of many issues faced by Azerbaijan, such as the Karabakh conflict, and the disagreement between the riparian states on the legal status of the Caspian Sea. The evolution of the geopolitical developments in relation to oil and the pipelines is also traced, stressing the importance of Azeri energy sources both for industrial countries and Turkey that have a strong interest in completing the “East to West Energy Corridor” and maintaining stability in the region. Then the new challenges faced by Azerbaijan in achieving stability such as the democratization process are discussed by the author arguing that the improving relations between Turkey and Azerbaijan are important for both countries on the grounds that while on the one hand it can facilitate its democratization process in Azerbaijan, on the other hand, Turkey is one of the biggest foreign investors there.

In Chapter Five, co-authored by Dr. Mustafa Kibaroğlu and Yasemin Nun, the internal dynamics of Iranian politics are discussed with a view to explaining the changes in the economy and political life in Iran since the end of the Cold-War as well as to understand the implications those changes on Turkish-Iranian relations. Following an analysis of the political evolution from Rafsanjani period to Khatami’s term as Presidents of Iran, the chapter focuses on the shifts in Iranian foreign policy that moved from an ideological towards a more pragmatic approach that has improved Iran’s relations with Europe and the Gulf countries. The evolution of several important issues such as the Iranian nuclear program, the position adopted in the Nagorno-Karabakh conflict, and on the legal status of the Caspian Sea are discussed. Then an account of the Turkish-Iranian relations are brought to the fore with an emphasis on the shift from allies during most
of the Cold-War period to a severe break in relations due to the radical changes the Iranian foreign policy behavior in the aftermath of the Islamic Revolution. The major issues that caused mutual distrust between the Iran and Turkey are discussed in the chapter focusing on the treatment of PKK terrorism by Iran, the impact of Iran on Turkish political Islam, the race for influence in Central Asia, and Iranian concerns over Turkey’s relations with the US and Israel.

In Chapter Six by Dr. Tarık Oğuzlu the dynamics of Turkish-Iraqi relations since the early post-Cold War era are highlighted. Turkey’s concerns about the developments in Iraq are discussed from historical, economic, social, and security perspectives. In this context, the presence of Turkmen population in Iraq, and the pace of developments concerning the Kurdish groups in the northern part of the country are given more emphasis regarding their implications for Turkey’s national security. The economic and political developments taking place in Iraq since the Gulf War in 1991 which was provoked by Iraq’s invasion of Kuwait, the impact of the wars and the US invasion of Iraq in 2003 on Turkey’s security and economy are discussed in detailed. Dr. Oğuzlu argues that the US invasion of Iraq had severe consequences not only for Turkey’s national security with the strengthening of the de facto Kurdish autonomous entity, but also had severe consequences on the regional stability in the Middle East and on Turkish-American relations.

In Chapter Seven, Berna Süer discusses several internal and external challenges faced by Syria since the end of the Cold war. With the collapse of its main military and economic supporter, the Soviet Union, Syria led by Hafız al-Asad moved towards a pragmatic approach in domestic and foreign policy that was later followed by his son Bashar al-Asad. The author provides a detailed picture of Syrian foreign policy since the end of the Cold War, clarifying the impact of the Gulf War on Syria’s security perceptions, also explaining the role it played in the Middle East Peace Process and the constrains it faces mainly due to tens relations with the US. The chapter clearly shows how tension escalated between Turkey and Syria, due to several factors such as the waters issue, Syrian support for PKK terrorism, and the pace of Turkish-Israeli relations. Berna Süer also explains the main reasons behind the normalization of relations with the 1998 Adana Protocol and shows to what extent the relations have improved ever since.

Part Two of the book comprises European perspectives on Turkey with respect to Turkey’s relations with the European Union written by the experts from the Polish Institute of International Studies. Apart from analyzing the current state of affairs between Turkey and the EU, authors also discuss the roles Turkey is believed to play in the future with particular emphasis on the transit of energy supply routes between the Middle East and Europe through the Turkish territory.
In Chapter Eight by Dr. Adam Szymanski on “South Caucasus Political Issues-the EU and Turkish Perspectives” an assessment of how changes in the European Union’s policy towards the South Caucasus may affect Turkish-European relations is provided. By tracing the evolution of the European and Turkish policies towards the South Caucasus, the author shows that both interests of countries in the region have shifted from economic concerns towards a more encompassing approach incorporating political and security interests and that both have realized that in the post September 11 international climate, stability in a region is crucial for their own security. Dr. Szymanski argues that within such a conjuncture, Turkey, with its ties to the region, and the “soft power” approach that it started to adopt recently, can facilitate the adoption of EU policies in the region by supporting reforms and by mediating between the South Caucasian states and the West. The author also argues that this role, if accompanied by internal reforms and more political stability, can strengthen the Turkish position in the negotiation process by proving that it can contribute to the implementation of EU policies and can alter European views on Turkey.

In Chapter Nine on “Euro-Mediterranean Partnership and Turkey” Beata Wojna explores the evolution and role of the Euro-Mediterranean partnership in Turkish European relations. First the history and the essence of the European approach towards the Mediterranean Basin is provided by the author. Then, the problems faced while trying to turn the region to an “area of dialogue, exchange and cooperation that would guarantee peace, stability and well being” are examined. Beata Wojna emphasizes the unease Turkey displays at thinking that the Euro-Mediterranean partnership can be an alternative to Turkish membership to the European Union to which it aspires since 1959. However the chapter concludes that Turkey does not distance itself from cooperation the EU in the Mediterranean area, but that it operates on other platforms than the Euro-Mediterranean scheme. In addition, the author explains that Turkey is likely to participate more enthusiastically in the Euro-Mediterranean cooperation if and when it becomes a EU member state.

In Chapter Ten co-authored by Dr. Adam Eberhardt and Dr. Lukasz Kulesa on the “EU Perceptions on the Security Challenges of Ukraine and Moldova” it is argued that the European Union’s need to formulate new political strategy to deal with its immediate neighbors Ukraine and Moldova following the last round of enlargement that led to a shift in the center of gravity of the Union towards the east. The authors focus first on the historical developments in Ukraine and Moldova as well as the European approach to those countries during the 1990’s in order to highlight the changes that occurred in this approach during recent years. Dr. Eberhardt and Dr. Kulesa emphasize that whereas in the 1990’s primary security problems in both countries evolved around political and military issues, now soft security issues are included in the European agenda regarding the
region. The authors also argue that the new agenda of the EU creates the potential for Turkey, who has also similar interests in maintaining trade and stability in the region, to become a partner in diverse issues regarding both Ukraine and Moldova.

In Chapter Eleven by Dr. Ernest Wyciszkiewicz on “EU’s External Energy Policy and Turkey” European efforts to develop a coherent external energy policy to face the challenges of the new century that will benefit the interests of all the members of the Community are discussed. The “Green Paper” assesses the external risks to European energy security. Dr. Wyciszkiewicz clearly explains the risks detailed in the Green Paper 2000, the solutions proposed to remedy those risks, and also the shortcomings of the Paper. Then, the role that Turkey can play in the EU’s energy plans is discussed. Turkey is viewed by the EU as “vital partner in energy cooperation”, a transit corridor for energy and some attempts at harmonizing the Turkish energy sector are in place. Dr. Wyciszkiewicz concludes that both Turkey and the European Union realize each other’s importance for their energy security and recognize the advantages of enhancing bilateral cooperation. However, the author acknowledges that this process is likely to be a complex one due to the internal transformation that both parties are undergoing.

In Chapter Twelve by Dr. Jan Bury on “Strategic and Security Issues in the Middle East: The Polish-European Perspective” an overview of the strategic outlook of the Middle East is given by emphasizing the role of the extra-regional actors in the complex political and security situation that persists for quite some time. Dr. Bury underlines that the main strategy of Europe is to encircle its neighborhood into a chain of fully democratic and well-governed states, and to achieve this, Europe promotes reform with its ‘trade with aid’ principle. However, according to the author, the Arab governments do not show their willingness to pursue real reforms because of the ongoing war on terror that has prevented the regimes of the region to go on with serious change. Dr. Bury concludes by elaborating on a variety of social, political, and military options should be employed in the Middle East democratization process.
Part One: Select Country Studies
1. Bulgaria

Birgül Demirtaş-Coşkun*

Introduction**

This paper tries to analyse political, economic and societal transformation that Bulgaria has gone through in the post-Cold War era. Though Bulgaria had been the one most closely associated with the policies of Moscow among the Eastern Bloc countries during the Cold War, it tried to orient itself toward the Western institutions immediately after the overthrow of the socialist regime. By becoming a member to both NATO and the European Union it aimed to be a part of the Western world and tried to acquire a Western identity for itself. As a neighboring country Bulgaria has a special importance for Turkish foreign policy as it is situated in Turkey’s way to Western Europe. The existence of an important Turkish minority living in the country makes Bulgaria even more important for Turkish public and policy makers. This article deals with considerable changes that occurred in Bulgarian political, economic and social life and tries to understand the meaning of these changes for Turkey. In this framework it also looks at the dynamics of the changing relationship between Ankara and Sofia beginning from the late 1980s till 2008.

In this general framework, the study is divided into three main parts. In the first part the article summarizes political and economic situation in Bulgaria during the bipolar global system. It especially tries to examine the reasons that can be accounted for almost total dependency of Bulgaria on the Soviet Union. Although many neighboring socialist countries could develop

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** This article has partly been based on the author’s previous studies on the topic such as Birgül Demirtaş-Coşkun, The Exemplary Relationship in the Balkans: Turkish-Bulgarian Relations in the Post-Cold War Era, M.A. Thesis submitted to the Bilkent University, Institute of Economics and Social Sciences, August 1999; Birgül Demirtaş-Coşkun, Bulgaristan’la Yeni Dönem, Şöğük Savaş Sonrası Ankara-Sofya İlişkileri, ASAM, Ankara, 2001; Birgül Demirtaş Coşkun, “Şöğük Savaş Sonrası Dönemde Bulgaristan’ın Dış Politikası”, in Balkan Diplomasisi, Ömer E. Lütem and Birgül Demirtaş Coşkun (eds.), ASAM, Ankara, 2001.
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or at least try to develop a rather limited relationship with the Soviet Union and create a manoeuvring space for themselves, Bulgaria became the country most closely allied with Moscow. This puzzling case in terms of foreign policy analysis constitutes an important part of this section. In this section Bulgarian policy toward Turkish minorities is dealt with as well. That was the time when Bulgarian authorities started an assimilation campaign toward the Turkish origin citizens combined with forced deportation campaigns. In that sense, Turkish-Bulgarian relations at the time were dependent on the condition of the Turkish minority to a great extent.

In the second part, political, economic and foreign policy related developments in the post-Cold War era constitute the main topic. Since late 1989 Bulgaria has gone through an important transformation process that has repercussions in almost every realm. However, it was seen that the transition from an authoritarian regime to a democratic one and from socialist economy to a neoliberal model was not easy one. Faced with recurring political instabilities and economic crises Bulgarian public had to experience a hard time in which their income continued to fall. But, since 1997 Bulgaria achieved to establish a more stable political system and a less volatile economic situation. Another issue tackled in this part is the foreign policy orientation of the country under the new international and local circumstances. In that regard Bulgaria presents itself as an important and intriguing case since it tries to establish friendly relations both with the European countries and the United States. As it was seen during the Iraqi War in 2003 Bulgaria considers itself a strategic ally of the Washington administration as well.

In the third part, the main topic is Turkish-Bulgarian relations since late 1980s till today. In fact, Turkish-Bulgarian relations are considered an exemplary relationship in the region since they changed from antagonism and enmity to cooperation and friendship in a very short period of time after the overthrow of Zhivkov regime. Both political and economic ties are dealt with in this part. In the conclusion, the main findings of the study are summarized.

Bulgaria during the Cold War

In the era of bipolar world politics as most of the countries in the Balkans Bulgaria was one of the allies of the Soviet Union with which it also shared the common Slavic ancestry and the Orthodox religion. Following the Soviet occupation during the Second World War it became a people’s republic in 1947 and following these developments it became one of the founding members of the Council for Mutual Economic Assistance (COMECON) and the Warsaw Pact. Furthermore, Bulgaria had a unique position within the Eastern Bloc due to the fact that it was considered as the closest ally of the Soviet Union. At the time even a number of jokes
were produced within Bulgaria to underline the very close relationship established between Sofia and Moscow.

Why was Sofia so dependent on the Soviet Union where other regional countries like Romania, Albania and Yugoslavia could pursue different policies from the Soviet administration? - though the degree of difference from Soviet attitudes was varied in these countries as one could expect - : For example Yugoslavia was one of the leading countries of the Non-Aligned Movement; Romania tried to pursue an independent foreign policy although it was a member of the Warsaw Pact; Albania oscillated between dependence on the Soviet Union or People’s Republic of China. Several factors can be accounted for the reason of Bulgaria's almost total dependence in its domestic and foreign policies on the Soviets during the Cold War: 1) Cultural reasons: as mentioned before both countries shared common ethnic roots and Orthodox religion, besides they had similarities in their mother tongues, both concerning the alphabet, grammar and the vocabulary. 2) Historical reasons: Russians were seen as the liberators of Bulgaria from the “yoke” of the Ottoman Empire. During the 19th century the Russian Tsardom became the most vocal supporter of the idea of Bulgarian independence albeit for its own national interests or better to say its own perception of national interests. 3) Geographical reasons: Countries like Poland, Czechoslovakia or Hungary were geographically closer to Western Europe allowing the processes of Ostpolitik (Eastern policy) of Germany and the era of detente penetrate more deeply into these countries, and thus from time to time leading to dissident movements. However, Bulgaria was somewhat more far away from the countries of Western Europe and therefore less open to the Western influence in formal or informal way. There was no counterpart of “Prague Spring”, Charter 77 or Solidarity movement in Bulgaria in which no act of dissidence seemed possible due to the internal and external dynamics of the bipolar era.

Besides totalitarian political structure and unquestioned dependence on the Soviet Union one should also mention Bulgarian policy toward the minorities, especially Turkish minority between 1945-1989. Bulgarian attitude toward its Turkish minority always played an important role in bilateral Turkish-Bulgarian relations throughout the history of these countries. The first biggest problem concerning the Bulgarian citizens of Turkish origin occurred in 1950-1951 when about 150,000-155,000 Turks had to emigrate to Turkey because of the pressure of the Bulgarian authorities.1

The Bulgarian state's approach toward its Turkish origin citizens became much worse in the mid-1980s when it started an assimilation campaign banning to wear traditional Turkish dresses and speaking Turkish language

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in public. They were forced to replace their names with Bulgarian ones, however they had to sign formal documents stating that they received these names only voluntarily. The stated reason for this name changing campaign was that there were in fact no Turks in Bulgaria meaning that all of these people were originally Slavs or Bulgarians who had forcibly been converted to Islam during the Ottoman era. Besides the name changing campaign there was also pressure on Turkish minority not to practice their religion since it was believed that forcing them to give up their religious beliefs could be an effective way to bulgaricize them. During this period some cases of violence and rape were reported as well. The crisis reached its peak in 1989 when the Bulgarian government started deporting members of Turkish minority to Turkey in the summer of 1989 during which more than 300,000 Turks had to emigrate to Turkey. This was also the time when Turkisch-Bulgarian relations became the worst of its history. The crisis could be ended up only by the so-called palace coup within Balgarska Komunisticheska Partiya (Bulgarian Communist Party – BKP) when moderate members of the party under the leadership of the Petar Mladenov carried out a coup d’etat in order to topple Todor Zhivkov. Hence, the Bulgarian transition from socialism to democracy and capitalism started differently from other Central and Eastern European countries since in other countries it was mostly public protests or dissident groups that brought the end of the socialist regimes in their own countries. However Bulgaria followed a different course in which moderate party members forced Zhivkov to resign only one day after the fall of the Berlin Wall. At the same time one could also recognize that Bulgarian revolution was devoid of any popular leader like Lech Walesa or Vaclav Havel. There was not any leader with whose name the democratic transition could be identified with. That fact might also be the reason for the lack of political stability in the country in the aftermath of the fall of Zhivkov.


In sum, during the Cold War Bulgaria was almost totally dependent on the Moscow administration in its internal politics, economic as well as in foreign policy. Bulgaria did not have the kind of dissident movements that other regional countries experienced. Despite the lack of alternative movements after the Second World, the first part of the transition became relatively swift and peaceful. The developments in Bulgaria in the post-Cold War era is going to be evaluated in the following part.

**Bulgaria in the Post-Cold War Era**

**Political Developments**

After the fall of the Zhivkov regime a process of democratization and liberalization started in Bulgaria though this process was not smooth, instead it was full of complexities and challenges as most of other transition countries also experienced at the time. However, despite all the problems there was not any outburst of violence meaning that Bulgarian transition process remained peaceful despite huge difficulties. In that sense it was a different kind of transformation from the Romanian case, for example.

After the overthrow of Zhivkov new Bulgarian leader Mladenov stated that he was committed to democratic principles, albeit within the limits of socialism. He made public the aim of his party to respect the rights of “Muslim” minority, officially ended the assimilation policy and lifted all restrictions concerning the Turkish people within the country. The emigrating Turks were allowed to come back to Bulgaria and 50 Turks who were put into prison because of criticizing government policies during the Zhivkov era were freed. Mladenov also apologized for the assimilation campaign which was later stated by other Bulgarian leaders as well. The new government formed by the Balgarska Socialisticheska Partiya (Bulgarian Socialist Party – BSP), which was established by the renaming of BKP in April 1990 recognized the existence of Turkish people living within Bulgarian borders, its rights to have Turkish names, to be able to practice their religion freely and to resume their education in the Turkish language.

1990s witnessed the first steps towards democratization taken by the Bulgarian government starting the end of the monopoly power of the BKP on 15 January 1990. In March of the same year the Bulgarian Parliament unanimously adopted the law allowing ethnic Turks as well as other Muslim people to resume using their own name. Meanwhile, in December 1989, shortly after the palace coup a liberal and democracy-oriented party had been formed: Sajuz na Demokratichtnite Sili (Union of Democratic Forces - SDS) consisting of different opposition groups. The first elections after the

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7 *Cumhuriyet*, 6 December 1989.
coup were held in June 1990 resulting with a victory of the BSP with the support of 47% allowing it to form the government alone. The newly founded SDS got 36% of the votes. Meanwhile, the party representing the Turkish people, Dvizenie za Prava i Svobodi (Movement for Rights and Freedoms - DPS) got 6% of the votes. These elections constituted a milestone in Bulgarian politics for two fundamental reasons: First, for the first time after decades a multi-party election could take place. Second, as a sign of radical break with past policies of assimilation of the minorities Turks were allowed to participate in the political process with a political party representing themselves.

The democratization attempts in Bulgaria were related to Bulgarian wish to “return to Europe”9 since it became one of the basic goals of the Bulgarian politics to become part of West after a break of half a century. Since there was no Soviet Union any more that could ally with Sofia and support it in almost every realm of political and economic life Bulgaria had to establish new alliances. Under the new circumstances of international politics it chose the Euro-Atlantic path and started reforming its political institutions in accordance with the values and norms of the Western world. In other words, democratization reforms in Bulgaria were closely related to its major aim of Westernization.

Although an era of multi-party politics started in Bulgaria in the early 1990s, the period until 1997 was still characterized by the dominance of the BSP in the political scene. In the period between 1990-1997 it became victorious in every election except the elections of 1991. It might seem interesting that Bulgarians chose BSP, successor to BKP, to rule themselves even in the period characterized by attempts for democratization and neoliberal economic policies. However considering that other parties were still in the period of consolidating themselves and determining new policies Bulgarian public seemed to prefer the political party familiar to them over others. The major opposition party, SDS was initially established by the combination of many different political groups ranging from environmental groups to liberal activists, so it took a considerable time until it could finally emerge as one united political block and gain the trust of the Bulgarian public. Meanwhile, the SDS changed its name to Obedineni Demokratichni Sili (United Democratic Forces – ODS) in 1997.

It was only in 1997, mostly as result of a deep political and economic crisis that the ODS could emerge as the victor in the elections by getting more than half of the votes. The low pace of the political and economic reforms and continuing corruption led many people in the country to start demonstrations on the streets. Associating the years of BSP rule with unsuccessful economic and political policies the demonstrating crowds –

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mostly youth – wanted early elections. For some observers what happened in 1997 in Bulgaria was in fact what had been missing in 1989; demonstrating masses against the corrupt and inefficient governments. Emil Giatzidis stated it as follows: “...what had not happened in November 1989 took place in January and February 1997. While it was a coup ‘from above’ that brought down the Zhivkov regime, the BSP government was forced to resign by a coup ‘from below’.” In fact this development can be interpreted as part of the democratization process in the country. Having been ruled by a totalitarian regime for decades people were newly discovering the right of demonstration against the government in the second half of the 1990s. The events in the neighboring countries in Central and Eastern Europe in the late 1980s and early 1990s constituted an example for the Bulgarian people. Hence, although the end of the socialist era was ended by a transfer of power within the BKP from hardliners to reformers, the socialist government was overthrown by demonstrating masses in 1997. This can be considered as a breakthrough in the Bulgarian political life.

The coming to power of the pro-Western ODS was compounded by the election of Petar Stoyanov coming from the ranks of the same party to presidency during the same period. Having elected pro-Western politicians both to the government and the presidency the year 1997 could be considered a milestone in Bulgarian attempts for Westernization.

Though the BSP was also in favor of becoming member to Western institutions and adapting to Western norms in political and economic life it favored to follow a more cautious road and did not implement the radical reforms considered necessary for completing the transformation process successfully. Emphasizing the importance of the Western orientation on the one hand, it also stressed the importance of maintenance of friendly relations with Russia as well. This can be considered a not unexpected position on the part of the BSP since it owed its existence and powerful stance to the Moscow leadership. As a result of its aim of balancing the Western orientation with friendly relations with Russia the BSP had a more cautious attitude toward membership to NATO. Especially in the early years of the transition period the Russian Federation was against NATO’s enlargement toward the Central and Eastern European countries. Hence, the hesitant stance of the BSP toward NATO membership could be explained by its concern to maintain the friendly state of relationship with Moscow administrations.

One important characteristic of Bulgarian politics until 1997 was political instability due to the fact that no government could expire its term of

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office. Each and every government since 1990 had to call for early elections because of the continuing deep political and economic problems.

After the period of political instability the ODS government did not need to go to early elections and could finish its term of office in 2001. As a result of the elections taking place the same year a surprising development took place in Bulgarian politics since for the first time in the region a political party led by a former king of the country became successful. Nacionalno Dviženje Simeon Vtori (National Movement Simeon II - NDSV)\(^\text{11}\) led by the former king of Bulgaria Simeon formed a coalition government with the DPS. The ODS rule and coalition government formed in 2001 were important for Bulgaria’s Westernization attempts since both governments tried to implement necessary political and economic reforms in order to speed up the Bulgarian membership to Western organizations. Bulgaria became a member to NATO in 2004 during the coalition of NDSV and DPS.

In 2005 elections a new coalition government formed among BSP, NDSV and DPS came to power. This result meant a partial success of the BSP since it could come back to power after eight years, however only as part of a three-party government. The BSP’s return to power could be interpreted as a sign of the Bulgarian public’s dissatisfaction with the pro-Western political parties since their reform policies did not improve the living standards in the country. The so-called reforms of Westernization did not result in improved economic conditions in the country. In addition, corruption continued to become a major problem during the rule of the ODS and NDSV-DPS coalition government.

During those years DPS has proved itself as key party in the Bulgarian politics. Even shortly after its establishment it started playing an important role both in the formation and overthrow of governments. After the BSP and ODS it constituted itself as the most important third party in Bulgarian politics hence playing a key role by allying with one of them. For example the ODS government in 1992 had to step down as a result of the vote of the DPS. Subsequently, the following technocratic government under the leadership of Lyuben Berov achieved to come to power thanks to the support provided by the DPS. Moreover, the DPS’s role in Bulgarian political life turned from playing the role of key political actor in parliamentary voting procedures to constituting one of the ruling parties with the elections of 2001. Both after the elections of 2001 and 2005 it became one of the coalition parties getting two ministries in the former and three in the latter.

Although the Bulgarian reconciliation with its Turkish minority has been praised and named as the Bulgarian ethnic model marking the change in

\(^{11}\) In 2007 the name of the party was changed to Nacionalno Dviženje za Stabilnost i Východ (National Movement for Stability and Progress – NDSV)
Bulgarian policies from forceful assimilation to integration into political life, it does not have without its own problems. Bulgarian nationalist groups did not accept the rights given to Turks from the beginning of the democratization period in the late 1989. There were demonstrations by the nationalist groups against the ending of the assimilation process. Despite all democratization reforms and accession process to the EU Bulgarian nationalism has been on rise as seen in the support of Nacionalen Sajuz Ataka (National Union Attack – ATAKA) in the last election of 2005. Although it was established just three months before the elections, ATAKA achieved to get 8% of the votes and 21 seats in the Bulgarian parliament. The discourse of ATAKA has been emphasizing the Bulgariness of Bulgaria and arguing for taking back the rights given to Turks. Supporting rechanging Turkish names to Bulgarian ones as it had been the case during the assimilation of the 1990s, it claims that Turkish broadcasts must be stopped in the Bulgarian public channel and the DPS must be abolished since its foundation was against the Bulgarian Constitution. Although the party is not currently part of the government, it has achieved to become an important actor in Bulgarian politics in a short period of time. As soon as the Bulgarian economy keeps growing and people have hope for further improvements in their living conditions, the party may not increase its votes dramatically. However the nationalist element of Bulgarian politics must still be taken into consideration almost 18 years after the end of the Zhivkov era.

**Economic Developments**

Pre-socialist Bulgarian economy had in fact been dominated by the agricultural sector. Most of the population had been settled in the rural areas. However, the socialist regime started a radical change in the structure of the economy by investing in heavy industry as that had also been the case during the Stalin era in the Soviet Union. Since it was closely attached to the Soviet alliance, it conducted most of its foreign trade with Warsaw Pact members. The assimilation campaign caused a decline in the Bulgarian economy since more than 300,000 Turks had to emigrate from Bulgaria to Turkey as a result. Since the Turkish minority was mostly working in the agricultural sector, the migration movement resulted in production of less agricultural goods and hence an economic crisis. This meant a comparative disadvantage for Bulgaria just at the beginning of the transition process.

The political instability, an important feature of the first years after the overthrow of Jivkov regime, worsened economic situation further since the governments did not implement any serious reform program to bring the economy to the level of developed countries. Hence, compared to other regional countries that started earlier in reforming themselves, Bulgaria lagged behind and had to wait for the start of a politically stable environment to initiate a substantial economic reform program.

In fact, the Bulgari population did not see any benefits of the end of the socialist regime in the early years of the transition. On the contrary, their standard of living declined even further and this situation caused a big disappointment. The deep economic crisis that the country faced in the late 1996 and early 1997 increased the opposition to the government. The inflation rate in 1996 reached to 311% and there emerged a scarcity of wheat. It was stated that in some villages in the Rodop mountains people had to try to survive without getting bread for weeks. The main reasons for the economic crisis were the following: delay of the structural reforms for years by the governments that came to power since 1990, increase in the amount of foreign debt, and the lack of any meaningful foreign investment in the country.\(^\text{13}\)

As the monthly inflation rate reached to 43.8% in January 1997, demonstrations started to protest the BSP government all over the country. The main request of the demonstrators was the resignation of the current government and call for early elections. These demonstrations were supported by the main opposition party that was seen as the most pro-Western party in the Bulgarian politics, ODS. As the demonstrations continued without any interruption for weeks, the government resigned. During the interim period a technocratic government was formed under the primeministry of Stefan Sofiyanski, the former mayor of Sofia.

After the crisis Bulgarian politicians tried to find remedies to the continuing economic problems. A standby agreement was signed with the IMF and currency board system was adopted with the Bulgarian currency Leva stabilized to the value of the German Mark. These measures contributed to the decrease in the economic uncertainty and improvement in the macroeconomic structures.\(^\text{14}\)

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\(^{14}\) Bulgaria Business Guide 98, Legal, Tax and Accounting Aspects; Bulgaristan Ülke Bülteni, DEIK, June 2007, p. 3; Antoaneta Dimitrova and Rilka Dragneva,
After experiencing declines in growth rates in both 1996 and 1997, as a result of the economic measures the governments have taken since 1997 Bulgarian economy started growing in 1998. Since 2004 Bulgarian economy has been growing more than 6 % each year. That fact was accompanied by an ever increasing foreign investment in the country. Between 2002-2006 the amount of foreign investment increased fourfold. In sum, Bulgarian economy is now much more stabilized and integrated with the world economy compared to the period between 1990-1997. The inflation rate fell down to one-digit numbers and the economy started growing. However, problems with the welfare of the public still continue. It can be stated that having lived through a dictatorship for decades, Bulgarian people could not find the expected economic improvement and therefore had a great disappointment. The main target Bulgaria concerning its economic policies is to become a part of the Euro zone in the following years. Since the country became a full member to the EU on 1 January 2007 one could expect the continuation of the macro-economic stability, however how far and when the Bulgarian people could start getting the fruits of the economic transformation is still to be seen.

Bulgarian Foreign Policy

As the Mladenov government came to power after the overthrow of Zhivkov regime, it tried to make Bulgaria a part of the international community by ending the assimilation policy toward Turks and apologizing for it. As Bulgaria had been almost isolated in the international community because of its harsh policies toward minorities, it wanted to be reintegrated in the aftermath of 1989.

Throughout most of its modern history Bulgaria had been under the domination of a great power and hence did not have any opportunity to act independently in its foreign policy. This great power was the Soviet Union during the Cold War. After 1989 Bulgaria regained the opportunity to determine its foreign policy without interference of any great power and act independently. It can be stated that with its freeing from the Warsaw Pact Bulgaria gained its independence for the second time in the post-1989 era after the declaration of independence from the Ottoman Empire. At the beginning of the transition era Bulgaria had three foreign policy options:

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15 Bulgaristan Ülke Bülteni, p. 4.
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a) Continuing cooperation with the Soviet Union: It had the possibility to implement close foreign and security relationship with its former ally. In fact, Bulgarian media speculated that both sides were negotiating for a possible partnership, however no significant result seemed to be achieved. Especially the period since 1997 witnessed to increasing Westernization in Bulgarian foreign policy because of the coming to power of the pro-West political parties.

b) Neutrality: In fact, it was only Yugoslavia that could follow a neutral foreign policy in the post-Second World war era. As a small and relatively poor country situated in a fragile neighborhood marked by inter-ethnic conflicts in the 1990s it was difficult for Bulgaria to implement totally independent foreign relations.

c) Partnership with the West: Bulgarian leaders were of the opinion that if they cooperated with the Western world, they could feel more secure in the new global conditions. In addition, the support of the West would help them improve the political and economic situation in the country.17

In the context of the post-Cold War era Bulgarian foreign policy can be characterized by four main features: elimination of the ideological elements from foreign policy decisions, end of the monopoly of BKP on decision-making mechanism, emphasis on pragmatism in the decision-making and last but not the least integration to the Euro-Atlantic structures.18 Under the socialist regime all foreign policy decisions were taken by the BKP, however with the guidance of the Soviets. However, 1991 Constitution ended the monopoly of BKP over the foreign policy decisions. Moreover, the socialist discourse was removed from the Constitution and instead the main principles of Bulgarian foreign policy were stated as establishment of peace and freedom. The main aim of the Bulgarian foreign policy was stated as becoming a member to the Euro-Atlantic structures, mainly NATO and the European Union. The fundamental reason behind it was to fill the security vacuum that Bulgaria felt after the dissolution of the Warsaw Pact. Bulgarian decisionmakers thought that they needed new allies in a period the post-Cold War uncertainty. The Yugoslav Wars taking place in the very neighborhood of Bulgaria caused an additional concern on the part of the Bulgarian leaders. In the sensitive area of Balkans Bulgarian decision makers did not want to be left alone, instead becoming part of the Western world seemed a much more reasonable option. The ODS government that started to rule the country in 1997 could be regarded as the milestone for the Westernization attempts of Bulgaria since in that

period the Bulgarian efforts to become part of the West speeded up to a great extent.

As regards to Bulgarian foreign policy toward Balkans in general it can be stated that multilateralism played an important role in its formation. It refrains from allying with only one regional power, instead it tries to follow a balanced policy among the regional powers. A second important feature in this regard was non-interference in regional conflicts. Sofia tried to stay away especially from wars in Yugoslavia. In order to keep itself under guarantee from the Yugoslavian succession wars, Bulgaria followed a two-track policy: first, cooperation with the neighboring countries and second, being a member of NATO as soon as possible.

At the beginning of the conflicts in Yugoslavia Bulgaria emphasized the importance of the maintenance of the territorial unity of Yugoslavia as most of the regional countries did at the time. Its main concern was the possibility of the spread of the violence toward Macedonia and other Balkan countries. However, as the level of violence increased and EC member countries recognized Croatia and Slovenia mainly under the impact of the then German leadership, Bulgaria also decided to recognize these countries as well as Macedonia. As the war spread to Bosnia and could not stopped in a short period of time, Bulgarian leaders called for military intervention of the West. In this context Bulgarian President Jelev stated that if the war spread to Macedonia, it might be impossible for Sofia to stay aloof from the conflicts.19

During the Yugoslav wars Bulgaria cooperated with the West although Belgrade was one of its biggest trade partners and it was conducting 10-15 per cent of its total trade with that particular country. Bulgaria aligned itself with the decision of the United Nations and applied embargo to Yugoslavia.20 This embargo effected the still poor Bulgarian economy in a bad way. As a result of the embargo, the Bulgarian economy declined further, the amount of foreign investment decreased, the number of foreign tourists got less and less. In addition, transportation to and from Western Europe became much more difficult. According to estimates the embargo caused a monthly loss of 40 million Dollars for Bulgaria.21 During the Kosovo War Bulgaria continued to support the policy of the Western countries and tried to improve its relations with them.22 During the NATO operation it allowed the use of its airspace and after the intervention it also

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allowed the use of its territory as a passage to the region. Bulgarian leaders hoped that thanks to their support for Western policies concerning the wars of Yugoslav succession their membership process for NATO and the EU would speed up.23

The post-1989 Bulgarian foreign policy was oriented toward two main aims: membership to NATO and the EU. All decisions and acts in the foreign policy realm of the country can be analyzed in the light of these aims. Its compliance with the embargo decisions implemented toward Iraq, Libya and Yugoslavia and its sending of soldiers to the peacekeeping missions in Cambodia and more importantly to Iraq can be understood in this perspective.

Bulgaria became member of the Partnership for Peace program of NATO in 1994. This membership was considered as an important step on the road to full membership to NATO and the Western European Union.24 The official application for full membership to NATO was made in 1997. It became a full member in 2004.

Second priority of Bulgarian foreign policy was to become a member to the European Union. During the Cold War Bulgaria had only a limited relationship with the European Community conducting the least trade with the European countries among other Eastern European countries. From the second half of the 1940s to 1990 it held approximately 80% of its trade with the countries of the Eastern Bloc.25 However, as a result of détente period Bulgarian trade with Europe started increasing since 1960s, however diplomatic relations between Bulgaria and European Community could not begin until 1988 when Comecon and the Community recognized each other. Although both parties tried to conclude a trade and economic cooperation treaty, the assimilation campaign of the Bulgarian government hampered signing of this treaty. It was realized only in May 1990 after the rights of Turks were given back.26 As the Cold War came to an end, Bulgaria was in a more disadvantageous situation regarding its relations with the European Community because of its heritage of dependent relationship with the Soviets.

The relative disadvantageous state of relations with the Community at the end of the Cold War was compounded by the successive BSP governments

23 RFE/RL Newsline, 26 April 1999, Vol. 3, No. 80, Part II.
26 Ibid., s. 189-190.
who carried out only a few symbolic steps toward accession. The main aim of improving relations with Europe remained limited to attract more economic aid.\textsuperscript{27} However, at that time Central European countries started to realize necessary reforms in order to become part of the European structures. Compared to their performance Bulgarian path to Europe was more cumbersome and slower.

After concluding the association agreement in March 1993 it was recognized as a candidate country in 1997 and started membership negotiations at the beginning of 2000. Since the Bulgarian political and economic situation could not be stabilized before 1997, Bulgaria was not put on the agenda of the first wave enlargement that took place in 2004. 1997 could be regarded as milestone in Bulgarian relationship with the Union since at that time both a pro-EU government and pro-EU president came to power resulting in the acceleration of the membership process. With the ODS government in power and Petar Stoyanov as president Bulgaria tried to carry out important reforms both in its internal and external policies. In its first National Program for the Adoption of the Acquis membership to the EU it was stated as the fundamental national interest and short-term, medium-term and long-term targets were written that were supposed to lead to full membership.\textsuperscript{28}

However, despite the fact that accession negotiations started with Bulgaria in 2000 and it became a full member on 1 January 2007 it had still problems especially regarding its economic situation. The EU seemed to carry out enlargement toward Bulgaria and Romania in order to bring more stabilization to the region and create attractive models for the Western Balkans.

One important problem that played an important role in the Bulgarian negotiations with the EU was the Kozloduy nuclear plant. Constructed with the Soviet technology and starting operations in 1974 Kozloduy became the symbol of Bulgarian national proud. Thanks to it Bulgaria turned into becoming an energy centre of the region exporting electricity to many countries in the region including Turkey. The issue of Kozloduy resulted in a crisis in Bulgarian-EU relations in 1999 when the then Prime Minister Kostov accused the Union of exercising a “meaningless diktat” by demanding closure of some reactors of Kozloduy nuclear plant as precondition to Bulgarian full membership. He emphasized that a shutdown would destroy what little competitiveness Bulgaria still had after


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suffering a severe financial crisis in early 1997. In addition, the Bulgarian President Georgi Parvanov described the energy sector in the country as the only sector that could compete in Europe. However, the EU asked Bulgaria to close the four reactors out of six by 2006. In that context, two parties signed a Memorandum of Understanding in 1999. Although Bulgaria closed two of the reactors in 2002, there was reluctance on the part of the Bulgarian leadership and public not to close the other two by a later date, however on the insistence of the EU Bulgaria closed the third and fourth reactors in December 2006. It was estimated that this closure would not affect the amount of electricity available within the country, however how it could affect Bulgarian role of becoming a regional energy center will be seen. Public opinion polls showed how sensitive the issue of the nuclear plant was for the Bulgarians. According to a poll conducted in 2002 62.8% of the Bulgarians stated that they would prefer to keep the two reactors even though they could not become a member to the Union because of that.

Regular reports of the EU highlighted the areas in which Bulgaria needed to carry out further reforms. In addition to the question of Kozloduy one of the problems emphasized by the Union was related to the plight of Roma in the country. The EU argued that Sofia should do more in order to protect the rights of Roma and it should also spend more effort to carry out the written laws. Another important point was related to the situation of the Turks. The EU was arguing that Turks were not represented enough in the high-level positions at state institutions. It also noted the need for Turkish teachers. It also emphasized economic problems of the Turkish people stating that investment in the regions in which Turkish minority was living was much lower. One of the focus of the EU criticism was the corruption and inefficiency of the judiciary.

Bulgaria-EU relations reached a turning point in late 2000 when the European interior ministers agreed to lift visa requirements for Bulgarian citizens. As a result of this decision Bulgarians gained the right to travel to Schengen countries without any visa from 10 April 2001 onward.

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Stoyanov, stated that “For Bulgarian citizens the Berlin wall fell today”, which proved that the EU would seriously consider the candidacy of Bulgaria.

In fact, the EU speeded up the accession process for Bulgaria following the Kosovo conflict since it wanted to give the hope of EU membership to the Balkan countries in order to provide security in its close neighborhood. Negotiations were started in 2000 and completed in 2004 earlier than the schedule. Together with Romania Bulgaria became a full member on 1 January 2007, however some safeguards and transitional measures were accepted in order to encourage Bulgaria to fully comply with the acquis. In addition, the Cooperation and Verification Mechanism was adopted allowing the Union to check the developments in Bulgarian judiciary, fights against organised crime and corruption. In its first report following the accession the Union stated that although much has been done on paper on these issues, one needs to wait and see the implementation.

“In all areas, Bulgarian authorities demonstrate good will and determination. They have prepared the necessary draft laws, action plans and programmes. However, the real test can only be met through determined implementation of these actions on the ground every day. There is still a clear weakness in translating these intentions into results. Bulgaria has stepped up efforts at the highest levels in the fight against corruption and organised crime. While recognizing these efforts, much remains to be done. Progress in the short time since the Cooperation and Verification Mechanism was set up is still insufficient.”

In fact, the period since the accession in January 2007 showed how realistic the concerns of the Union were. The European Union issued an important warning to Bulgaria one year after its accession regarding the inadequacy of the measures taken against corruption and organized crime. Stating the slow implementation of the measures the Union declared that unless the problems are not dealt in a serious way, Sofia may be suspended from EU policies of justice and interior affairs. In response to the EU report Bulgarian policy makers stated that they will continue to tackle the issues.

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36 Ibid.
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It seems that full integration with the EU not only on paper but also in practice will take some time in Bulgaria. Bulgarian government still has some difficulties to implement the relevant laws in important cases of corruption and organized crime.

Apart from the EU, relations with the US also play an important role in Bulgarian foreign policy. The war on Iraq created a disagreement between the ruling elite and public. Although the public was not in favor of sending Bulgarian soldiers to Iraq at all, Bulgaria was one of the three UN Security Council members together with the UK and Spain that supported the US invasion plans. In fact, the process of Bulgarian alliance with the US started before the Iraqi War. During the intervention in Afghanistan Bulgaria provided logistical support to the US forces. And when the plans came to the fore concerning a possible US intervention on Iraq, Bulgaria supported the Washington administration despite the fact that its accession process to the EU still continued at the time. Three reasons can be put forward in explaining the Bulgarian position on the issue of Iraq: First, from the strategic point of view Bulgaria wanted to ally itself with the only superpower of the post-Cold War era. This can be explained by the realist approach expecting countries to carry out their national interests and acting against morality if necessary. Second, from the international relations point of view Bulgaria wanted to be a member of NATO as soon as possible. It was not a secret that the US played an important role in deciding which countries to accede to NATO, which countries not. Therefore it strongly believed that if Bulgaria supported the US in Iraq, it could ensure the support of Washington for its NATO bid. In fact, when its membership was realized in 2004, it was presented to the Bulgarian public by the decision makers a result of the US support given to Sofia thanks to its cooperation on Iraq. Third, from the economic point of view Bulgaria was hoping to get financial aid from the US, to have more foreign direct investment and solving the debt problem with Iraq stemming from the era of Saddam. Fourth, the Bulgarian attitude toward the war in Iraq was an important evidence that though Bulgaria wanted to be a full member to the EU, it could act independently of the main EU countries when it seemed necessary. In addition, Bulgaria allowed the US to establish military bases in the country. It seems that Sofia governments want to set up a balanced policy toward global power. They do not want to be taken under the hegemony of one great power as it had been the case during the bipola era.

37 For a comment in the Bulgarian media on possible link between support for Iraqi war and NATO membership please see “Bulgaria Considers Letting US Use Its Airfields for Strikes Against Iraq”, Sofia Standart News, 20 August 2002, FBIS-EEU-2002-0830.
Relations with Turkey

Political Relations

As the Jivkov era ended and Bulgaria started giving back the rights of Turkish minority, the crisis situation in bilateral relations came to an end and normal course of the relationship resumed. As the then Prime Minister Mladenov stated that they would respect the rights of the “Muslim minority” and the naming of the Central Committee of BKP of the assimilation campaign as “a serious political mistake” was appreciated by Turkey. However, Turkish policy makers chose to remain cautious and to wait for some time in order to be sure of the good intentions of the Bulgarian politicians.

Why did Bulgaria try to improve its relations with the neighboring Turkey? First, since the governments in Sofia wanted to become members to Western institutions, they realized that unless they solved their problems with Turkey, they could not get any success. In that regard they also wanted to take Turkey’s support for its NATO membership. Second, as the Soviet security umbrella provided to Bulgaria with its membership to the Warsaw Pact was not possible any more, it was concerned with Turkey’s military power. Hence, in order to decrease its security concerns, it tried to establish friendly relations with Turkey. Third, Bulgarian economy experienced a crisis as a result of the emigration of hundreds of thousands of Turks to Turkey. In order to solve its economic problems Bulgaria needed foreign investment, credits and increase in its foreign trade. Turkey, as one of the neighboring countries, presented itself as an important partner in the economic realm as well.

As the BSP won the elections in June 1990, two countries started a military partnership. As one considers the fact that only seven months ago the two countries lived through a deep crisis in their relationship, it was worthwhile that they concluded a partnership in an issue of “high politics”. In June 1990 they signed an agreement on confidence building measures. The next year Ankara and Sofia concluded a pact assuring that they would inform each other for the military maneuvers within the 60 km. range of the border area. The then Turkish Chief of Staff, Doğan Güreş, stated that steel chains were broken by this agreement. Turkish-Bulgarian security cooperation was consolidated by the implementation of the joint military maneuvers especially under the PfP program of NATO.

41 Duncan M. Perry, “New Directions for Bulgarian-Turkish Relations”, *RFE/RL* Digital text Archive.
Turkey’s Neighborhood

Bulgarian-Turkish relationship improved to such an extent within two years that it was presented as a model for other countries as well. After a visit to Bulgaria, the then Turkish Foreign Minister Hikmet Çetin stated the following: “Bulgarian-Turkish relations today could serve as an example of cooperation between two neighboring countries which have left behind those events [that] cast a shadow on them in the years preceding 1989.”

Another important area of cooperation related to security policy in Turkish-Bulgarian bilateral relations was concerned with Bulgarian membership to NATO. From the beginning of the transition process onward Turkey supported Bulgarian (and also Romanian) membership to NATO. That support was considered quite important by the Bulgarian decision makers. The reason for Turkey’s positive attitude toward Bulgarian membership can be explained by the belief that as soon as Bulgaria and Romania become part of NATO, the institution’s role for the stabilization of the Southeast Europe increases.

In the post-Cold War era one important symbol of regional partnership has been the trilateral cooperation among Turkey, Bulgaria and Romania. Since 1997 the leaders of these three countries have been coming together in order to exchange views on regional problems and increase cooperation among themselves. This partnership has been called by some observers as “new Balkan power triangle”. The partnership among these countries is important for regional security and sets an example for other countries as well.

In December 1997 the visit of Turkish Prime Minister, Mesut Yılmaz, to Bulgaria had a historical importance since it was the first such a visit by a Turkish prime minister in 18 years. During the visit an important border problem in the delta of Rezovska River was resolved by the agreement of both parties to pass the borderline right in the middle of the river mouth. In addition, Turkish Prime Minister offered Turkey’s help as Bulgaria’s intermediary in commercial contacts with Central Asian and Caucasian countries. In response, Bulgarian Prime Minister Kostov expressed his hope that Turkey would become “Bulgaria’s gate into the Islamic and Arab world.” According to Yılmaz, there were no existing problems between Turkey and Bulgaria: “Especially the point where our bilateral relations reached in the last eight months is an example to other neighboring countries.” The bilateral relationship was further strengthened by

44 Reuters, 9 December 1997.
46 Reuters, 5-6 December 1997.
47 Reuters, 7 March 1998.

38
Kostov’s visit to Turkey in November 1998 when the two parties signed an agreement allowing the emigrants to receive their pensions in Turkey.48

The two neighboring countries started to cooperate on the regional level as well. As a result of the conflicts and wars taking place in the Balkans in the 1990s regional countries established a Southeastern Europe Multinational Force on 12 January 1999 that would function as a peacekeeping force when necessary.49 The force provided an important platform for military cooperation among regional countries.

One of the most important another regional initiative was the Black Sea Economic Cooperation (BSEC) founded in 1992. The meetings held at the beginning of 1990 resulted in the summit declaration signed by heads of state of Turkey, Bulgaria, Georgia, Romania, Russia, Ukraine, Albania, Armenia, Azerbaijan, Greece and Moldova in Istanbul on June 25, 1992.50 It is important to note that the BSEC did not constitute an alternative to the EC; on the contrary, Ankara perceived it as a way to better its relationship with the EC. It was thought that cooperation among the BSEC member countries would bring them closer to EC norms, rules and principles. When the initiative was first launched by Turkey, Bulgarian authorities perceived it as a possible stumbling block for their ultimate goal of EU membership.51 However, as it became clear that BSEC can only complement the EU accession process, they changed their relative reserved attitude.52

Another important initiative of Turkey regarding the Black Sea region has been the Black Sea Naval Co-operation Task Group (Blackseafor). All the littoral states, namely Turkey, Bulgaria, Russia, Romania, Georgia, and Ukraine signed the Blackseafor agreement in Istanbul in 2001. As it had been the case with the BSEC, the main aim of the establishment of the Blackseafor was to provide peace, security and stability in the Black sea region. However, different from the BSEC’s emphasis on trade cooperation, it created a naval task cooperation among the littoral countries whose main responsibility would lie in that particular region. In other words, while the BSEC concentrates on improving economic ties, the Blackseafor aims to provide naval cooperation. Turkey and Bulgaria are

48 Reuters, 6 November 1998.
50 For more information on the BSEC see Birgül Demirtaş-Coşkun, Bulgaristan’la Yeni Dönem, Soğuk Savaş Sonrası Ankara-Sofya İlişkileri, ASAM, Ankara, 2001, pp. 67-68.
members to both of these regional organizations and work together under their framework. Specifically, the main tasks of the Blackseafor can be summarized as follows: “search and rescue (SAR) operations, humanitarian assistance (HA), mine counter measures (MCM), environmental protection, goodwill visits and any other tasks agreed by all the parties.” The establishment of the Blackseafor can be seen as a positive development regarding regional cooperation in the Black Sea area. According to the neofunctionalist theory it is more difficult to cooperate in high politics than low politics. Hence, launch of a regional military cooperation can be seen as an important step in terms of regional cooperation. In addition, both Blackseafor and BSEC became important platforms for Turkish-Bulgarian friendly relationship. In addition, it is worth mentioning Operation Black Sea Harmony (OBSH), again a Turkish initiative, that started its operations in 2004. The main aim of the OBSH is to deter asymmetric threats like organized crime and terrorism in the Black Sea region that became more of a concern in the aftermath of the 9/11 attacks. Recognizing the importance of multilateral cooperation on the regional level Turkey already made public that all the littoral states were welcome to join the initiative as a result of which Russia joined it in 2006. Two other riparian states, Ukraine and Romania, were also willing to participate in the OBSH. In the case of Ukraine the agreement regarding its participation has already been signed, but in the Romanian case technical negotiations have been continuing. Meanwhile, membership process with Bulgaria has not started yet.

Although all the military cooperation initiatives in the Black Sea like Blackseafor and OBSH can be considered positive developments that would also pave the way for a more friendly relationship among the littoral countries, including Turkey and Bulgaria, some US initiatives regarding the wider Black Sea region seem to complicate the situation. In the wake of the 9/11 terrorist attacks Washington administration wanted to have control over the Black Sea region as well in order to deter any possible threats against US interests. In that context, US wants to spread the Operation Active Endeavor (OAE) that was founded after the 9/11 events in the Mediterranean under the leadership of Washington to Black Sea. Concerning Black Sea policies of the US, Deputy Assistant Secretary of State for European and Eurasian Affairs Kurt Volker stated that “we would certainly be in favor” of the extension of the OAE. However, the US

54 For a more detailed information on the establishment of the OBSH and current developments please see Karadeniz Uyumu Harekati (Operation Black Sea Harmony – OBSH”, http://www.dzkk.tsk.mil.tr/turkce/DzKKUluslarArasiGorevler/KUH.asp
intention led to conflicting views among the riparian countries. While some of them are “more enthusiastic”, some are “less enthusiastic”.\textsuperscript{56} Regarding the extension of American military influence to the Black Sea region Turkey and Bulgaria had different views. Turkey objects to the extension of the OAE to the Black Sea since it considers it as a possible violation of the Montreux Convention signed in 1936 that restricts the passage of any warships through the Black Sea.\textsuperscript{57} Straits are considered to be of strategic value in Turkish foreign policy and any attempt that would possibly violate Turkey’s sovereignty over the region are perceived as suspicious. In addition, in Turkish view since Ankara is a NATO member and can share the information collected through Blackseafort and OBSH with that organization, there is no need for extraregional powers to extend their influence over the region.\textsuperscript{58} Developing different policies toward the Bush administration’s attempts to have control over the wider Black Sea and Middle East region from time to time Turkey and Bulgaria have some disagreements. As a result of concession of the US respecting Turkey’s concerns regarding the Black Sea the issue is currently not on the top of the agenda. However, potentially it may develop into a rift in Turkish-Bulgarian relations in the coming years.

Another difficulty in bilateral ties has been related to the PKK issue. In fact Bulgaria considers the Kurdish issue as an internal problem of Turkey and declares its support in Turkey’s struggle against terrorism. However, the existence of some Kurdish organizations in Bulgaria seems to create problems in bilateral relations. Turkey argues that these organizations were in fact connected to the PKK and therefore should be closed. An agreement on cooperation in struggle against terrorism was signed between the two countries in 2001.\textsuperscript{59} However, the issue has not been settled yet. Another claim of Turkey is that PKK members use Bulgaria as a transit country in their way to Western Europe.

Turkish concerns regarding the PKK activities in Bulgaria go back to the first half of the 1990s when the then Turkish Foreign Minister Hikmet Çetin stated in 1993 that the PKK tried to infiltrate into Bulgaria because of the measures taken against the PKK members in the Western European countries. From that

\textsuperscript{56} Ibid.
\textsuperscript{58} Igor Torbakov, “Turkey Sides with Moscow”.
\textsuperscript{59} Michael B. Bishku, “Turkish-Bulgarian Relations: From Conflict and Distrust to Cooperation”, \textit{Mediterranean Quarterly}, Vol. 14, No. 2, Spring 2003, p. 93.
time onward the PKK issue has become an issue in bilateral relations.\textsuperscript{60} Although Turkish-Bulgarian relations improved rapidly after the overthrow of Zhivkov regime and the two countries could solve their bilateral problems in a relatively short period of time, from time to time they experienced some difficulties, however did not allow them to effect their ties so far.

Although Ankara supported the EU accession process of all the regional countries, including Bulgaria, the membership of Bulgaria to the Union in January 2007 created some technical problems regarding issuing of visas. In order to implement the EU regulations on visas following the completion of its accession Bulgarian authorities stopped issuing transit visas at the border gates that resulted in some problems for Turkish citizens living in European countries who wanted to visit Turkey and also for Turkish truck drivers who wanted to pass through Bulgaria. At the time Bulgaria did not accept even the transit visas issued by itself previously that were still valid. As a reaction to it Turkey sent a diplomatic note to Sofia asking for the solution of the problem.\textsuperscript{61} But it is worth noting that Turkey was careful enough not to allow this issue to lead to any deterioration in the bilateral relations. As soon as the problem emerged, Turkish Ministry of Foreign Affairs stated that Bulgaria did not try to create additional difficulties for Turkish citizens and the problem was directly related to Bulgarian attempts to harmonize its visa regime with the EU.\textsuperscript{62} The issue was resolved when the two countries signed a new visa treaty that allows Turkish citizens having Schengen visas or visa of any EU member country to pass directly through Bulgaria.\textsuperscript{63} Meanwhile, as a response to the progress in Bulgarian accession to the EU Turkey lifted visa requirement for Bulgarian citizens in 2001.\textsuperscript{64}

Meanwhile, an important progress was achieved concerning the representation of Bulgaria in the EU institutions when the first elections for the European Parliament (EP) took place in May 2007 as a result of which the DPS became the third biggest party by getting the support of 17 per cent of the electorate, a historical record for it. But it is important noting that the participation rate remained at 25 per cent. Out of 18 Bulgarian citizens...
parliamentarians elected four were candidates of the DPS. In order to prove its loyalty to the Bulgarian state the DPS chose two parliamentarians out of four from the Bulgarian origin people, and only the remaining two from Bulgarian citizens of Turkish origin. But, the elections resulted in the disappointment of the people who held double passports residing in Turkey. While these people could vote in Bulgarian national elections, they were not allowed to vote at the elections for the EP. Stating that the number of these people reached to 200,000 Federation of Rumeli Turkish Associations declared their intention to apply to the European Court of Human Rights after exhausting domestic legal procedures.

Despite the issues stated above Turkish-Bulgarian relations continued to improve in the recent years. An important symbol of the betterment of the relations was the opening of a second new border gate called Hamzabeyli. It was a sign of the increasing political and economic ties.

In addition, Bulgaria continued to support the Turkish accession to the EU as it did for all other regional countries as well. Believing that membership to the Union would contribute to peace, security, and stability in the Balkans, Sofia governments do not hesitate to repeat their support for the further widening of the Union to the region.

**Economic Relations**

Beginning from the 1990s Bulgarian attempts to form a free market economy established the ground for improvement of Turkish-Bulgarian economic relations. Turkish experience in implementing a liberal economic model in the 1990s set an example for Bulgaria. In addition, Turkey’s dynamic private sector has been interested in the privatization bids in Bulgaria. The conditions that help increase economic relations between Turkey and Bulgaria can be summarized as follows: a) geographical closeness, direct and cheaper transport facilities, b) economic reforms in Turkey that were carried out according to the Economic Stabilization and Structural Adjustment Program dated 24 January 1980, c) favorable international conditions, d) the possibility of joint access to the markets of the third countries. Although in the later parts of the 1980s the trade balance was in favor of Turkey, because of considerable increase in Turkish imports from Bulgaria after 1990 it changed in favor of Sofia. When the then Turkish Minister of State for Economic Affairs, Işın Çelebi, visited

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65 Turkish press misperceived the election results by assuming that all four parliamentarians elected from the HÖH were Turkish origin people. For example see “4 Türk Avrupa Parlamentosu’nda”, *Milliyet*, 21 May 2007.
Turkey's Neighborhood

Bulgaria together with some Turkish businessmen in October 1990 he declared Ankara's readiness for economic cooperation with Sofia. Soon after the visit Turkey offered a loan of 100 million Dollars; half of that was to be used to purchase basic consumer goods, other half for investments. Turkey also agreed to supply Bulgaria 50,000 tons of crude oil to help it reduce its fuel and energy crisis at the time.

Moreover, Turkey helped Bulgaria through Türk-Eximbank credits. In 1991 Türk-Eximbank and Bulgarian Foreign Trade Bank signed an agreement according to which Turkey provided 50 million dollars trade credit. Another 50 million dollars credit was provided in November 1992. Bulgarian-Turkish Council of the Business People was established by the Bulgarian and Turkish businessmen in 1991. Hence, the impact of the improving political relations between the two countries was reflected in the economic relations as the bilateral trade volume increased from 42 million Dollars in 1990 to more than three billion Dollars in 2006. Meanwhile, one should state that Turkish trade with Bulgaria has a small share in Turkish total trade volume (1.84 % in total export, 1.19% in total import of Turkey), however, trade with Turkey plays a much bigger role in Bulgarian trade volume (10.83 % in total export, 7.22 % in total import of Bulgaria).

Turkish business people show an increasing amount of interest in investing in Bulgaria. Especially the privatisation bids attract the attention of Turkish business circles. The existence of an important Turkish minority in Bulgaria is a great advantage for the Turkish investors. Turkey has the 16th place among all investors in Bulgaria with the total amount of Turkish direct investments reaching 128 million Dollars.

In 1998 Turkey and Bulgaria signed an agreement concerning cooperation in energy and infrastructure projects according to which Turkey promised to buy electricity in turn for the Bulgarian decision to give some projects on dam and highway construction to a particular Turkish company. However, the project could not be realized since the Turkish company faced some economic difficulties and hence experienced important difficulties in the Bulgarian infrastructure projects. As a result of it Turkey stopped buying electricity from Bulgaria in 2002.

71 Turkish Undersecretary of Foreign Trade.
72 Bulgaristan Ülke Bülteni, DEİK, p. 16.
73 Ibid., p. 13.
Conclusion

Bulgaria was not one of the frontrunners in the political and economic developments in the Eastern Europe in the Post-Cold war era. Its relative disadvantages stemming from its heritage of the bipolar era – mainly its dependence on the Soviet Union not only in internal but also external affairs, the lack of any meaningful protest movement and charismatic leaders of dissent – was compounded by its political and economic instability in the first years of the transition period. No Bulgaria government could complete its full term of office until 2001. Each government had to call for early elections as a result of its inability to solve the problems in the country. These years witnessed to worsening of relations between the two main political parties, the BSP and the ODS. This contributed to further increase in political instability. Moreover, the wars in Yugoslavia posed an additional challenge for Bulgaria since it was affected from this regional instability especially concerning its foreign trade.

Coming to power of the ODS government can be considered as a milestone in the Bulgarian post-Cold War era. This government tried to carry out an important reform program that contributed to the ease of the economic crisis, however, the main structural problems of the country remained unsolved.

As soon as the socialist government of Zhivkov was overthrown, the membership to Euro-Atlantic structures was stated as the priority of Bulgarian foreign policy. However, much effort could not be implemented at the beginning because of the internal problems. The ODS government played an important role in showing Bulgarian determination in this regard. Bulgaria became a member to NATO in 2004 and the EU in 2007. However, the internal restructuring still has to continue because the EU has put safeguards in several areas and monitors the Bulgarian policy closely.

An important issue in Bulgarian foreign policy has been relations with the US. Especially following the events of 9/11 Bulgaria seems to become a potential strategic partner of the US in the latter’s “war on terror”. Bulgaria was one of the close supporters of the US in the operations in Afghanistan and Iraq.

Because of their different foreign policy orientations relationship between Turkey and Bulgaria generally remained tense during the bipolar world politics. Although the periods of rapprochement sometimes took place, these lasted only for a short period of time. The assimilation campaign against the Turkish minority in the 1980s and deportation of more than 300,000 Turks in 1989 harmed the bilateral relations even further. However, changes in both internal dynamics of Bulgaria and external dynamics allowed a quick rapprochement between the two countries. Hence, the post-Cold War policy of Sofia toward Ankara must be analyzed within the framework of its Europeanization efforts. Two countries do not
have any major problem in their relations. However, from time to time the existence of some Kurdish organizations on Bulgarian territory creates problems. Turkey wants Bulgaria to close down these organizations since it believes that they have organic relationship with the PKK. Regarding Turkish minority in Bulgaria they have been living their best times after the independence of Bulgaria. They are not assimilated minority any more. They are part of the coalition governments, hence an important element of the Bulgarian political system. However, one needs to follow Bulgarian nationalist movements, mainly ATAKA in the following years.

An important factor regarding Turkish-Bulgarian bilateral ties has been their basic foreign policy orientations. While Sofia aligned itself with the Bush administration’s policies after the 9/11 attacks that do not exclude use of force whenever it deemed necessary, Turkish foreign policy rather tilted toward the German-French block of the European Union that was mainly against use of force and unilateral policies in the struggle against global terrorism. In that sense, it is worth mentioning that although two countries pursued similar policies during the Yugoslav wars, their attitude was radically different in the case of occupation of Iraq. Therefore, if Bulgaria continues to provide a full-fledged support to the US policies in the Middle East and possibly in the Black Sea as well, that factor may be a potential destabilizing factor in bilateral relations.

In brief, although Turkish-Bulgarian relationship experienced very tough times during the 1980s, they improved in a short period of time in the aftermath of the overthrow of the socialist regime. Today the change in bilateral ties can be considered model for other regional countries. However, possible issues remain on the agenda of the decisionmakers that may be solved before they turn into problems. The fundamental foreign policy orientation of Ankara and Sofia would present itself as the key factor that may affect the evolution of bilateral ties to a great extent in the upcoming years.
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1. Bulgaria


2. Ukraine

Transformation from a Region to a Regional Actor: Challenges and Opportunities for Independent Ukraine

Hüseyin Oylupinar

The post-Cold War years brought grave changes with the end of bipolar structure, especially the reemergence of Eastern Europe’s newly autonomous states as fully independent actors. These new actors and a redesigned power balance introduced a need to understand the novel nature of international interaction. This need emerged as a major challenge especially for states that were bordering the East-West face-off and for the newly independent states which had limited or no experience within the states system.

With this new international setting, the Black Sea Region circled with ambivalence in relationship to political, economic and social issues. Questions arose about the stability of integrating former communist states of Central and Eastern Europe located to the west of the Black Sea Region, into the European and Euro-Atlantic organizations. As a result, international policies were developed to address the question of stability in the nonintegrated part of the region. However, these tools proved to be short of meeting the necessary scope to promote stability in the rest of the post-Soviet Black Sea region.

A major actor in the region, Ukraine stayed out of the picture while integrations were under way to its west. Becoming a buffer zone between Russia and the Europe challenged the new nation. However, Ukraine lies in an important geographic location. Besides Russia and Turkey it is the largest country in the region and its unstable political status and continuing transformation have the likelihood of further destabilizing the Black Sea region, with possible global scale effects.

This chapter examines Ukraine’s emergence as an independent actor in the international arena. By reflecting on its historical heritage and with an eye to its current transition, this study addresses Ukraine’s ambiguous image and attempts to understand it within a contextual reference. The argument subscribed here is that inquiry of Ukraine’s international standing needs to be thoroughly understood in relationship to both internal and international determinants. This study attempts to show that Ukraine has complicated and multifaceted choices to make on the world political, economic and
cultural maps. In explaining these complicated choices and describing major determinants faced by Ukraine, this chapter seeks to contribute to an understanding of Ukraine’s choices. In conclusion this chapter will reveal that it is possible to develop further levels of mutual and multilateral relations on condition of true consideration of these choices.

A. Ukraine’s Submission and Revival

External powers such as Russia, Polish-Lithuanian Commonwealth, Ottoman Empire, and Austrian Empire ruled parts of modern Ukraine for centuries. Cossack uprisings against the Polish-Commonwealth, followed by gradual Russian control, left a fundamental mark on the societal psyche of Ukrainians. The Pereiaslav Treaty (1654), signed by Hetman Bohdan Khmelnytsky and Tsar Alexei, marked overlordship of the Tsar and Russian reach to Cossack realm. The Cossacks considered the treaty to be a temporary political and military alliance; however, Muscovy used the Pereiaslav Treaty to justify its increasing interference in Ukraine's internal affairs.

In the second half of the 18th century the Russian Empire incorporated the remaining Ukrainian territory, except for Eastern Galicia. On the other hand, with the fall of Polish power in the last decade of the 18th century the Austrian Hapsburg Empire filled the power gap and controlled parts of western Ukrainian territory. In the period after the French Revolution, murmurings of nationalism reached the regions of Ukraine controlled by Russia and Austria, leading to the Russification policies of Russia on Ukraine. Even the Ukrainian language was defined as a Polonized dialect of Russian language to frustrate any Ukrainian national awakening and refute the existence of Ukrainians as a separate people than the Russians. The growing tendency in printed works to mention Ukrainians as a distinct nation ended with Tsar Alexander II’s ban on books published in Ukrainian

1 Cossack Chieftain - Оранн.
2 After of the treaty, the Tsar’s title was changed from Tsar of All Rus to Tsar of All Great and Little Rus.
4 Hugh Watson-Seton, The Russian Empire, p. 50.
language. Besides limits on cultural activities in the Ukrainian language, the Russian imperial center banned publishing any book originating from the Ukrainian lands in 1876. Obviously these actions hampered the national movements and slowed development of Ukrainian national identity.

The start of World War I seriously affected both the Ukrainians living in the Austrian controlled lands and the ones under Tsarist Russia. The Ukrainians of the Austro-Hungarian Empire, enjoying a wide range of cultural rights compared to that of Ukrainians under Russian rule, actively contributed to Austria’s war preparations by taking an active part in the Austrian army. Their primary source of concern for Ukrainians of Austria was not to come under Russian control. Their attitude based on that they enjoyed wide range of cultural rights compared to rights of Ukrainians under Russian rule. Ukrainians under Austria also enjoyed the sympathy of the Austrian rulers because they formed a buffer zone between Russia and Austria. Eventually, in September 1914 Galicia came under Russian control and Russia considered incorporation of Galicia as reunification of the Rus

With worsened social conditions produced by World War I, Tsarist Russia ceased to exist in March of 1917. The fall of Tsar Nicholas II led to a power vacuum providing grounds for the establishment of Ukrainian Central Rada (Council). The Rada was led by Mykhailo Hrushevski and acted as the only representative institution over Ukraine. While the October Revolution was sweeping Russia, Bolsheviks stood against Ukrainian nationalistic movement even though they had negligible support in Ukraine. After unsuccessful trials to establish Bolshevik control in Ukraine through political maneuvers, Bolsheviks invaded Ukraine in December of 1917. With chaotic internal conditions and under Bolshevik assault, the Central Rada proclaimed the Ukrainian National Republic (UNR) on 22 January 1918. At this time the Central Rada announced the Ukrainian National Republic as a free and independent entity. While Brest-Litovsk peace negotiations were under way however, and representatives of Central Rada were signing peace documents, Bolshevik troops captured Kyiv on 9 February 1918. As a result of the peace treaty, Ukraine fell to German-Austria and the Central Rada of Ukraine was disbanded. On 29 April 1918 new Ukrainian State (formally named) was proclaimed, trying to end the chaos through new bureaucratic cadres added to the old.

With a weak political environment, oppositionist rebels challenged the new state. Rebel forces abandoned both the government and the German army,

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7 The major tragedy here was the fact that Ukrainians had to fight one another in service of the Austrian and the Russian armies. According to O. Subtelny 3.5 million Ukrainians served in Russian army and 250,000 in Austrian army. See Orest Subtelny, Ukraine: A History, 2nd ed., University of Toronto Press, 1994, p.340.
marking the end of the Ukrainian State only eight months later on 14 December 1918. Meanwhile, on 20 November 1918, Moscow established the Ukrainian Soviet government in the East Ukraine to emancipate Bolshevik ideals. In the following years extreme chaos marked Ukrainian geography since armies of the Ukrainians, the Bolsheviks, the Whites, the Entente, and the Poles were in continual struggle to inflict their rule and influence on Ukraine.

Simultaneous with the fall of the Austrian Empire, Ukrainians living under Vienna’s rule declared an independent West Ukrainian National Republic (WUNR) on 13 November 1918. Even though WUNR faced bitter clashes and wars, it emerged as a more successful project than the UNR and the Ukrainian State due to a more efficient institutional structure and a centralized army. However, because of Polish pressure put on WUNR Galicians were forced to immigrate to Eastern Ukraine. The Treaty of Riga (1921) subsequently placed most of Ukraine under Moscow’s control while Volhynia and Galicia were to stay under the control of Poland.

The period of 1917-1921 appeared as the major historical initiative for an independent Ukraine, free from empires. The small number of inexperienced nationalist elite coupled with unfavorable conditions of World War I, caused state building initiatives in both West and East Ukraine to fail. In Eastern Ukraine, Russification of the Ukrainian people throughout the imperial years posed even greater challenges to independent Ukraine’s establishment. Until the Soviet Ukraine incorporated Ukrainian lands, the Ukrainian national revival movement had taught Ukrainian language in the schools. At the same time Ukrainian language publications were increasing and universities were focusing on Ukrainian history and culture. In chaotic time of war, many Russified Ukrainians discovered their distinct origins. Even such a brief experience of an independently consolidated Ukrainian national identity was an unprecedented event. This period is significant for the social inheritance that laid the groundwork for independence of contemporary Ukraine in 1991.

The USSR was established under the Union Treaty on 30 December 1922. In 1924 the Soviet Constitution gave Ukrainian Soviet the right of exclusive jurisdiction over agriculture, internal affairs, foreign affairs, justice, education, health and social welfare. However, Kyiv had to share authority with Moscow over food, labor, finance, inspections and national

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8 Known as the Ukrainian Galician Army.

2. Ukraine

The context of the official doctrine ensured equality to members of the Union as well as members’ right to secede from the Union with the condition of Communist party approval. Secession rights were designed to provide a feeling of sovereignty for non-Russian members. With such federalist structure Moscow could centralize the authority and power. In that context Ukraine was among the four founding republics of the Soviet Union and the second largest territorial component of the Union.

The Communist Party of Ukraine (CPU) turned into the strong hand of Moscow in Ukraine. The CPU, with the overwhelmingly Russian elite in the party, constituted all party cadres of leaving little grounds for people from Ukrainian origin. The Communist Party’s determinant power on the internal structure and the nature of Ukraine – Moscow relations limited on Ukrainian SSR sovereignty. On the other hand existence of the secession clause in the Union constitution and the USSR’s recognition of Ukrainian nationhood, sovereignty and statehood created sense of satisfaction among Ukrainian elite. This was the status Ukrainian nationalists had aimed for more than a century. In that context, establishment of the Union can be evaluated as a compromise between rivaling Ukrainian nationalism and Russian centralism.

The policy of Ukrainization marked the period from 1923 to 1928, caused by Moscow’s need for local support to consolidate the newly flourishing regime. Gradually increasing use of Ukrainian language in state apparatuses and education, as well as support to cultural activities were reflected in the daily life of Ukrainians. Instead of consolidating the legitimacy of the new Soviet Union however, Ukrainization policies fed the idea of distinct Ukrainian nation. Also, Ukrainization policies gave way to strong influence of Ukrainian national communism which was separate than that of Moscow’s.

In 1928 Josef Stalin consolidated his control over the whole country and abandoned the Ukrainization policies. Moscow resorted to forced collectivization in Ukraine as reflection of Stalin’s heavy industrialization program. Strong disobedience against the collectivization policy led to man-made famine and the death of some millions of Ukrainians in 1933.

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12 Stone, p. 37.
the introduction of collectivization and centralization of policies which consolidated the grip of Moscow over Ukraine and ended the Ukrainian euphoria of sovereignty believed possible throughout the 1920s. Stalin's centralization policies destroyed Ukrainian SSR's autonomy and liquidated national intelligentsia by the end of the 1930s\(^\text{14}\). Introduction of Russification policies signaled the end of Ukrainization\(^\text{15}\). The Soviet Union's ideologists promoted Russification as a necessary basis for the quick progress of socialism and internationalism. Therefore, use of Russian language increased in every fabric of Ukraine's social life.

World War II played a decisive role in shaping the road Ukraine followed for the rest of the century. Immediately after the war began Soviet Union incorporated the western Ukrainian regions previously controlled by Poland, namely eastern Galicia and western Volhynia. In November 1941 the German army launched a campaign which ended with the full control of the Ukrainian lands.

Some Ukrainians, who believed that ousting the Soviet army would give Ukrainians an opportunity to regain their national sovereignty, welcomed the German invasion. However, Nazis soon began to terrorize the population and killed thousands, including Jews. Nazis deported thousands of Ukrainians, resulting in Ukrainian resistance against Nazi control. By the end of WWII Germans retreated and the Soviet Union regained control of Ukraine in 1944\(^\text{16}\). World War II resulted in heavy losses of Ukrainians lives, cities destroyed, and industries torn apart\(^\text{17}\). Ukraine lost almost—all the social and material gains made with great costs in the 1930s. With the end of the World war II Soviet Union gained control over Western Ukraine for the first time, reuniting Ukraine after centuries of its division among Russians, Polish and Austrians. The Western Ukraine's integration into the

\(^{14}\) It is estimated that 500.000 have been killed and some 3 to 12 million of Ukrainians have been sent to labor camps within Stalins centralization practices in the years from 1937 to 1939.

\(^{15}\) H. Seton-Watson argues that Russification policies of the Soviet Union was practiced not for the sake of the Russian nationalism but for the consolidation of totalitarian centralized regime which was challenged by the national group which were not created by the system itself. For details see, H. Seton-Watson, “Soviet Nationality Policy”, Russian Review, Vol. 15, No.1, p. 8.


\(^{17}\) In the second World War 5.3 million inhabitant of Ukraine have died, over 700 cities and towns destroyed as quoted in Orest Subtelny, Ukraine: A History, 2nd ed., University of Toronto Press, 1994, p.385.
Soviet Union brought Western ideals and ways of social conduct in Ukraine that eventually challenged Moscow. After replacing Josef Stalin, Nikita Khrushchev attacked his policies and followed a policy of persuasion rather than pressure towards the Soviet Union’s members. He criticized Stalin’s modernization project achieved through terrorization of non-Russians. Krushchev argued that the Soviet Union’s growth required persuasion of the nationalities into the ideals of the revolution. This approach, no doubt, had reflections on Ukraine and provided Kyiv more privileged position compared to other Union members. Within this positive atmosphere more Ukrainians were elevated to higher party positions in Moscow and Ukraine. Beginning in 1957 books in Ukrainian language and focused on Ukrainian culture were published under less strict controls.

Ukraine experienced an interval of Ukrainization with Petro Shelest in office as the first secretary of Ukrainian Communist Party in 1963. Soon afterwards however, complications resulting from Shelest’s Ukrainization policies and Leonid Brezhnev’s consolidation of power, a Stalinist-style of party power returned to Soviet life. Brezhnev praised the way Stalin handled the question of nationalities, and replaced Shelest with Volodymyr Shcherbitsky who enforced Russification policies.

Brezhnev announced in 1972 that the nationality question had been completely solved and praised the role undertaken by Russian people to help modernize non-Russian people of the Union. Adopting the new Union constitution in 1977, he pushed for a new wave of intensive Russification policies starting in late 1978. The new constitution preserved the Union republics' status and members' right to secede from the Union. However, the constitution also centralized authority to an extent that

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19 However, some strict guidelines were established by the Communist Party of Ukraine to be observed by authors, namely that Russians, Ukrainians and Belorussians traced back their origin to Kievan Rus; that throughout their history, the Ukrainian people wanted reunification with the Russian people; and lastly that, throughout their entire history, the Russian people were the senior brothers of the east Slavic peoples, See, Magocsi, p. 648. For detailed account of education and language policies see, Yaroslav Bilinsky, Slavic Review, Vol. 27, No.3, 1968. Harold R. Weinstein, Language and Education in Soviet Ukraine, Slavonic Year Book. American Series, Vol. 1, 1941.

20 For details of Shelest’s Ukrainization practices see, Lowell Tillet, “Ukrainian Nationalism and the Fall of Shelest”, Slavic Review, Vol. 34, No. 4, 1975.
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Union members had little space to act in the Union. The period under Brezhnev and Shcherbytsky led to dissent among Ukrainian intellectuals. Dissident movement had various demands varying from reform in Soviet system to secede from the Soviet Union. Dissidents motivated to ask for observance of civil rights following USSR’s acceptance of Helsinki Accords in 1975.

Brezhnev’s tenure ended with his death in 1982; Iurii Andropov who ruled the Union for 15 months succeeded him. Konstantin Chernenko who died after serving only one year in office in turn succeeded Andropov. In March 1985 Mikhail Gorbachev was elected as the new General Secretary. Gorbachev’s Glasnost and Perestroika initiative resulted in the establishment of cultural institutions by Ukrainian dissident intelligentsia. Intelligentsia openly discussed repressive practices of Soviet Union in these institutions. Shcherbytsky’s repressive attitude however, slowed down the effects of Gorbachev’s reformist plans. Starting in 1988 mass demonstrations demanding the promotion of Ukrainian sovereignty, language and culture were organized by Rukh movement. Elections for Supreme Soviet of Soviet Ukraine held on 16 March 1990 were held soon after the removal of Shcherbytsky from office. A newly elected parliament declared Ukraine’s sovereignty in 16 July 1990. After an unsuccessful coup led by Leonid Kravchuk against Gorbachev’s newly elected parliament, Ukraine won independence on 24 August 1991. In a referendum held on 1 December 1991, 91% of the Ukrainians voted for independence and elected Leonid Kravchuk as the first President.

B. Domestic Dynamics

B.1 Developments and Trends in Ukrainian Politics

The challenges of building an independent Ukraine were multidimensional. Transformation of state institutions, establishment of a multiparty system, removal of corruption and political suppression, providing free elections, press freedom and human rights prolonged the transition process. These challenges were complicated by a Soviet heritage of centrally controlled authoritarian structure.


22 Prominent ones were Ukrainian Culturological Club, Writer’s Union of Ukraine, Popular Movement for Restructuring in Ukraine (Rukh).
Essentially, Ukrainian independence was not motivated by revolutionary dynamics that aimed for fundamental change in the system. Hardly there was a call for a revolution in state structure when Ukraine declared its independence. As a result, Soviet customs survived for a notable amount of time through remnants of Soviet legislation and cadres serving in state institutions. What emerged as an independent Ukraine was a result of an evolution in the Soviet institutions and code of conduct, which revealed itself, strikingly, in the Soviet Ukraine’s constitution that remained in force until 1996. Ukraine could not break free of its Soviet past with a parliament (Verkhovna Rada) elected under Soviet laws in 1990 and serving until 1994. Interestingly enough, the overwhelmingly communist parliament of 1990–94, decided for independence, reforms and even conducted nation building activities. In this same period the reformist national-democratic Rukh movement, composed less than a quarter of the parliament. Due to these weaker positions of nationalist reformers, a revolution and removal of the ancien elite (nomenklatura) in Ukraine was slowed, eventually determining the prolonged and difficult path of transformation.

Leonid Kravchuk gained victory (with 62% of the votes cast) against Vyacheslav Chornovil, the leader of the Rukh Movement in the first independent election held for presidency in December 1991. Soon after declaring independence, institutional reforms such as establishment of the office of Presidency and Prime Ministry were created to assure international recognition. Until 1996 executive power was shared among president, prime minister, parliament and parliamentary speaker. Vitold Fokin (November 1990-September 1992), and Leonid Kuchma (October 1992-September 1993) served as prime ministers during the tenure of Leonid Kravchuk, which ended with early presidential elections held in July 1994.

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23 The Supreme Council.
25 Andrew Wilson quotes that 385 out of 450 deputies were communists while Communist Party of Ukraine (banned from August 1991 to June 1993) had 239 seats in the parliament in, A. Wilson, Ukraine: Unexpected Nation, Yale University Press, 2000, p. 160.
26 Paul D’anieri argues that decision of independence was not a rebellion or revolution against Moscow but an effort of preservation of control over economic and political power in Ukraine. He argues that uneasiness of Gorbachev’s reforms have forced Ukrainian elite for independence, in Paul D’anieri, Understanding Ukrainian Politics, Power, Politics and Institutional Design, M. E. Sharpe, 2006, p. 78.
28 He was heading Pivdenmash missile factory—argued to be the largest in the world— in Dnipropetrovsk.
Clashes among executive apparatuses to gain primacy marked Kravchuk’s period in office. These clashes displayed a Soviet style of politics in combination with lack of bureaucratic, administrative and democratic experience.

In March and July of 1994 parliamentary and presidential elections were held. Parliamentary elections signaled victory of a revived communist party, winning 145 seats out of 338. Strangely, 112 seats remained empty after the election because of election law gaps. A combination of Communists’ reactions to proposed reforms and 163 unaffiliated members in the Rada made it difficult to form coalitions that might pass the reforms. Meanwhile ex-Prime Minister Leonid Kuchma defeated Leonid Kravchuk in the second round elections with 52.1% of the votes while Kravchuk gathered 45.1% of the votes. Leonid Kuchma aspired for more power for the President as the Verhovna Rada lost power. Even though most observers noted free and competitive dual elections of 1994 as a great step towards plurality and democracy, Law on Power of 1995 put prime minister and cabinet under control of the president. This came as a blow to the positive image of Ukraine. In 1996, the Rada adopted the new constitution, providing Kuchma with the presidential capacity that he sought.

With no party to gaining majority in the Rada, a second parliamentary election took place in 1998 with the Communist Party emerging in the lead. Instability and ambivalence characterized the 1998 Rada; it was a repeat of the 1994-98 term. Kuchma finished the presidential competition of 1999 ahead of Petro Symonenko – leader of Communist Party. Rising anti-Kuchma opposition resulting from suppression of media to silence the critics and opponents marking the elections. In his second term Kuchma faced major resistance from parliament, leading him to search for ways to increase his power. Beginning in 2000 Kuchma’s image was battered-both internally and externally by the Gongadze affair.

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30 The murder of Heorhiy Gongadze, editor in chief of Internet newspaper Ukrainska Pravda, and following events known as Kuchmagate. A tape (Melnichenko tapes- Mykola Melnichenko is Leonid Kuchma’s security guard) recording of a conversation between Leonid Kuchma and his staff about the killing of Heorhiy Gongadze was made public by Socialist Party leader Oleksandr Moroz. Kuchma denied the allegations of corruption and crime but the case has produced unrest both at home and in international circles. In the further stages of the scandal, Kuchma became almost isolated internationally and the scandal also gave a severe blow to US–Ukrainian relations. After several tests conducted abroad tapes are proved to be genuine.
Third parliamentary elections took place in April 2002. Rising anti-Kuchma sentiments led to unification of center parties under a bloc named “Our Ukraine”\(^{31}\), led by Viktor Yuschenko. As a countermovement the “For United Ukraine” bloc was established and largely supported by Kuchma. However, even though For United Ukraine was supported by state resources and election frauds, Our Ukraine bloc gathered 23.5% of the votes while For United Ukraine gained only 12%. Kuchma gained power however, by manipulating the establishment of a pro-president government through oligarchic factions of the parliament. It was during this period that Victor Yanukovych, key figure of the oligarchic Donetsk clan, emerged as a potential candidate for the presidency\(^{32}\). He was later supported by two other oligarchic figures: first by the Dnipropetrovsk-based conglomerate Interpipe, owned by Viktor Pinchuk (the son-in-law of Leonid Kuchma) and second by Kyiv-based Viktor Medvedchuk.

The October 31st 2004 presidential elections took place in an atmosphere of anti-Kuchma opposition, which was blocked in media. This notorious election ended with falsification of the results\(^{33}\). First round of elections showed Yanukovich’s lead at 3 percent ahead of Yuschenko. Second round elections held on November 21st was also surrounded by allegations of fraud. Results declared Yanukovich’s victory with 49.5% of the votes against Yuschenko’s 46.6%. These events marked the beginning of the “Orange Revolution”.

Mass demonstrations demanded correction of the election results and declaration of Yuschenko’s presidency. After extensive protests the Supreme Court ruled for fraud in elections and a rerun of the second round of presidential elections took place on 26th of December 2004. Yuschenko won this round with 52% of the votes. The Orange Revolution was the highest moment for certain societal groups that demanded change through democracy, fair treatment of the electoral process, and an open society. It also unveiled however, a deeply divided political character of the society

\(^{31}\) Nasha Ukrayina - Наша Україна.
\(^{32}\) Yanukovich was also supported by Rinat Ahkmetov, the richest man of Ukraine and a practicing Muslim with Kazan Tatar origin, and the owner of the conglomerate System Capital Management.
\(^{33}\) According to Ukrainian constitution presidents can serve no more that two terms. However, even though Constitutional Court have ruled that Leonid Kuchma, can run for the third time for the presidency, for the fact that his first term in Office started two years before the adoption of the constitution, he signaled Victor Yanukovich as his replacement. Meantime realizing the fact that his entourage is going to be replaced by Victor Yuschenko, Kuchma called for amendment in Constitution and had most of the presidents powers to be transferred to prime minister.
into those considered pro-change and those more aligned with the status quo. Viktor Yuschenko took the oath of office on 23 January 2005. Verkhovna Rada ratified Yulia Tymoshenko’s Parliamentary government in February 2005. Not surprisingly, the Yuschenko – Tymoshenko coalition broke into pieces soon after power was attained and members of Orange coalition started to run for their pragmatic political aims. In this turbulent period, a Presidential decree on 8 September 2005 sacked Yulia Tymoshenko’s government from office. In only six months Victor Yuschenko’s public image and leadership were ruined by political failure led by a crippling coalition of Orange forces that removed public support for his party. Victor Yuschenko appointed Yuriy Yekhanurov to replace Yulia Tymoshenko, achieved with Yanukovich’s support. This collaboration with his main rival further doubtlessly weakened Yuschenko’s public image. With the ever-freer parliamentary elections of March 2006, Our Ukraine Bloc received 14% votes while Yulia Tymoshenko Bloc gained 22%. The Party of Regions emerged as the leading party by gaining 32% of the votes. Our Ukraine Bloc and Yulia Tymoshenko Bloc, after long and exhaustive negotiations, failed to form a coalition government and Victor Yanukovych established a government in coalition with Socialists and Communists in August 2006.

The period of Victor Yanukovych’s government was marked with continuous confrontation of Yuschenko and Yanukovych over domestic and foreign affairs, leading to the sack of parliament by President Yuschenko’s decree on 2 March 2007. The decree announced the ruling coalition’s breach of constitution and recruited parliamentarians from opposition group to support the cause. Preterm parliamentary elections were held on 30 September 2007 without major incidents. Results declared the Party of Regions in the lead with 34.3% of the vote, while Y. Tymoshenko’s Bloc with 30.7% of the vote held second place. Compared to March 2006 elections Tymoshenko increased votes by almost 8%. The

35 Leader of Yulia Tymoshenko Bloc, worked as a Deputy Prime Minister for energy, 2000-2001 and a leading figure of Orange coalition.
36 The reason was claimed as corruption in the government and the failure in following Revolution’s ideals. Because of the crisis Tymoshenko bloc have taken an anti-Yuschenko stance in the parliament and prepared future decline of Yushchenko’s image and influence.
37 With the first anniversary of Orange Revolution just one in seven Ukrainians fully supports President Yushchenko, which was almost 50 percent after his inauguration in February 2005.
Coalition of Our Ukraine and People’s Self-Defense only gathered 14.1% of the vote, proving decrease of public appeal for Victor Yuschenko.

B.2 Developments in the Economy

Independent Ukraine, facing challenges of political transition, simultaneously, had to face the burden of economic transition. In the Soviet period Ukraine had developed an economy based on exploitation of its natural resources and vast agricultural lands, producing 30% of the USSR’s agricultural output, 17% of the industrial production and 40% of the Union’s steel. While Ukrainian SSR’s growth rate exceeded the USSR average in 1950s and 1960s, its growth rate fall under the Soviet Union’s average in both the 1970’s and 1980’s.

A failing but still active Soviet economic hub ground to a halt with the end of the Soviet Union. This hub integrated a Union-wide economy to an extent that with the independence industrial production of Ukraine declined by 75%. Increasing energy import bills played the major role in the economic decline of Ukraine. With inflation around 10.000% and GDP decrease of almost 50% Ukrainian economy worsened even more by the end of 1993. President Kravchuk’s focus on nation-building rather the economic transformation helped fuel the economic decline. Kravchuk's failure to launch economic reforms was explained with the communists’

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39 Hermann Clement, “The Economic Aspect of Ukrainian–Russian Relations”, in Kurt Spillmann, Andreas R., Wenger, and Derek Müller, (eds.) Between Russia and the West: Foreign and Security Policy of Independent Ukraine, Peter Lang AG, 1999, p. 283. Laszlo Csaba quotes that war industry portion was constituting the 70-75% of the total industrial capacity of Ukraine in the years of Perestroika, and underlines that both Russia and Ukraine suffered economically because of the collapse of the war industry system, as it has been developed, planned as a single integrated structure. Csaba Laszlo, Doğu Avrupa’da Çöküş Senaryolar: Sistem Değişikliği Sürecinin Ekonomi Politiği (Collapse Scenarios in Eastern Europe: Political Economy of System Change Process), Kavram Yayınları, 1. Baskı, İstanbul, 1996, p. 322.
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resistance to a market economy and reform proposals⁴⁰. Lack of a common consensus on whether Ukraine should adopt western ways of development led to inefficiency in handling the economy. Eventually, weak economic performance strengthened the stance of the political circles favoring economic unification with Russia.⁴¹

Leonid Kuchma took office amid public uneasiness over the economy. Kuchma, unlike Kravchuk, decided to transform political and economic remnants of Soviet period with that of Western democracy and market economy⁴². However, his focus on market reforms dwindled by the end of the 1990s. Main sectors of the economy came under the control of oligarchs⁴³, influencing factions in the Verkhovna Rada, resulted in resistance of further reforms in the economic sphere to protect their own status quo.

Official figures display that from 1991-1998, Ukrainian GDP fell by 63%, industrial output was reduced by 52%, capital investment plummeted by 77% and agricultural output fell by 44%. Inspecting nonfree economies of the World, 1998 Wall Street Journal's Index of Economic Freedom ranked Ukraine 125th among 156. In this period Foreign Direct Investment (FDI) per capita in Ukraine was 27$ while it was 1376$ for Hungary, 696$ for The Czech Republic, 250$ for Poland and 48$ for Russia. Legal dubiety, fear of shaky state commitments, reflections of Soviet type central planning, corruption and lagging economic structure provided low FDI level as a significant characteristic of the economy⁴⁴. Also, small-scale privatization was almost completed while large-scale privatization was stalled around 50%⁴⁵.

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⁴³ Corruption became a regularity by the end of the 1990s. In year 2000 Transparency International ranked Ukraine 87th out of 90 countries inspected.
⁴⁵ It is important here that Ukraine introduced its national currency Hryvnya in 1996 and created positive reflections in international monetary circles.
Ukraine’s economic performance improved significantly with fiscal reforms of Victor Yuschenko, who served as a prime minister from December 1999 to April 2001. Indicators of 2002 show that GDP reached 4.6 after fluctuating in negative figures until 2000. GDP scored high with 9% in 2001. From 1998-2002 industrial production growth was 7.3% while the FDI showed poor performance of 5.3 billion dollars. This accounted for only 3% of the total FDI of Central and Eastern Europe in 2002.

An antireformist parliament convinced the electorate to vote for reform-promising candidates in the parliamentary elections of March 2002. Responding positively, the new parliament met reform expectations of the electorate. Positive economic performance continued in 2004 with the increase of GDP by 12.1% and a rise in real wages by 24%. Yuschenko took office with the pledge to replace the corrupt oligarchic economic system. Public expectation of 1999-2001 economic miracles was resurrected. By 2006 however, the growth rate decreased to 6% (est.) as a result of turmoil in domestic politics and the energy crises with the Russian Federation (RF). Although economic indicators displayed a positive economic outlook from 2000-2006, Ukraine is not yet a member of WTO and this prevents Ukraine’s full integration to the world economy. Economic performance proved stable under the domestic turmoil that led to sack of Victor Yanukovych’s government in the Spring of 2007. However, in the long run this may negatively effect continuing economic reforms and later WTO accession.

B.3 Transformation of Society

Another major challenge in the face of long-lived colonial rule is transformation of the Ukrainian society. A submissive imperial experience left deep imprints on the social life of Ukrainians. This experience surfaces however, with the decline of reformist spirit in Ukraine under first term of Kuchma, IMF, World Bank support for reform program reduced. For details on Ukraine’s economic restructuring, Bandera, N. Volodimir, Formation of a Market Oriented Social Economy of Ukraine, in Wsevolod W. Isajiw, (ed.) Society in Transition: Social Change in Ukraine in Western Perspectives, Canadian Scholar’s Press, 2003, pp. 53-79.

46 Head of Central Bank of Ukraine from 1993 to 1999.
47 Victor Yuschenko’s period is widely referred as a break up point with the burgeoning oligarchic economy as he set up a basis for real free market with private ownership. See also for an analysis, Marco Bojun, Trade, Investment and Dept: Ukraine’s Integration into World Markets, in Neil Robson (ed.), Forging the Weakest Link: Global Economy and Post-Soviet Change in Russia, Ukraine and Belarus, Ashgate, 2004.
49 According to IMF estimates, GDP per capita increased from 784$ in 2001 to 2401 in 2006. In 2006 inflation is estimated around 9.3%.
as cultural, ethnic, religious, linguistic differences that challenge the idea of a new nation-state. Ukraine inherited a multiethnic and multilingual society in which Ukrainians account 73%, and Russians 22% of the population. Russophones constitute almost half of Ukraine’s population. Distinguishing and defining Ukrainian nationalism complicated with the large number of Russified Ukrainians who speak Russian as their first language. Defining Ukrainians as different from Russians inherently bears the possibility of alienating ethnic Russians of Ukraine. Russians and Russified Ukrainians living in the East and South of the country, and Ukrainians living in the Western-most regions of the country further complicate the issue. This leads to regionalisms and display itself as a lack of consensus over territory, state, language, culture, history, symbols and myths of Ukraine. To ensure its independent and unified existence Ukraine needs to construct an inclusive and viable national identity.

Domestic responses to the nationality, identity and language questions vary. Ukrainian nationalists, depicting ethnic Russians as colonists also depict Russophone Ukrainians as by-products of forced Russification. Nationalists argue the need for Ukrainization policies as an irreversible tide of history. Moderates defended the idea of framing a Ukrainian political nation. Moderates defined being a Ukrainian not with language or ethnicity criteria but with citizens’ commitment to laws and constitution. Leftists and Russophone activists demanded retention of bicomunal societal life while protecting biethnic, bilingual, and bicultural society.

Kravchuk and Kuchma -- not belonging to the nationalists in the political spectrum -- realized the need for a distinct Ukrainian nation to support state-building efforts. Both presidents promoted state and territorial loyalty rather than ethnic loyalty. However, this did not stop the introduction of Russia as the “other” Ukraine. Defining Russia as the “other” needed internal policies such as promoting Ukrainian and Russian cultures and languages on equal footing. Both presidents supported the Ukrainophile school of history with direct links to Kievan Rus and present-day Ukraine.

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50 According to the Soviet census conducted in 1989.
51 Results of survey quoted by Andrew Wilson displays overlapping identities. According to survey conducted in 1997 56% of the respondents define themselves as only Ukrainian, 11% only Russian, 27% both Ukrainian and Russian. The same survey unveils the divided nature of Ukraine by languages. Results of survey displays that 41% of the population is Ukrainophone while 44% is Russophone. See, The Ukrainians: Unexpected Nation, Yale University Press, 2000, p. 219.
Kuchma, in his first term in Office, proved himself more courageous in nation-building policies with references to ethnic Ukrainian national identity. The first independent constitution of Ukraine (1996) states:

“State language in Ukraine is Ukrainian language. The state guarantees the all-round development and functioning of the Ukrainian language in all spheres of social life on all the territory of Ukraine. In Ukraine the free development, use and protection of Russian and other languages of national minorities of Ukraine is guaranteed.”

Also, by defining Ukraine as a unitary state with a single Ukrainian people, the Constitution refused demands for dual Ukrainian – Russian citizenship. On the other hand, the constitution considered “Ukrainian” as an all-inclusive frame. Therefore, all people who live in Ukraine are defined as Ukrainians. The Article 11 of the constitution ensured the notion that

“The State promotes the consolidation of and development of Ukrainian nation, its historical consciousness, traditions and culture, and also the development of the ethnic, cultural, linguistic and religious identity of all indigenous peoples and national minorities of Ukraine”.

Leonid Kuchma promoted ethnic Ukrainian identity by introducing historical symbols such as name of national currency as “hryvna” which was used by Kievan Rus. He also introduced historical figures such as Kievan Rus Prince Yaroslav the Wise, and Mykhailo Hrushevsky as national figures. Based on the new constitutional design, the education system also became Ukrainianized. Primary and secondary school students with Ukrainian language increased from 49% in 1991 to 74% in 2003.

However, Kuchma failed to Ukrainianize mass media as well as his success in education system. Decrease of Ukrainian language newspapers from 68% to 35% and magazines from 90% to 12% from 1968 to 2000 reflected wide use of Russian language in the mass media. Revival of ethnic Ukrainian identity produced positive results. From 1989 to 2001 the Census noted increase of ethnic Ukrainians from 72.7% to 77.8% and decrease of Russians from 22% to 17.3%. Other surveys viewed an increase in the use


of Ukrainian language. However, Russian language has retained its overwhelming popularity in the society.

No doubt, building ethnic Ukrainian national identity creates a stimulus for state building efforts. Unprecedented, these policies challenged status of Russians of Ukraine as the constitution placed ethnic Russians as minority. By doing so the constitution transformed their historical status from a dominating people to a foreign element. Transformation of an integrated community into an alien social unit had its negative effects by drawing clear lines of division. As it surfaced in the presidential elections of late 2004 these lines have the potential to break along historically determined lines of ethnicity, culture, history and language. It is essential to keep in mind that these lines played a prominent role in an unfinished national transformation process. They will continue to be major determinants on the domestic and external affairs.

**B.4 Transformation of Ukrainian Military**

Looking at military heritage of Ukraine is essential to locate the Ukraine’s place in the world affairs since it occupied significant place in building Ukraine as a nation-state. Nationalizing the Soviet army forces, sharing the Soviet military equipment, clarifying status of arms production infrastructure, Soviet nuclear warheads, and Sevastopol emerged as major challenges vis-a-vis efforts of building an independent Ukraine. Reaching to a consensus over these issues determined, to a large extent, international image of Ukraine in the first decade of its independence. The transformation of the military continues to occupy an important place in determining Ukraine’s possible membership to the NATO.

Ukraine inherited from Soviet Union the second largest armed forces in Europe with conscripts numbered around 750,000\(^{56}\). In the time of breakup of the Union large number of Soviet military assets, that is 30% of the Soviet military equipment located at the west of the Urals remained on the Ukrainian territory. Additionally, Kyiv inherited 1840 defense industry enterprises\(^{57}\) while producing 30% of defense equipment of the Union\(^{58}\).

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\(^{57}\) Ukraine inherited five armies, one army corps, eighteen divisions, (twelve motorised, four tank and two airborne), three airborne brigades, three artillery divisions, combat support and service units, four air armies quoted from Stephen Olynyk, Ukraine as a Cold-War Military Power, JFQ, Spring 1997, and see, Kuzio, Ukrainian Security Policy, p. 90. Heritage contained, besides 750,000 personnel, 6500 tanks, around 7000 combat armored vehicles, 1500 combat aircrafts, more than 350 ships.

Therefore, Soviet Union’s heritage was far from being negligible amount. However, after the independence arms industry failed due to break of Soviet-wide supplies network. Demarcating borders broke production lines created hardships in providing needed parts to produce military items. Drawing borders added more weight on the fragile economies and created a costly dependency.

Besides questions were hovering around the material heritage fall of military administrative structure laid basis for concerns over sustaining Ukraine’s independence. Therefore, establishing civilian control over the military was central to face the challenge from this aspect. However, facing this challenge was complicated for the fact that Kyiv’s lacked civilian administration experience of the military resulting from Moscow’s central control in the Soviet period. This central control did not let Kyiv inherit basic institutions and required human element to establish control over the army and to make military reforms. In his trial to face this challenge Leonid Kravchuk one of his priority as to set up a national army through nationalizing the ex-Soviet army on Ukrainian soil. To assure nationalization of the army replacing high-ranking ex-Soviet officers from Russian or strongly Russified Ukrainian origin was required. However, replacement of the higher military cadres proved itself a difficult resulting from insufficient number of substitutes for these posts from Ukrainian origin. Contrary to the ethnic composition of the higher ranked officers large extent of conscripts were of Ukrainian origin. This composition and the question of loyalty constituted a potential for further destabilization in the first decade opening doors to foreign manipulation. In the second half of the 1990’s civil administration could establish functioning civilian control over the military among strong reactions to nationalization from military cadres.


According to Pavel K. Baev and Tor Bukvoll 70% of the officer corps were from outside Ukraine, in Baev and Bukvoll, Ukraine’s Army Under civilian Rule, Jane’s Intelligence Review, January 1996.

In the period of 1991-1993 almost all soldiers were called for loyalty oath or to quit army service. Many had to concede and accept the replacement of Soviet indoctrination with that of Ukrainian since most of them had no place to go.

Valeriy Shmarov was the first civilian defense minister taking Office in mid1994. For civil military relations in 1990s see, Serhiy I. Pirozhkov, Grygoriy Perepelystya, Civil Control Over The Force Structures Of Ukraine, Paper presented at the 1st Workshop on “Civilians in National Security Policy”. held
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experience in civil-military relations in comparison to most of other newly emerging democracies. The period since establishment of the civilian control conflicts are limited to the conduct and planning of the military reforms. Mostly Ukrainian military cadres prefer to not to involve other political matters.

Simultaneous with the challenge of establishment of civilian control Ukraine had to face problems left behind by the material heritage of the Union’s army. Major problem surfaced from Soviet strategic and tactic nuclear weapons on Ukrainian territory. These weapons included 176 strategic intercontinental ballistic missiles, 1,242 nuclear warheads and 3,905 tactical nuclear missiles. Tactical nuclear missiles constituted 14% of the entire Soviet arsenal. However, without any major disagreement tactical nuclear weapons were transferred to Russia by May 1992. Unlike tactical nuclear weapons transfer of strategic nuclear weapons proved problematic. Even though Kyiv declared its aspiration to become a nonnuclear state preferred to prolong arms transfer process to enjoyed international interest. Newly established Ukraine needed international recognition of its existence in the face of imminent Russian threat. Dragging feet on the resolution of the crisis Ukraine wanted to make sure that world realizes Russia as major threat to its unity. Therefore, prolonging the crisis, Kyiv sought solid international assurances and security guarantees for the period after the transfer of the nuclear assets to Russia. Even though Kyiv declared its aspiration to become a nonnuclear state preferred to prolong arms transfer process to enjoyed international interest. Newly established Ukraine needed international recognition of its existence in the face of imminent Russian threat. Dragging feet on the resolution of the crisis Ukraine wanted to make sure that world realizes Russia as major threat to its unity. Therefore, prolonging the crisis, Kyiv sought solid international assurances and security guarantees for the period after the transfer of the nuclear assets to Russia. Once received assurances from the United States, Britain, and Russia on protection of its independence and territorial integrity Kyiv agreed stipulations of the START I and the NonProliferation Treaty and transferred strategic nuclear arms to Russia.

The clarification of the status of the Black Sea Fleet and the Russian naval base in Sevastopol took its important place in the agenda of post-Soviet military heritage. The resolution of the status of the Black Sea Fleet and the Russian naval base in Sevastopol appeared to be complicated for the reason in Geneva 2-4 November 2002, organized by the Working Group on the Role of Civilians in National Security Policy of the of the Geneva Center for the Democratic Control of Armed Forces


64 Taras Kuzio argues that Russia felt like could launch a preemptive military strike to take control of or disable nuclear weapons in Ukraine, Kuzio, Taras, Ukrainian Security Policy, p. 109

65 Ukraine’s security concerns of Ukraine ranged from protection against nuclear and conventional attacks to economic and political pressure.

66 Ukraine has tried its best to benefit from the nuclear weapons it inherited from the USSR. It used them as a lever to defuse a Russian threat and to make international circles realize Ukraine’s critical and strategic importance, and to lessen the negative effects of denuclearisation over its economy by asking economic support, mostly from the US.
that Moscow considered Crimea as a natural part of the Russian homeland. Besides homeland myth strategically, existence of the Russian Black Sea Fleet in Sevastopol considered decisive to prolong Russian domination of the Black Sea. Issue got complicated when Moscow preconditioned the division of the fleet and fleet’s presence in the peninsula to sign the Agreement of Friendship, Cooperation and Partnership, which assure Russia’s guarantee on Ukraine’s territorial integrity67. Ukraine tried hard to avoid an armed conflict and followed policies to settle the issue without eroding Ukrainian sovereignty. Coupled with other challenges of the transition this issue made post-Soviet transition more complicated by the time it was solved in May 1997.

Besides difficulties posed by nationalization of the army and share of military assets Ukraine had to conduct military reforms. However, set aside reforms Ukrainian military lacked – from the beginning- the financial funds to carry out its functions. Doubtless to say this malfunctioning of the army was resulted from bottleneck in the economy. In line with the failing economy defense budget shrunk 3.5 times in the 1992-2000. Shrinking budget meant minimizing military spending through reducing conscripts to 272,500 by 200568.

In military reforms NATO played a significant role as an external dynamic. The conclusion of the Partnership for Peace agreement in 1995, the Charter on Distinctive Partnership in 1997 and the NATO-Ukraine Action Plan in 2002 gave boost to reforms69. Kyiv in line with its NATO aspiration plans to cut number of troops 140,000 by the year 2012. It is also planned to quit conscription and to start a professional army. Starting from March 2007 NATO started, for the first time, to provide financial support to Ukraine for reforms that it may conduct in defense and security sectors.70. Enjoying this positive political environment Ukrainian parliament unanimously voted to allow foreign military units on Ukrainian territory to conduct military exercises, which was later realized through the NATO crisis response exercise conducted in Sevastopol September 2007.

67 Quoted as “The Big Treaty” in most of the scholarly studies.
69 NATO-Ukraine Action Plan clearly sets the reform agenda for Ukraine in the second section of the plan. Plan calls Ukraine to reorganize its army in line with the security risks to defend its territory and to take part in peacekeeping – humanitarian missions. Plan also asks for strengthening civilian control of the armed forces.
70 It is estimated that Ukraine is required to spend 4-5 billion dollars to get its army to NATO standards, which is impossible given the faible economic balances.
C. External Dynamics

C.1 Ukraine in International Politics

The Act of Independence marked the second emergence of Ukraine as an independent state on August 24th, 1991. The declaration marked Ukraine’s wish of living apart from Russia while bringing no clear break to imperial heritage. This heritage highlights inexperience of Ukraine in world politics. Based on this inexperience the path that Ukrainian foreign policy followed in independent era displayed ambivalent performance. This section of the article will focus on the status of Ukrainian SSR in the Soviet Union to address the issue of Ukraine’s capacities in foreign policy making.

Throughout Cold War period Ukrainian SSR had limited international practice in contradiction to early sovereignty expectations. To meet these expectations the All-Union Constitution (1944) gave Union republics right to conduct diplomatic relations abroad. However, in practice, Moscow provided this right only to Ukraine and Belarus. This constitutional model allowed Ukrainian SSR to enjoy representation in international platforms. This took place mostly as Kyiv’s participation in UN platform. As well as its activities in the UN, Ukraine gained membership in the International Court of Justice, the World Health Organization (1946), the Universal Postal Union (1947), the International Labor Organization (1954), and the UNESCO (1954).

UN membership of Ukraine was significant among others since it was open recognition of Ukrainian SSR’s state sovereignty. Moscow’s tolerance of this membership stood contradictory to the sovereignty of the Soviet Union. This presumably contradictory political play offered Moscow two practical gains. First, Moscow gained more votes in international organizations and in international postwar conferences. Second, it gained political sympathy of Third World countries to assure their integration to the ranks of Socialist world. On the other hand this contradictory case produced negative results for Moscow. International recognition of Ukrainian SSR’s legal personality put pressure on Moscow especially with the Britain’s initiative of setting up direct diplomatic relations with Ukraine in 1947.  

Ukraine’s memberships in international organizations did not lead to creation of Kyiv’s independent policy pattern. Ukraine did not have fixed institutions except for underdeveloped foreign relations apparatuses in Kyiv. Based on these institutional designs Ukraine could not follow an independent political policy in international organizations. Moscow determined political positions to be followed in international forums and asked Ukrainian SSR to concede. However, Ukraine could sign few bilateral agreements even under such limits72. From 1987 to 1991 Union members started to conduct low-level relations beyond the borders of Soviet Union. These contacts turned into independent relations when the Soviet Union collapsed and Ukraine emerged as an independent actor.

C.2 Challenges of Ukrainian Foreign and Security Policy

Ukrainian foreign and security policies in the 1990s sought achievement with tangible level of international recognition. This was usually from a perspective of a newly independent state. However, the issue is complicated when that newly independent state was a on the periphery of a falling great power. Gaining respect to its sovereignty and territorial unity from RF emerged as a major foreign policy goal of Ukraine in the first decade of its independence.

Doubtless to say, Moscow had no inclination to loosen its grip on Ukraine in the 1990’s. Early signals of such inclination surfaced during the establishment of Commonwealth of Independent States (CIS). The purpose of CIS was viewed by Ukraine and Russia in opposite ways. Kyiv considered CIS as a tool for the peaceful divorce of the Soviet republics. From that view CIS was expected to promote cooperation and longterm independence among ex-Soviet states. Russia, on the other hand, regards CIS as a political tool to dominate former Soviet space. While such perceptions existed, getting Russia to the point of recognizing Ukraine’s territorial integrity was a major task73.

Since Ukraine’s independence and territorial sovereignty was at stakes vis-a-vis Russia, Kyiv was inclined to use pragmatic Westward rhetoric until the last quarter of the 1990’s. In the context of this approach Ukraine took a western oriented foreign policy orientation and declared its intent to become a member of European institutions. This foreign policy approach included close cooperation with its Central European neighbors and the United States. Russia watched such declared preferences of Ukraine with a

Footnotes:
72 For details see, James P. Nichol, Diplomacy in the Former Soviet Republics, Praeger, 1995, p. 22.
73 Tor Bukvoll, Ukraine and European Security, Royal Institute of International Affairs, 1997, p.63, p.70.
Turkey’s Neighborhood

wary eye, which made Ukraine more insecure in western oriented pragmatic initiatives.

By the end of the millennium, Ukrainian–Russian relations took a major turn and made progress, especially with the ratification of Big Treaty (1997)\textsuperscript{74}. The Treaty’s terms clarified the mutual recognition of Ukraine’s territorial integrity. The treaty also contained a package of agreements fixing the status of the Black Sea Fleet. The treaty guaranteed, for 20 years, the sovereignty and territorial integrity of both countries. With the agreement parties committed themselves not to take part in alliances aimed against the parties involved and to settle peacefully disputes between them\textsuperscript{75}. Additionally, the parties agreed to divide the Black Sea Fleet’s assets and to lease port facilities in Sevastopol to the Russian Navy. With the treaty Russia received four-fifths of the Fleet’s warships while Ukraine received about half of the facilities. The treaty also handed Sevastopol to Ukraine\textsuperscript{76}. It was observed that the Big Treaty and the agreement on the Black Sea Fleet prevented the likelihood of violence between Ukraine and Russia\textsuperscript{77}. However, Russian Navy’s stay in Sevastopol will end in 2017 and Ukraine displays no inclination to prolong the treaty.

Ukraine’s foreign policy inclinations shifted towards Russia after 2000, because of Kiev’s international isolation that resulted from domestic scandals. Ukraine’s gradual isolation in international platforms shook Leonid Kuchma’s political grip in domestic affairs. Open foreign support of Russia in this period of Kuchma provided conditions for him to stay in Office. This status quo necessarily drew both countries closer\textsuperscript{78}. From Russia’s view this was a high time to develop a stable policy towards Ukraine and Moscow embarked on extensive diplomatic moves starting

\textsuperscript{74} The genuine title for the treaty is “The Treaty on Friendship, Cooperation and Partnership”, however it is generally called “The Big Treaty” in the literature. It was signed by Ukraine and Russia on 31 May 1997, and ratified by Ukraine on 14 January 1998, and by Russia on 25 December 1998.


\textsuperscript{76} See “Main Points of Russia-Ukraine Accords”, Agence France presse, May 31, 1997.

\textsuperscript{77} The non-settlement of status of Black Sea Fleet was an impediment to the development positive Ukraine-RF relations and it was a major source of threat against Ukrainian unity for the fact that Moscow has considered Crimea as a Russian territory even after Ukrainian independence. Control over Crimea was handed over to Ukraine in 1954 to commemorate the 300th anniversary of Ukraine’s unification with Russia. However, from their heart Russians view Crimea as a Russian territory.

from late 2000\textsuperscript{79}. The terrorist attacks of September 11, 2001 shifted focus of American foreign policy-makers and this further decreased the regional importance of Ukraine. Immediate post September 11 balances provided Russia a freer hand to follow its interests in Ukraine when the US needed Russian support to face new security challenges. However, Russian support to US in its fight against terrorism did not last long. Growing Russian view of US as an unilateral and ignorant power destroyed any possibility for Ukraine to lower its threat perceptions through bandwagoning with US next to RF.

Energy is one of the key foreign policy determinants in Ukraine-RF relations. Ukraine’s almost complete dependence on external energy sources and Russia’s monopoly over natural gas and oil trade constitutes a dilemma for Kyiv. This dilemma is a matter of protection of its sovereignty on one hand and finding limited sources to run economy on the other\textsuperscript{80}. Throughout the 1990’s RF did not hesitate to use Ukraine’s dependency as a political means to force its interests and priorities\textsuperscript{81}. Energy trade between the two countries arrived at a crisis point in March 2005 when Gazprom asked for gas prices not at a subsidized level but at international market level\textsuperscript{82}. Ukraine reacted to Gazprom’s demand with an increase in transit fees, which led to RF’s block of gas flows into Ukraine in January 2006.


\textsuperscript{81} One of the most obvious examples of using Ukraine’s energy dependence in favor of Russia’s interests emerged during the negotiations at the Massandra summit in 1993. The Ukrainian delegation was offered the cancellation of Kyiv’s gas debt in exchange for full Russian control over the Black Sea Fleet and Ukraine’s nuclear warheads. Ukraine’s resistance returned energy cut-offs by Moscow in 1993 and in 1994

\textsuperscript{82} RF used subsidized energy prices as apolitical tool in ex-Soviet space to assure some control over independent post Soviet states.
While it took time for parties to come to a consensus, energy crisis had significant results for Russian energy buyers in Europe.

A growing view of Gazprom’s initiatives for market monopolization as a tool of Russian political domination lead Ukraine to engage protectivist measures. Therefore, Kyiv tried to leave minimum space to Gazprom, which aims to eventually control energy facilities and pipelines. While energy will continue to be a significant item in relations the 2005 crisis proved that energy cutoffs are not Moscow’s most efficient coercive tool. Since RF is also dependent on the energy transit countries and transit pipelines to reach European markets fall of energy supply levels creates counter pressures from European buyers and increases financial loses for Russian economy.\(^{83}\)

Commonwealth of Independent State (CIS) played an important role as a platform for Ukrainian-Russian relations. Ukraine, being among the first three initiators of this organization, gave significance to maintenance of peace in the post-Soviet area. In that understanding, Ukraine’s approach to the CIS is essentially pragmatic since Kyiv conducted a foreign policy based on counterbalancing felt threats, and through shifting its orientations to the West or to the East in accordance with the circumstances. From the beginning, Ukraine has used the CIS as a mean to conduct multilateral cooperation to deal with the post-Soviet problems. Ukraine’s CIS policy was to keep its participation within the limits of economic cooperation.\(^{84}\) While trying to secure its economic benefits and accommodate RF through CIS, its low profile participation in the CIS also aimed to preserve good relations with the West.

Concluding the Big Treaty in 1997, Ukraine experienced a relative relief of the Russian threat in the international arena and this has led to perception of Ukraine as an independent entity in world politics. Therefore, Western countries felt freer to support Ukraine’s independent existence and rerecognized its importance for European security. However, the CIS was, for Russia, the only leverage to preserve its dominant position in the ex-Soviet space. Attempts made by Russia to turn the CIS into a supranational body consistently rejected by Ukraine. In this respect, claimed memberships in NATO and the EU—while there is no internal consensus on these memberships—utilized as political tool throughout 1990’s to compel RF is working on a new pipeline Project that by passes Eastern Europe by passing under Baltic sea and surfacing in Germany.

Russian pressure in CIS. Nevertheless, with its isolation from the West starting from the year 2000, Ukraine intensified its participation in CIS\textsuperscript{85}.

Under the westward looking president Victor Yuschenko, Ukraine-CIS relations have had lower rank among the foreign policy priorities of the newly elected president’s orientation towards NATO, EU and WTO memberships. Additionally, Yushchenko called for a redefinition of GUAM’s priorities, and highlighted improving democratization and promotion of eventual membership of NATO and the EU. Yushchenko offered transformation of GUAM, to challenge the CIS’s control, into a large-scale regional organization equipped with its own headquarters and secretariat that is committed to democracy, economic development, and regional security\textsuperscript{86}. Within the same spirit the Community of Democratic Choice was established on 2 December 2005, composed of nine countries from the Balkan, Baltic, and Black Sea regions aspiring to limit Russia’s influence on the post-Soviet area\textsuperscript{87}. Ukraine’s stance against RF dominated CIS has become blurred with the pro-Russian Victor Yanukovich as a prime minister starting from August 2006.

United States – Ukraine relations plays a significant role for Ukraine to balance the threat felt from RF. Ukraine’s possessions of the nuclear assets largely determined the character of US–Ukrainian relations until Ukraine conceded to transfer its nuclear assets and sign NPT in 1994. While Washington’s main priority, until 1994, was to eliminate the nuclear risks posed by Ukraine, Kyiv was using the possibility of its future nuclear-free status as key political card to assure more security and financial concessions from the US\textsuperscript{88}. In this context Kyiv’s maneuvers to delay the

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\textsuperscript{85} Ukraine agreed to join CIS’s Anti-Terrorism Center, and the Ukrainian Defense Minister began to attend CIS military meetings as an observer. In addition, Ukraine took part in the Dushanbe summit of the CIS Collective Security Treaty, held in September 2001, which it had continuously refused sign. In February 2003, Kuchma became the first non-Russian head of the CIS Council of Heads of State. In addition Russia, Ukraine, Belarus and Kazakhstan agreed to set up a CIS Free Trade Zone by May 2003.

\textsuperscript{86} In May 2006 presidents of GUAM countries –Georgia, Ukraine, Azerbaijan and Moldova- signed a new charter, rules of procedure and financial regulations to help organization to boost regional cooperation. Organization is renamed as Organization for Democracy and Economic Development.

\textsuperscript{87} Members of the group are Ukraine, Georgia, Lithuania, Latvia, Estonia, Romania, Moldova, Slovenia, and Macedonia.

Soon after denuclearisation achieved Leonid Kuchma launched a new economic initiative to cope with failing economy. This new spirit gave incentive to the US decision-makers to support struggling Ukraine. Resulting from this new perspective US–Ukrainian relations were categorized as strategic partnership and as a proof of that the US-Ukraine Binational Commission was established. Within this spirit the US became sole balancing actor against Russia. This level of relations lasted until the year 2000 during which Ukraine took the US as its strongest ally.

Nevertheless, in the period until 2000 Ukraine lacked the political decisiveness and ability to build a foreign policy consensus to get integrated to the Euro-Atlantic sphere. Continued the lack of reforms, political liberalization and consensus and structural weakness of the economy, resulted in dissapointment of the expectations placed on Ukraine. The gap between promises and deeds was so big that the Ukraine-US strategic partnership failed to produce positive outcomes. In such an era of frustration relations were complicated by the surfaced Heorhiy Gongadze scandal in November 2000. Moreover, in the delicate climate of post-September 11th, Ukraine’s alleged sale of Kolehuga radars to Iraq in September 2002 came as a further blow to the US–Ukraine relations. The US reacting to these developments isolated Ukraine in international platforms, which eventually led Kyiv to turn its policies closer to Russia.

However, being threatened by Moscow’s overwhelming intimacy, Ukraine seized the Iraq conflict as an opportunity to invigorate its relations with the US. For the sake of putting US relations on track Kyiv contributed troops to the US-led coalition even though it initially opposed the US decision to

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89 Leonid Kuchma expresses Ukraine’s view in this period of isolation when he said that “…on the map of world leaders, Ukraine doesn’t even exist. They are indifferent to whether Ukraine is independent or not”


91 Known also as “Kuchma-Gore Commission”.

92 During the period when Ukraine was dealing with the problem of Black Sea Fleet and control of Sevastopol, the US Congress gave support to Kiev by calling upon the government of the Russian Federation to recognize Ukraine’s sovereignty. The US also gave significant support to enable it to take part in NATO’s PfP program.

disarm Iraq by use force⁹⁴. Relations gone back on track with Ukraine’s notorious presidential elections of 2004. The US did not hesitate to put its full support on Viktor Yuschenko both before the elections and in the period of crisis⁹⁵. However, contrary to the external support given to Orange group the poor performance of the Orange coalition and poor leadership of Yuschenko lowered US expectations from the Orange cadres in Kyiv. Realizing the impediments in the Orange rule and failure of Yuschenko’s leadership Washington soon after elections despaired of Victor Yuschenko⁹⁶.

On the European Union front, the Union initially based its relations with Ukraine the framework of the “EU Strategy toward Ukraine” (October 1994). This framework was reinforced by the EU’s Common Position on Ukraine, (November 1994). In these documents EU highlighted the importance of Ukraine's independence, territorial integrity and national sovereignty as key to security in Europe. By these documents the EU encouraged efforts to consolidate Ukraine’s democracy and nascent market economy. The EU and Ukraine relations further elaborated by “The Partnership and Cooperation Agreement “ (PCA). Taking effect in late 1998 PCA set the legal basis of the political and economic relations. In addition, the Common Strategy towards Ukraine, announced by the EU in 1999, highlighted the country’s importance for Europe and stated Ukraine

⁹⁴ Soon after the end of the war and following a parliamentary vote, Ukraine decided on 5 June 2003 to send NBC Defense Battalion to work under the command of the Polish brigade. This approach was announced by President Leonid as a sign of Ukraine’s devotion to its strategic partnership with the United States of America. However, as a reaction to US support for Victor Yuschenko in the presidential elections against Leonid Kuchma backed Victor Yanukovych, Rada passed a resolution on January 11, 2005-just days before presidential shift- on request of Kuchma to withdraw 1650 Ukrainian troops from Iraq. Victor Yuschenko has not reacted against it since troop withdrawal was his elections pledge in the face of claim that argue he serves not Ukrainian interests but that of US. On the one hand, with supporting the withdrawal decision he could limit anti-US sentiments in all walks of life in Ukraine which argued to be pay back when public support for NATO is needed. Withdrawal was compiled by the end of 2005.

⁹⁵ In February 2005 George W. Bush and Victor Yuschenko met for the first time and G. W. Bush welcomed Ukraine into Euro-Atlantic family. Soon after in April 2005 G. W. Bush and V. Yuschenko met for the second time and The U.S. president declared that they are backing Ukraine’s ambitions of joining NATO and the World Trade Organization. United States’s commitment to Ukraine’s full integration to the international economy and to Euro-Atlantic structures reiterated on 7 December 2005 with the visit of U.S. Secretary of State Condoleezza Rice to Kyiv.

⁹⁶ Impression gained by the lecture given by Gene Fischer, expert on Ukraine and adviser to the US Vice President Dick Chaney at the time of the lecture. Lecture was held at Harvard Ukrainian Research Institute, August 2006.
as a crucial actor in strengthening peace, stability and prosperity on the continent.

Ukraine declared it European choice for the first time in June 1998. A presidential decree declared the choice stressing Ukraine's aspiration for an “associate” EU membership and for full membership in the longer run. Taking note of the declaration EU did not extend an invitation for a future membership of any kind. On the other hand, Ukrainian policy-makers fall short of taking needed steps to carry out that choice. Adopting the “Special Neighborhood Policy” in April 2002 EU added a new dimension to the relations. This EU policy classified Eastern European countries put Ukraine with Moldova among the countries that aspire to become European but lack the capacity.

Relations took a turn with the Orange Revolution. The Orange rule made clear that Ukraine’s place is in united Europe. In EU responded this initiative with the “EU-Ukraine Action Plan” (February 2005). The plan was based on EU’s support, within the neighborhood policy of the Union, to newly launched political and economic reforms by the new government in Ukraine. In line with the action plan and promising economic reforms of new Ukrainian government EU granted status of market economy to Ukraine (1 December 2005) The approach of the EU and the offered status led to internal euphorism vis-a-vis the EU. The confusing foreign policy path of Victor Yanukovich and led to concerns both in the EU and westward looking Ukrainian elite for the positive future perspectives. However, contrary to the concerns Victor Yanukovich took mild approach to EU membership bid of Ukraine in contrasting to his government’s stance towards the NATO.

It is also possible to observe Ukraine’s lack of consensus towards outside world on the NATO-Ukraine relations. First contacts extend back to 1992 when the North Atlantic Cooperation Council (NACC) invited Ukraine. The active contacts and cooperation with the NATO resulted with Ukraine’s membership to the Partnership for Peace Program ( PfP), on 8 February 1994, as the first the CIS state. This membership contributed to Ukraine’s efforts to consolidate its independence. Besides PfP decreased the Kyiv’s threat perceptions from Russia and lessened chance to remain alone in its relations with the Moscow. Following the Russian–NATO rapprochment, Ukraine could more openly voiced its wish for the NATO

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99 Even though V. Yuschenko declared that he wants Ukraine in the EU, his first visit was planned to Moscow. European Union target was re-emphasized by the Yulia Tymoshenko when she was nominated as PM in February 2005.
100 EU hesitated to give positive signals as regards to a possible future membership of Ukraine to EU.
memberships. No doubt, the conclusion of the Big Treaty cleared Kyiv’s
way for multidirectional foreign policy while accommodating the Rus-

sia and assuring the full recognition of the Ukraine’s territorial integrity.\textsuperscript{101}

The changes in Ukraine’s threat perceptions were reflected in the state
policy papers. These policy papers, namely the Concept for National
Security of Ukraine, the Military Doctrine, and the Main Directions of
Ukrainian Foreign Policy (1997), emphasized the crucial importance of
international stability for Ukraine’s national security. Within this new policy
design Ukraine’s long-term goal mentioned as full involvement in the
practices of European security, political and economic structures. As a
reflection of this new policy approach a mutual framework for the NATO
and Ukraine cooperation was launched in Madrid. The cooperation was
based on the Charter on a Distinctive Partnership (1997) which provided
mechanisms on consultation and co-operation in areas such as conflict
prevention, crisis management, peacekeeping, humanitarian operations, civil
emergency planning, disaster readiness, and defense reform. The
“Distinctive Partnership” is significant since it assisted Ukraine to confront
most challenging reform projects. The Distinctive Partnership on other hand
witnessed to the extent of the NATO’s concern about Ukraine’s
independence, sovereignty and security.

Even though enlargement meant, for some, closing the door to Ukraine by
setting up concrete barriers between Ukraine and NATO\textsuperscript{102}. However, in
the high times of the Orange Revolution and Orange government in
power perspectives regarding to Ukraine’s NATO membership took a
positive turn. In this positive context NATO declared its strong support to
Ukraine’s membership ambitions conditioning development of democratic
basis. The NATO also asked for fight against corruption and
modernization in military. However, break up of the Orange group with a
governmental crisis Fall 2005 reflected on NATO aspirations. Reflection
of crisis emerged as a major setback in announced NATO bid when
Ukrainian Parliament rejected Air Assistance for NATO operations on 2
November 2005. Negative trend in relations continued with the
government established by the Victor Yanukovich. In this period Ukraine’s
NATO ambitions were profoundly challenged by the political
preferences of the government. Yanukovich’s period in office led to a
turbulence and conflict among Ukrainian foreign policy making elite when

\textsuperscript{101} A. Rahr, Geopolitics and Western Interests US and European responses to
\textsuperscript{102} Oleksander Potekhin, “The NATO–Ukraine Partnership: Problems,
Achievements and Perspectives”, in Spillman, Kurt, R., Derek Müller and
Andreas Wenger, Between Russia and the west: Foreign and Security of
Independent Ukraine (eds.), Peter Lang AG, Europaischer Verlag der
he announced that Ukraine is not ready for NATO membership, contending that there is not enough domestic support for NATO membership. The future of Ukraine’s NATO bid will largely determined by the composition of the government that will be established after the September, 31 2007 elections.

**D. Turkey and Ukraine in the Post Cold War Period**

Relations between the North and the South of Black Sea dates back to 15th century when the Ottoman Empire expanded to North of Black Sea with established protectorate on Crimean Tatars and later to Podolia and Halychyna in the last quarter of the 15th century. Presumably firsts contacts established with Cossack Zaporozhian Sich and Ottoman Empire in 1553 with the visit of paid to Istanbul by the first Zaporozhian Prince Dmytro Vishnevetsky. The relations of the Ottomans and the Cossacks determined by the continuous power struggle among Poland, Russia and Ottoman Empire. Underlying concern that determined Cossack approach to Ottoman Empire was to protect their realm from Tatar and Ottoman control. For that purpose Cossacks approached positively to anti-Turkish campaigns of Western or Eastern European powers. Besides relations in conflictual nature peaceful relations can also be observed in Ottoman – Cossack rapprochement. Most striking case as such period was established by the Ottoman-Cossack agreement. The agreement provisioned Ottoman protectorate over the Cossacks ruled by Bogdan Khmenytsky. However, agreement failed to be put in practice. Soon after the failure of the Agreement Moscow achieved dominance over the Cossacks. Throughout 18th century autonomous Cossack Hetmanate under Russian Empire had to take part in wars against Ottomans on the side of Russian Empire.

In early 20th century Talat Pasha –as a member of Ottoman government- received a delegation of Union of Liberation of Ukraine and promised to support their struggle of independence. When Ukraine’s Peoples Republic declared independence in January 22, 1918 Istanbul was among

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103 Zaporozhian Sich was under loose overlordship of the Polish-Lithuanian commonwealth. For details of the emergence of Cossacks as a new actor in the North of the Black Sea see, Mykhailo Hrushevsky, A History of Ukraine, Archon Boks, 1970, pp. 144-166. Zaporozhian Cossacks began campaigns on Ottoman controlled areas like Ochakiv (1589), Akkerman (1594, 1601, 1606), Kilia (1602, 1606), Izmail (1609, 1621), Kafa (1616). With the weakening Ottoman power Zaporozhian attacks increased: they conquered Varna (1604), Trapezund (1614, 1625), Sinop (1614), attacks on Istanbul (1615, 1620, 1624). Kozaks also supported Crimean Tatars against Ottoman Empire in 1624-25, 1628-29, 1633-34, 1635-36.

2. Ukraine

the first to recognize this state. As it was the case in 1918 for Ottomans, it was this time Turkey among the first countries to recognize Ukrainian independence in December 1991.

Marking the end the Cold War confrontation the break up of the Soviet Union generated political relief in Turkey as well as elsewhere. This post-Cold War relief was overwhelmed with the emergence of the new political map of the East Europe, Caucasus and Central Asia as this new political map carried new challenges for Turkey. In the face of newly emerging challenges, however, construction of the Turkish foreign policy and its practice towards ex-Soviet realm was not free from the heritage of the Cold War confrontation. The heritage here requires emphasis lack of profound knowledge on ex-components of the Soviet Union. As a reflection of this, Turkey lacked intellectual capacity to locate and understand Ukraine – and the states ex-Soviet realm in general – as an independent actor. However, Ankara was not so late to consider value of independent Ukraine on political map and its possible regional role on the newly emerging international environment. Therefore, following part will briefly address bilateral relations of Turkey and Ukraine in the new regional structure.

Even though the Black Sea region – home for both Turkey and Ukraine – was on the fault lines of East-West rivalry, the Cold War structure and the pressure of the superpowers provided relative stability in the region until the start of 1990’s. Nevertheless, tensions and conflicts that has been suppressed by the Cold War balances were unleashed and the obvious need of restructuring of the post-Communist space become the priority of the region. Prominent complications which created security concerns in the post-Cold War Black Sea region revealed themselves such as, demarcation of borders, rights and status of minorities, migration, unemployment, and authoritarian regimes.

Another dimension of post-Cold War Black Sea region that needs emphasis is the new setting of the units. This new setting is about actor’s qualities and capacities to influence and shape the character of the region in comparison to the prior imperial ones. Since antiquity the region subjected to domination of big powers. The competition to dominate Black Sea stood at the center of big power rivalry. With their domination Byzantine, Ottoman and Russian empires brought their values and interest to the region and determined profoundly the nature of international interaction. In brief, character of the region was defined and determined by large structures with diffused imperial understanding of the world.

In similar context the Soviet Union and its European satellites surrounded the Black Sea, except for littoral country Turkey, and ideologically constructed the nature of international interaction. The dramatic changes

106 Similar effect was inflicted by Roman, Byzantium, Ottoman and Russian Empires.
since the end of the Cold War, created a new set of units – nation states that interacted in the wider Black Sea area. This new era puts forward more pluralist and disintegrated structure with no major power stands as a center to diffuse its own control through centrally determined values, identities, values and social structures. The decentralized structure of the Black Sea region meant differentiation among units of interaction and transformation of once centrally defined values, identities, and interests. Therefore, demarcation of borders and building nation-states within the above-mentioned structure constituted the basis of regional instability.

On above-mentioned regional character the regional stability were challenged by poverty, corruption, organized crime, ethnic conflict, territorial claims and shaky quasi-authoritarian governments. Within such complex and volatile international structure Turkey and Ukraine emerged as two leading actors in the region collaborating through bilateral and multilateral means to cope with the challenges while bringing region a culture of cooperation in a region. In that vein, Turkey and Ukraine developed one of the most sound working neighborhood relations in the post-Soviet period. While both countries perceived each other as prominent economic partners, balancing the threat perceived from the Russian Federation and threats coming from ex-Soviet states of the region became underlying motivation for the cooperation.

In the first half of the 1990s, as well as economic initiatives both countries displayed conformity in the political sphere especially in the cases of addressing instability in the Black Sea region. Bilateral relations were also motivated largely by the Turkish concern on the status and conditions of Crimean Tatars living in and migrating to Crimea.

In the early years of relations in 1990’s both countries stepped forward for cooperation in several fields trade being the significant one. Relations in the economic sphere displayed steady performance starting from Ukraine’s independence. The trade capacity increased from 1.5 billion dollars in 2003 to 3.5 billion dollars in 2005. With 50% decrease in tariffs applied on Turkish textile in 2000 and another 50% tax cut to numerous import items in 2005, Turkish exports to Ukraine took a positive slope. However, Turkish exports had serious difficulties after 2005 with the increased customs security applications of Ukraine.

Besides trade Turkish entrepreneurs invests in Ukraine in various sectors such as transportation, cosmetics, communication and construction. However, investing in Ukraine brings within number of challenges emerging from transitory nature of economy, heavy bureaucracy, 

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107 Turkish exports to Ukraine amount to 800 million dollars while Ukraine’s exports are recorded at 2.6 million dollars.
108 By the end of 2004 construction undertakings by Turkish firms account for 1.017 billion dollars.
underdeveloped regulations, low structured subsidies, and weak banking system.

Relations between two countries further strengthened with bilateral agreements signed in the number of sectors such as culture, animal health, oceanography, customs, sea trade, military training, land transportation, standardization, protection of mutual investment, health and medicine, education, tourism, air transportation, defense, trade taxing, financial cooperation, and environment. Both countries are also cooperating through multilateral agreements such as “Agreement among the States Parties to the North Atlantic Treaty” and “The Other States Participating in the Partnership for Peace Regarding the Status of their Forces”, “Agreement Among the Governments of the Black Sea Economic Cooperation Participating States Cooperation in Combating Crime”, and “Charter of the Organization of the Black Sea Economic Cooperation”.

Status of Crimean Tatars in Ukraine occupies special place in bilateral relations. Crimean Tatars subjected to harsh policies of Stalin and to exile. Almost 260,000 of them could return from exile since independence of Ukraine while around 100,000 of them are still waiting for their time to return their homeland. However, Crimea is the only autonomous republic in the contemporary Ukraine. Besides Crimea is the only region where Russian population is dominating over other ethnic groups. Therefore it is fragile part of Ukrainian territorial unity. Crimean governments are Russian oriented and Kyiv’s support for the return of Tatars is source potential crisis. Therefore, Turkey’s involvement as an external actor strengthens the hand of governments in Kyiv who are tended to support return of Crimean Tatars.

Complications of return of Tatars are various. Most significant among them would be territorial claims and political orientation of Tatar population. The properties deserted by the Tatars are currently controlled by Russian population and return the land and property that is confiscated is complicated. Besides return of Tatars is changing the structure of Crimean population. The return of Tatars strengthens the hold of Kyiv on Crimea since Tatars are widely supporting westward oriented governments.

Starting from early contacts Turkey continuously supported Tatar cause in Crimea. In 2005, Turkish and Crimean officials met to discuss Economic and Cultural cooperation in the framework that was set earlier by the “Cooperation Agreement” signed by Turkish and Ukrainian officials in 1996. According published Official Journal of Turkey both parties signed meeting notes including a program for cooperation between Turkey and

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109 The population of Crimea is 2 million. Russians 60% (1,600,000), Ukrainians 23% (614,000) Crimean Tatars 12% (320,000).

110 Governing party in Crimea is politically an extension of Party of Regions led by Victor Yanukovych.
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Autonomous Republic of Crimea. The program planned to cover designing ethnographic villages for Crimean Tatars, development of health tourism in Crimea, joint activities for conservation of historical and cultural heritage of the Crimean Tatars in Crimea. President Victor Yuschenko’s sincere support for Tatars’ return to Crimea challenged by the government established by Victor Yanukovych.

Realizing the complexity of the regional challenges need for multilateral platforms were emphasized by the two countries. To develop relations on multilateral level and to address regional problems Ankara and Kyiv pioneered the establishment of the Black Sea Economic Cooperation (BSEC). The motive behind the BSEC was to end East-West confrontation in the region and to develop closer relations among regional states. Besides these motivations BSEC was perceived by the post-Communist regional states to be a tool of transition to market economy and platform for integration to global economy. In the BSEC platform Ukraine and Turkey highlighted technological and social progress in support of the economic cooperation. Economic perspective of the cooperation is emphasized as transformation of the region into a peaceful, stable and prosperous space. BSEC gradually becomes also a platform for bilateral relations with its prospects for cooperation in transportation, communications, information, finance and ecology. Ankara and Kyiv also shared the aim that BSEC would serve for peaceful settlement of disputes in the region.

In 1998, with the consensus reached at Yalta, BSEC re-designed as a full-fledged regional organization. This re-structuring on a new legal basis generated operational mechanisms for BSEC. These new mechanisms became operational in May 1999. The cooperation through BSEC served well in several aspects. First one is environmental issues. Black Sea Ecological Program became operational to reach lower levels of pollution in the Black Sea. Second successful aspect is measures taken against organized crime. The Cooperation in Combating Crime Declaration (1998) constituting the basis for cooperation on this question defined

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111 BSEC established the pact that was signed in Istanbul by eleven countries namely, Albania, Armenia, Azerbaijan, Bulgaria, Greece, Georgia, Moldova, Romania, Turkey and Ukraine on June 25, 1992. Pact is also known as Bosphorus Statement. Contemporary BSEC members are littoral Black Sea countries Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine and five neighboring countries Albania, Armenia, Azerbaijan, Greece and Moldova, Serbia and Montenegro. Poland, Slovakia, Austria, France, Germany, Italy, Egypt, Israel, Tunisia has observer status.

investigation, disclosure, and prevention of acts of terrorism, organized crime, corruption, trafficking drugs and weapons as priorities. Third, aspect is cooperation in building communications substructure. Problems in this field addressed with the conduct of Trans-Asia Europe, Black Sea Fiber Optic Cable System, Trans Europe Telecommunication Project, Italy-Ukraine-Turkey-Russia Fiber Optic Project, Black Sea Fiber Optic Submarine Cable System and TransBalkan Link.

In the framework of the Euro-Atlantic organizations Turkey actively supports Ukraine's integration bid to the NATO and recognizes Ukraine’s place in the European Union. In that context successful record of Ukraine in BSEC platform and BSEC's interaction with European Union and NATO strengthens Ukraine’s position. It is clear that BSEC is not constructed as an alternative regional project to replace the Euro-Atlantic organizations. It’s mission is rather perceived as a complementary function to support the integration of the region with the rest of the continent and the World. In that understanding, BSEC appears as leverage for full integration to western world. With the last enlargement EU gained access to Black Sea region and opened itself to challenges and threats that are coming from the region. Therefore, EU may likely to consider BSEC, especially Turkey and Ukraine as primary counterpart in dealing with the regional problems.

Future Perspectives

Ukraine experienced three elections in last three years. These three years swept away high expectations, both in internal and external circles, from the “Orange Revolution”. Despite expectations of many, “Orange Revolution” stayed far from solving big load of questions that this new nation-state is facing. At the level of state administration, political power struggle between offices of presidency and prime ministry will continue to persist in the foreseeable future as it was characterizing the political environment of last three years. Contrasting to the multifunction of offices of power multiparty system is active and operational even though political lines appear fluid. Even though Orange parties proved themselves

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113 On the contrary to the argument in this research paper, Tunç Aybak evaluates Turkish initiative, in the beginning of 1990’s, of a regional cooperation in the Black Sea as an alternative initiative to stagnating EU prospects of Turkey. Turkey applied for EC membership in 1987 and received a negative response in 1989 with the declared Avis. See for the argument of Turkish attitude, Tunç Aybak, Black Sea Economic Cooperation and Turkey: Extending European Integration to the East?, in Tunç Aybak, (ed.), Politics of the Black Sea: Dynamics of Cooperation and Conflict, I. B. Tauris, 2001, p. 33.

inefficacious ensured free elections, removal of political suppression, guaranteed press freedom, protection of human rights emerged as the major acquisition of people from the Orange movement. This signals a break point with pre-revolution period in which authoritarian practices were endemic in Ukrainian political life. Post-Orange Revolution period crystalized societal the divisions on the discussions of ethnicity, culture, history and language. This crystalization led to a period when regional loyalty and patriotism is gaining power. On the economy front, Ukraine reached considerably sound running economic system in the 2000’s compared to the 1990’s. This proves itself with the positive economic trend which was even recorded in the periods of political crisis. Even though Ukraine could achieve notable capital concentration, especially in the Ukraine’s industrial East, in the hands of oligarchs this is far from having positive reflections on ordinary people. It is important to note that a change in the political approaches and preferences of oligarchs. Gaining market experience and concentrating enough level of capital Oligarchs are courageous enough to play with the global rules of market economy. This for sure means faster transformation of Ukrainian economy that was long blocked by monopolistic oligarchs.

Doubtless to say parliamentary elections of September 2007 proved loss of personal popularity for Victor Yuschenko and sympathy towards his party, Our Ukraine. Even though Our Ukraine (OU) made election alliance with People’s Self-Defense Party (PSDP) it lost almost 240,000 votes while other Orange party Bloc Yulia Tymoshenko (BYT) dramatically increased its votes (2.5 million) compared to precious elections. Standing on the other side of the political spectrum Party of Regions (PoR) emerged as the leading party out of the elections even with 100,000 loss in the votes compared to 2006’s parliamentary elections. It is clear that a coalition government will rule Ukraine. No coalition formulation promises stability for Ukraine. Yulia Tymoshenko –who fall out with Yuschenko soon after the Revolution- gained upper hand in the Orange camp and only potential coalition partner for BYT appears as OU-PSDP. Formation of such a government is complicated since positive prospects for BYT and Tymoshenko is more likely to destroy Victor Yuschenko’s place in Ukrainian politics. On the other hand coalition other coalition alternative under the leadership of PoR needs support of OU to gain majority in election. Both of the coalitions means an end for Victor Yuschenko since both of them will undermine his political power and public image.

Ukraine-EU relations will continue to be a hot topic in the foreign policy agenda. Even though EU sympathy during and immediate after “Orange Revolution” was intense towards Kyiv the sympathy decreased steadily. Currently EU promotes Neighborhood frame as the platform for its relations with Ukraine. Contrasting to EU’s approach on Neighborhood platform Ukraine officially rejects this framework that does not offer future Union membership. Contending expectations of the both sides will likely to
stay as a determinant of relations of the two. Even though NATO have a positive approach to future Ukrainian membership based on the lack of domestic consensus NATO membership appear to continue as complicated issue. In contrast to EU and NATO fronts WTO membership is likely to take place in very near future. When it comes to the future of Turkey – Ukraine relations, both countries are yet to realize the capacity and enlarge scope of relations even though relations are on the positive trend. Reevaluation of content and structure of Black Sea cooperation may emerge as an essential need based on the suspending EU membership aims for both of the countries. Positive view of each other may prepare grounds for such future initiative.

This chapter tried to display evolution of internal and external dynamics that have had an impact on Ukraine’s contemporary standing in world affairs. Given Ukrainians had only 20 years of independent state formation experience in the modern period, it would not be realistic to expect from Ukraine to immediately make its civilizational choices and to complete its evolution and eventually give clear signals to outside world. No doubt, this process making choices are bound to continuous interplay and interaction of internal and external actors. What is clear from today is that Ukraine will continue to face dilemmas of civilizational choice for foreseeable future.
3. Georgia

Özlen Çelebi*

Introduction

The post-Cold War era brought new security concerns and perspectives for Turkish policy makers. Turkey was surrounded with more than a dozen of "hot" points around itself with the dissolution of the eastern block. The frozen conflicts throughout the regions neighboring Turkey were mostly put out of the fridge by the end of the second stage of the Cold War.1 Furthermore, Turkey had to deal with all those issues mainly because of her unique geographic location and historically established ties between her and her neighbors on demographic, cultural, economic and political basis. Turkey could not have a blind-eye on those delicate issues either in the Balkans or the Caucasus. It would not be an exaggeration to point out that the international environment and the Turkish relations with the neighboring regions/peoples were requiring Turkey to behave more actively. It is also required here at this point to mention that Turkish policy-makers were volunteer and/or sometimes eager to follow an active foreign policy at the dawn of the new century. Turkish policy-makers welcomed the new role attributed to Turkey at international circles as a model country.2

The ethnic clashes, new state establishments, interventions both in economic and military forms, inter-state wars and civil wars, rising terrorist

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1 The Cold War period can be mainly divided into two stages previous to developments in 1991. The first stage covers the years between 1945 and 1969. From 1969 to 1979 the period is called the Détente period. The second stage was started with the revolution in Iran and Soviet forces’ occupation of Afghanistan. There is still an ambiguity whether this last stage bring a final end to the Cold War period and the related policies of the main actors.
activities, increasing numbers of irregular migration cases, growing numbers and activities of drugs and arms trafficking organizations began to fall into the sphere of security realm in the same period when Turkey was adopting a more active foreign policy behaviors. However, Turkey was not immune from the epidemic symptoms of the new security (rather insecurity) environment. Turkish politics both at internal and external spheres had to adapt itself to this rapidly changing and highly challenging environment.

It’s astonishing to observe how quickly Turkey received the defining parameters of this outstanding international climax. However, it would be an exaggeration to claim that Turkish policy makers from all political backgrounds and experiences were very well prepared for the end of the Cold War. It was relatively fast for Turkey to adopt itself to the realities of the new power politics. Nevertheless, it took several years for Turkey to develop pragmatic responses to the policy requirements of the new world. This unpreparedness of Turkey did cost an expensive bill to Turkey in terms of being either slow to show the needed reaction to international developments or enlarging the gap between her real capacity to act and her policy objectives.

It is possible to claim that the end of the Cold War’s second stage have introduced both advantages and disadvantages to Turkey. It was introducing new possibilities of reaching to the countries of Central Asia and the Caucasus. The formal relations at states level were made almost impossible between Turkey and those countries in the Central Asia and the Caucasus during the Soviet period. It was for the first time since decades Turkey could establish direct formal relations with those countries, not via Moscow. On the one side of the coin, there was enthusiastic, positively constructive and profitable relations, which were introduced both to Turkey and the ex-Soviet Union members. On the other side of the coin, there was not such brightness. There were, here on this side, disappointments, policy shortages and uneasiness. It was in this period and within this framework Turkey began to gain new and valuable experiences in conducting her foreign policy behaviors towards the countries of neighboring regions.

This study deals with the relations between Turkey and Georgia. The main aim of this study is to analyze the basic parameters of this relationship and the major policy outcomes. This chapter aims to analyze relations between Turkey and Georgia from a historical perspective. The methodology used is a chronological one. The study focuses mainly on relations during the post-Cold War period. It should be mentioned that although the relations between Turkish and Georgian peoples are as old as the region itself, the space of this study is limited with the contemporary relations between Turkey and Georgia.

The first part of the study deals with the pre-Cold War relations. The basic contours of the Georgian politics and the Turkish foreign policy in general
will be drawn briefly in this part. The Soviet factor in the region and Georgian as well as Turkey’s relations with the USSR will be analyzed within this framework. The second part deals with the Cold War politics and the relations in this period. The aim of this part is to draw a historical map on which the readers could find the routes to the contemporary relations. The third part focuses on the post-Cold War relations. The impacts of the dissolution of the USSR and changing Turkish foreign policy behaviors are studied in this part. The final part of the study is spared for reflections of today’s relations on the possible developments in future.

**Historical Determinants of the Relations between Turkey and Georgia**

Relations between Turkey and Georgia can be analyzed both on regional and international systemic levels. Turkey and Georgia belong to the same geographic area defined as Eurasia. Turkey has a unique geographic location as having connections with Europe and Asia. While the Balkans ensures the physical connection with the rest of Europe, the Caucasus region is the land of connection between Turkey and Asia. Together with the geographic location and contingency to the world’s two continental units, Turkey has cultural and social ties with the regional peoples stemming from historical experiences. Turkey is geographically located at the conjunction point between Europe, Asia and the Middle East. This geographic stance is one of the basic determinants of Turkish politics both internally and externally. The migration routes and the existence of the Ottoman Empire could be considered as the two main factors, which have played heavy roles in the construction of relations throughout the historical stages.3

The geographic approximation and historically built ties at socio-cultural levels links Turkey with Georgia as one of the neighboring Caucasian countries. Nevertheless, the inter-state relations between Turkey and Georgia have been conducted via Moscow until the dissolution of the USSR as Georgia having been one of the Soviet Republics. Furthermore, during the Cold War period Turkey’s alliance with the Western block and Georgia’s membership in the Eastern block was another determinant in formal bilateral relations. Turkish foreign policy was primarily and actively dealing with the issues other than those happening in the eastern hemisphere. Traditionally, Turkey has inclined to policies of non-intervention or non-involvement in the regions towards the east of Turkey’s borders. Mainly because of those mentioned reasons Turkey has

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followed a distant policy towards Georgia. The dissolution of the USSR caught Turkish policy makers unprepared for such an international environment. Turkey has followed changing policies towards the regional countries at Caucasus depending on the requirements of the period. Turkish foreign policy during the first few years of the post-Cold War period has been shaped largely by two factors: excitement and uncertainty. The second episode was shadowed by factors that led to Turkey to fall short of her/its policy objectives directed to the ex-Soviet Union, namely the recently independent Caucasian and Central Asian republics. The third stage brought on to the stage the last blurred and more stabilized policies. The last episode has gained a slower rhythm mainly because of Turkey's forcibly changing political agenda related to the developments in the Middle East.

This is a study with a focus on the relations between Turkey and Georgia within the general framework of Turkish foreign policy. The determinants of Turkish foreign policy behaviors related to the world politics, in general and related to the Caucasus, in particular will be mentioned with an aim of drawing a framework in which relations with Georgia could be replaced in specific. Turkey's relations with Georgia have also peculiar characteristics in parallel with the other regional countries. Turkey's relations with Azerbaijan have a basis on which common historical, cultural, linguistic and ethnic factors are influential. Turkey's relations with Armenia are still problematic and are carrying the heavy burden of historically fortified atrocities. In other words Turkey has been able to develop strong relations with 2 of the 3 South Caucasian / Transcaucasian states. It may also be interesting to note here at this point that Armenia has very weak relations, if not hostile with the other two regional countries besides Turkey.

Relations between Turkey and Georgia at inter-state level were restricted with/to a formal and an indirect type under the rules put by Moscow. Republic of Turkey and the Union of Soviet Socialist Republics (USSR) were conducting relations where Moscow had an exclusive right to represent the other republics within the Union, including Georgia as well. Turkish decision makers had an understanding that following the conclusion of Treaty of Moscow between Turkey and USSR in 1921 and signing of 1925 Treaty, the only responsible and respectable diplomatic representation could be given by Moscow. This was a type of gentlemen’s’ agreement: Both Turkey and USSR would refrain from any attitude that might have negative affects on the territorial unity and internal stability of each other. Turkish policy makers have accepted to not to show any interest to the developments within the USSR while they had an expectation from the USSR to behave reciprocally.

In other words, it is possible to say that there were no direct relations, neither diplomatic nor economic nor social relations between Turkey and Georgia after 1921. Turkey was in relation with Moscow on behalf of the
other capitals within the Soviet System. Both Turkey and the USSR were attributing a major importance to relations with each other. It was a peaceful and a stable period between the two neighboring countries. Turkish Republic could turn its face inward as being assured of friendly relations with its northern and, at the same time, eastern neighbor.

However the status quo was challenged by the Soviet ambitions during the inter-war period. Soviet decision makers raised their concerns about the status of the Turkish Straits (Bosphorus and Dardanelles). The Soviet demands from Turkey to revise the status and controlling mechanism of the Turkish Straits were mainly stemming from the security concerns of the USSR, which could be exemplified by several historical cases. Furthermore, the tension in the world system was at peak point at the eve of the outbreak of the Second World War. Turkish policy makers had one thing in common under the shadow of approaching war clouds: They were concerned about their own country’s security. The demand by the Soviet side was disturbing enough for Turkish policy makers to revise the relations with that big neighbor. Turkey’s response was quite pacifist. Turkey preferred to call for an international conference and the result was an international agreement. Montreux Convention was signed at 1936 and brought new rules for use of the Turkish Straits while leaving Turkey alone in controlling these world-wide important waterways. This was one of the major diplomatic successes of Turkey at the eve of the Second World War and it became clearer how rightious were the Turkish decision makers in changing the Straits’ regime by using diplomatic and pacifists measures. Turkey kept its out of war status till the very last drop at the war. However, the issue of Turkish Straits was on the Big Three’s agenda throughout the war period. The Soviet representatives at different international for a kept the issue alive and demanded a more privileged status for the USSR on the Turkish Straits concerning the post-war settlements. Although these attempts were failed they have left negative affects on the bilateral relations between Turkey and the USSR. The issue of territorial demands by Georgia on Turkey’s east Anatolian provinces has deepened the crises between Turkey and the USSR during the last episode of the Second World War. The articles by two Georgian Professors were published at different Soviet newspapers in 1946 with an argument that some territories currently within the borders of Turkish Republic belong to Georgia historically and they should be taken back and be united with Georgia. Turkish policy makers were concerned about the effects of these publications that were made by a subtle consent/approval of the Soviet Union. Furthermore, similar claims were repeated in the forthcoming years, 1948 and 1948 in academic studies at the USSR. Soviet demands on the revision of the Straits regime in parallel to the Georgian territorial claims from east Anatolia have caused deep security concerns in Turkey.

Besides the territorial issues, the forced migration of the Meskhetian Turks by Stalin administration in 1944 was one of the much stressing and the less
visible articles of the agenda. Meskhetian Turks are the former Muslim inhabitants of Meskheti (Georgia), along the border with Turkey. They are known as Ahıskal Türkleri (Ahıskal Turks) in Turkey. In 1944, the Meskhetian or Ahıskal Turks were deported en masse from Meskheti. Meskheti is a region of the Georgian Republic. The Meskhetian Turks were forcibly sent to Soviet Central Asia. There was no legal and/or well-founded basis for their displacement. However, Joseph Stalin took a decision to deport Meskhetian or Ahıskal Turks to Central Asia and they were mostly settled within Kazakhstan, Kyrgyzstan and Uzbekistan. The main reasons according to Stalin were the existence of a potential threat of emigration to Turkey, which was made easier by geographic approximation, the possible spy activities by these people in collaboration with Nazis, and/or illegal trafficking activities conducted by the Meskhetian or Ahıskal Turks. They were not reflecting the true picture but Stalin’s right-hand man, Lavrenti Beria, passed a decree declaring the Meskhetian Turks an “untrustworthy population” and called for the immediate deportation of them from the Georgian Soviet republic. The decree ordered these people to migrate to the distant territories of the USSR, namely the Soviet republics of Kazakhstan, Kyrgyzstan and Uzbekistan. Although the issue and the tragedy of the Meskhetian or Ahıskal Turks was closely watched by Turkey the war politics kept Turkey’s hand tied. Turkey could not develop a formal policy other than non-involvement in the internal affairs of the USSR and left the Meskhetian or Ahıskal Turks to face their destiny. However, this issue remained on the agenda of Turkey (informally) and international organizations.4 Soviet troops forcibly removed the Meskhetian Turks from their homes, confiscated their belongings placed them on cattle cars or wagons destined the central Asia. Many did not survey the journey and nearly a quarter of one hundred thousand of deportees during this initial deportation. 5

Turkey has made her decision to declare war on to Germany and Japan towards the end of the Second World War as having several major issues before her. The Soviet demands have played an important role on Turkish decision makers in giving their final decision. Turkey’s threat perceptions from a former friend, namely the USSR could be taken as an additional determinant on Turkey’s foreign policy decisions.

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Turkey’s declaration of war on Germany and Japan gave Turkey also a chance to take part within the post-war settlements as an active participant. The geographic location of Turkey and security concerns together with some ideological factors have determined Turkish foreign policy behaviors to a large extent in the post-world war period. Turkey turned its face towards the west and determined one of its basic foreign policy objectives as becoming an indispensable part of the western bloc. Since then until the end of the period Turkey’s foreign policy behaviors have been influenced by the Cold War politics as well.

**Cold War Politics**

It would not be an exaggeration to claim that the rivalry between the Western and the Eastern blocks and their leaders gave shape to the conduct of world politics during the Cold War period. Turkey was one of the countries, which was affected by the Cold War politics. Turkey turned its face to the western block and paved a great effort to become a recognized member of this block. Turkey became a member of European Council at 1949, applied for membership in North Atlantic Treaty Organization (NATO) at 1949 and became NATO member at 1952. It is as true that Turkey’s security concerns have played a descriptive role on Turkey’s alliance with the western block as Turkey’s NATO membership has deterred Moscow in keeping the Soviet demands from Turkey. It was in 1953 Moscow issued a memorandum in which it has stated that the USSR has no territorial claims from Turkey. This diplomatic maneuver did work to make a rapprochement possible between the two neighboring countries.

However, the neighborly rapprochement was working, on the other edge, for enlarging the gap in political terms between Turkey and the Transcaucasia. Turkey’s NATO membership was replacing Turkey in the western block. Turkey has turned its face absolutely to the west and began to pay full effort to deepen her relations with the western bloc members. Turkey has applied to European Economic Community (EEC) for membership at 1959. The preparatory negotiations gave started between Turkey and EEC at the same year. During the years between 1959 and 1963, the year Turkey and the EEC members have signed the Ankara Agreement, Turkey’s relations with the USSR was getting deteriorated. The main reason was the Cold War politics or the block politics under the Cold War codes. The secondary reason could be taken as Turkey’s internal political developments. The Democrat Party (DP) administration was giving priority to politically, militarily and economically enhanced relations with the USA, the leader of the western block. The USA was the number one rival of the USSR (or vice versa).

Turkey and the USSR were taking place in the opposite block although they were sharing the same geographical area, called Eurasia. However, conflicting ideological preferences were splitting out the ways of these two
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countries in reverse directions. Turkey acted as a loyal member of the western block during the 1957 and 1958 crisis in the Middle East. These crises brought Turkey and the USSR to the edge of an armed clash at the bordering area between Turkey and Syria. Another military issue followed these crises at early 1960s. In parallel to NATO decisions Turkey accepted to deploy Jupiter Missiles on her soils. These missiles were launched at Izmir, Manisa and Akhisar and they targeted the military facilities in the USSR including the (military basis at) Caucasus in case of an attack from these territories. The missile crisis was solved with an agreement between the USA and the USSR. However, relations between Turkey and the USSR had to wait to be restored for another decade.

Turkey has attributed to keep up with the alliance politics during the Cold War period. It was important for Turkey to stay under the security umbrella NATO. Turkey was paving an utmost importance, sometimes at a very expensive rate, to stay tune with the NATO policies. The major ally within this system and also the number one superpower namely the USA was also underlining the importance of cooperative relations with Turkey. Under those considerations it was quite natural for Turkey to limit her relations with the Soviet Union as it was defined by the block politics. Furthermore, Turkey had a relatively limited power at international level as a medium range country if it is concerned about giving shape not only to her policy plans but also in terms of influencing the foreign policy behaviors of her alliance partners.

Turkey’s NATO membership turned into an advantage of Georgia in the Post-Cold war era. Neighbor Turkey, within the years, became one of the major countries in the alliance with a very strong army. However, not only the military aspect of this membership was important. Turkish diplomatic presentation at NATO was proved to be remarkable. Thus, in combination with regional ties and common objectives Turkey could, and actually would play an important role in establishing links between NATO and Georgia.

Current Affairs: Intersection of Interests

Georgian Politics in the Post-Cold War Period

Georgia was driven by ethnic conflicts and economic difficulties which led to a civil war in the country following its independence in 1991. President Zviad Gamsakhurdia was advocating a strong Georgian nationalism. The sharp nationalistic policy, on the one hand, alienated many minority groups in the country and, on the other; put the relations with the Russian Federation on an ever-increasing tense basis. He tried to gain a support from the western world especially from the USA. His over-nationalistic tone and lack of interest in the economy led to a coup in December 1991. Gamskhurdia fled the country and a military council was established as an interim government. The interim government administered the country
between the years of 1992-1995. It was not able to develop affective policies either to combat with the economic perils or the ethnic based clashes. The general elections were held in 1995 and Eduard Shevardnadze, a former Soviet Foreign Minister, was elected as the new President of Georgia. He had a heavy agenda. Georgia had to find out urgent solutions to her economic and political problems. In between the years of 1992-1993 Georgia’s GDP decreased by 80 percent. Inflation was rocketed during the 1990s. There was a weak budget which was even weakening by the ineffective tax collection measures. Georgia had very weak financial resources. Weak economy was working like a barrier before the social cohesion. The armed conflicts that began in 1991 in South Ossetia and Abkhazia were ended in 1994 with the involvement of Russia. Georgian administration tried to prevent a total failure of the State by developing some major policies. The government introduced a series of reforms between 1994-1998 which were known as the “Washington Consensus” 6. These reforms were based on the economic formula to transform the banking system and introduced a national currency (GEL or the lari). It furthermore introduced a liberalized trade with privatization policies. Unfortunately, Georgia’s economic development fell short of the economic gains promised by the Washington Consensus. Country’s weak economy was unable to avoid the effects of economic crises in neighboring Russia (1998) and Turkey (2000). It is a widely accepted approach that the domestic economic crisis was a key reason for the Rose Revolution in Georgian in November 2003.

The Rose revolution brought Mikheil Saakashvili to power. The ramifications of this revolution extended beyond the borders of Georgia and reached to the northern coasts of the Black Sea (Orange Revolution in Ukraine, for instance.) Economic instability and vulnerability which went hand in hand with the crises of national identity and integrity were the most important factors contributed to the preparatory process of the Rose Revolution besides the corruption in the administration. The Rose Revolution provided a new background for the developments in Georgia. Inflation decreased, lari has grown steadily stronger against Euro and the US Dollar. There has been a strong growth in tax revenues’ collection. One of the direct and important results of the betterment in economic conditions was the increase in the expenditures for law enforcement and defense. The struggle with corruption gained major successes. Furthermore, the government was able to make new commitments to the country’s armed forces. It would not be an exaggeration to claim that the construction of Baku-Tiblisi-Ceyhan (BTC) Pipeline have provided a vitally important engine of economic growth for Georgia.

Economic problems were coupled with the problems related to the internal security and territorial integrity of Georgia. The major debates are focusing on the regions of Ajara, South Ossetia, and Abkhazia. The details of these conflicts will not be studied here in this chapter. However, it is required to mention that these regions’ demands for autonomy and/or independence from Georgia have brought the country into the edge of dissolution. The central government’s weak presence in those regions led to the discussions about Georgia as a case study for a “failed state.” The Russian involvement in these regions made a possible solution more difficult to be reached. Eduard Shevardnadze’s moderate approach to the relations with Russia opened the doors to that country to replace its military units and bases in Georgia. From a Russian perspective, her interest in the region stems from historical/security concerns and for the Russian policy makers it has a legitimate basis. One of the major sources of Russian concerns stems from “traditional fears of being surrendered by potential enemies.”

In relation with this concern it should be mentioned also that The Russian decision makers had and still have concerns about the energy resources transportation. For instance, BTC and the other transportation projects within the framework of east-west corridor for energy sources were all perceived as the steps that could move Russia out of the region. Thus, it could be claimed that for Russia to keep its existence in the region, especially to keep a military existence there is very important. Furthermore, Russian administration claims that the Chechen fighters and troops could find a shelter or a refuge in Georgia, especially in the Pankisi gorge region. Whatever the reasons, Moscow has still a larger impact on the Georgian politics.

The Saakashvili administration followed a nationalistic policy in terms of giving no concession to ethnic secessionist groups. Furthermore, his administration has spared resources to fight against corruption in the country and with the other types of crimes such as illegal trafficking of drugs, arms and human beings. The combat against the mafia is conducted throughout the country.

Post-Cold War Politics and Impacts on Turkish Foreign Policy:

The dissolution of the USSR and the eastern block has created both direct and indirect impacts on Turkey. During the Cold War period Turkey has played a strategically crucial role in world politics as one of the flanks of NATO in an area bordering at least three regions: Instable and chaotic

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7 Mitat Çelikpala, “From a Failed State to a Weak One? Georgia and Turkish-Georgian Relations,” *Turkish Yearbook of International Relations*, No.36, 2005, pp.159-199.

Middle East, the eastern European member states of the eastern block and the USSR through the Black Sea and the Caucasus. In the post-Cold War period the role description for most of the countries had to change including Turkey as well. Changes in the security perceptions were requiring both Turkey and regional countries to adopt new visions vis-à-vis each other. Furthermore, economic relations besides the political ones were gaining a huge volume with the breakdown of the “iron curtain” in between the eastern and western hemispheres.

Although the military power has still a huge credibility in international relations, it became undeniable within very short period of time that economics was going to lead the world affairs for next few decades. It might have been stated that this was a visionary construction of world politics. Whether it is a construction or not the supremacy of the economic concerns gave shape to the (new) relations amongst the actors of the world politics. Turkey gained a new importance in the policy designs of the western countries. The source of the new approach to Turkey was mainly stemming from its/her geographic relations with the Caucasian and the Middle Eastern countries and similarly, ethnic and emotional ties with the Central Asian countries. These regions and regional countries are rich in raw materials, in general and in carbon based fossil energy sources, namely the petroleum, coal and natural gas, in particular. Furthermore, these countries are composing huge markets with their young and anxious populations. The EU policy makers and the USA were and still are very enthusiastic to establish closer and more affective relations with the regional countries. These two approaches both from Turkey and the former western block members have overlapped towards the region. The power vacuum dissolution of the USSR and a decline in the degree of influence of the Russian Federation over the regional countries has enabled the non-regional countries to establish their own basis in the region to conduct both economic and political affairs. Turkey was enthusiastic to establish deeper relations with the regional countries. In conclusion, Turkey as being a secular, democratic country and having a market economy could be a model for the former USSR republics, which were in search for the most suitable path for themselves after the independence.

Turkey welcomed the efforts to foster the relations with the recently independent republics. For the first time after the establishment of Republic of Turkey there was a possibility and hope in the minds of some politicians for developing Turkey’s own sphere of influence in the region. However, this chance or possibility contained a risk of alienating Russia.

It became obvious sooner that there were hard limits on Turkish policies towards the region. First of all, it was clear that the Russian Federation

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9 İdil Tuncer, “Rusya Federasyonu’nun Yeni Güvenlik Doktrini: Yakın Çevre ve Türkiye,” Türkiye’nin Ulusal Güvenlik ve Dış Politika Gündeminde Doksanlı
Turkey's Neighborhood

(RF) had still a primary role in the region. It was clearly visible that the RF was not willing to transfer its influence to any other actor. Secondly, Turkey had to deal with developments in the Middle East as well. Thirdly, Turkey's financial and political capabilities were not sufficient to support all the regional countries at the same time. In other words, there was a crucial need for support. This support came from the western countries.

In the Caucasus region Azerbaijan was the closest and the most privileged country for Turkey mainly because of the strong ethnic and linguistic ties. In parallel to the rising importance or value of the energy resources of the Caspian Basin, the region gained priority in the eyes of the western states. While Azerbaijan's rich oil and gas sources were attracting the western consumers and investors Georgia's peculiar place on the routes of transportation of these reach carbon energy sources was making this country precious for the international markets. However, there were serious political and military conflicts in the region, which could threaten a sustainable and effective flow of these sources to the markets. Thus, stability and peace in the region was vitally important and all the related international players began to pay efforts to bring stability into the region. Nevertheless, this issue proved to be a though nut and it's clear that the solutions to the regional problems is not an easy task.

Turkey and Georgia

Relations between Turkey and Georgia were given a shape by several factors in the post-Cold War era. It is possible to enlist these factors such as:

Turkish policy orientation as a model country and, in parallel to this point, active foreign policy involvement of Turkey in the region in general;

The need, on the Turkish side to analyse and understand the policy orientations of Georgia both at international and internal levels.

The need on the side of Georgian Republic to establish a secured and a stable domestic environment. The newly independent Georgian Republic was struggling against internal turmoil including secessionist uprisings, poverty and corruption. Besides the fact that Georgians were in need of an


international support in their combat with economic difficulties, they were also aiming to create a new security umbrella under which there was no Russian participation. Economic, military and political safety was vitally important for Georgians and they were aiming at gaining an international support.

The above-mentioned factors could also be labeled as national (either Turkish or Georgian) or regional factors. It is also possible to mention international and/or systemic factors. Increased attention of the Western countries onto the region has also been an important role-playing factor. In parallel to the cooperation climax between Turkey and the USA, for instance, during the early 1990s, the USA and Turkey have attributed a special importance to Georgia.

Growing dependence and need of the Western countries caused the direction of those countries policies and the firms towards the region. Georgia was recognized as one of the most important countries on the transportation routes of the energy resources, especially the fossil carbon sources. Turkey and Georgia were two destined neighbors on the transportation routes.

Turkey and Georgia could work together in order to create a stable and developed region. These two countries were offering to each other a large span of markets.

Because of its closed borders with Armenia, Georgia is the single land access for Turkey to Russia, to Caucasus and to the Central Asia. Georgia and Turkey has 114 km. land border. The cooperation between Turkey and Georgia is very important not only on the Caspian Basin resources but at the same time these two countries are neighbors in the Black Sea Basin. Georgia had joined the Black Sea Economic Cooperation zone and had/has a special importance for Turkey in Turkey’s Black Sea initiatives.

The limitations in the bilateral relations at the first stages of the post-Cold War period were mainly stemming from the ethnic problems in these countries. Both Turkey and Georgia had to deal with ethnic separatist movements (and they still have to). Furthermore, there was no state interference in the associations of Turkish citizens of Caucasian origin. These associations were able to promote a public opinion in favor of the Abkhazian issue in Georgia. It was mainly the issue of ethnic separatism, which brought Georgia to the edges of a failed state. The support from Turkey and the interest of the western countries in Georgia have helped to Georgian policy makers to pull Georgia out of the road to the failed statehood. Turkey played a special and a significant role in this process.

It should be mentioned here that Turkey’s role seems to be a reflection of the general climax of the world energy politics and was influenced to a large extent by the policies of the non-regional actors. In other words Turkey did not initiate it. However, Turkey did its best mainly because there was an
enthusiasm and willingness both in Turkish public opinion and at decision-making level. Furthermore, it is possible to say that this role was fully in conformity with Turkey’s interests and objectives.

Turkey and Georgia were brought together tightly and this cooperation the regional picture to a large extent towards a brighter one. The first stage of this new regional friendship has witnessed Turkey to play its cards rationally and to secure the western priority of bringing Caspian Basin’s energy source to international markets in safety and also to balance the Russian and Iranian influence in the region. Georgia, on the other side of the coin, gained and kept a vital importance on the energy sources transportation routes. In parallel to this point, Georgian leaders managed to attract western states’ support that they were looking for ward to from the beginning of their independence.

Turkey and Georgia, the two neighboring countries of the region had invented another point in common: Their energy resources are not rich however; their geographic location is as precious as gold.

In 1994, the issue of transporting Caspian and Central Asian energy resources to the international markets towards the west gained an utmost importance. It was this year, which made Turkey an intermediary and supportive neighbor for Georgia. Shortly after this, Turkey was promoted as being a strategic partner of Georgia. This role for Turkey both tightened the Turkey’s relations with the USA and strengthened Turkey’s position vis-à-vis her regional rivals and also brought significant economic advantages.

The most concrete reflections of closer relations between Turkey and Georgia could be seen on the Georgian participation in the programs of Turkish International Cooperation Agency (TIKA) beginning with 1994. Similarly, Turkey’s approach to Georgia’s ethnic problems has changed. Turkey became a member of the UN Observer’s Mission in Georgia (UNOMIG), which was established to observe the ceasefire agreement between Georgia and Abkhazia since 1993. Furthermore, in September 1993, Turkish Foreign Ministry informed the representatives of Abkhazia in Istanbul that residents of Georgia’s breakaway region must obtain valid Georgian Passports from Tbilisi instead of carrying the Soviet type passports. Turkey undertook the peace broker role then and both parties, Georgian and Abkhazian, met in Istanbul on 7-9 June 1999, under the auspices of Turkey, the UN and the OSCE to settle their points of disagreement. Although the parties have failed to sign a binding agreement they were able to issue a declaration of mutual understanding.

The growing economic relations between Turkey and Georgia have influenced the bilateral relations in general. Turkey became one of the most important trade partners of Georgia within a very short time. A major component of that partnership was the Baku-Tbilisi-Ceyhan (BTC)
Pipeline. This was/is a part of a larger plan of the east-west energy corridor which was backed by the USA as well. Georgia was/is going to receive approximately 50 million USD per year from the tariff fees for its section of the route. Actually, the political revenue of that project is higher. This project was supported by parallel programs such as the EU-sponsored TRACECA and INOGATE to create a road, rail and ferry network linking Central Asia to Europe via Georgia and Turkey. The support from the western countries for this and other similar projects meant and still means that the USA and the EU have turned their faces to Caucasus, in general and to Georgia, in particular. For most of the decision makers in Georgia this was a symbol of independence. In other words, Georgian policy makers got the idea that Georgia gained a chance to find a western support for its territorial integrity and independence.

It is possible to say that the emergence of a triangular type of relations between Turkey, Georgia and the USA mainly on the energy and security issues have also attracted the attention of other international actors. For instance the EU began to concentrate its efforts in the region, despite the lack of a common energy policy or a common security policy at the EU level. In parallel to the EU wide efforts to have deeper relations with the regional state and non-state actors, it is possible to see the EU involvement in Black Sea related political affairs.

Probably, the most important dimension in Turkish-Georgian relations lies in the military and security aspects. By establishing solid relations regarding security and military restructuring the two countries have managed to protect the large scale pipeline projects and ensure the long-term viability of economic relations.

(The power vacuum and the chaos created in Iraq, unfortunately, is depriving Turkey of having the same possibility of cooperation with another neighboring country in the Middle East.)

The military cooperation between Turkey and Georgia is part of a larger project to incorporate Georgia into NATO. Turkey and the USA have donated more than 1 billion USD to fund Georgia’s armed forces. This financial aid has been utilized in restructuring the military apparatus and in bettering the training facilities. Turkey and Georgia signed a defense cooperation agreement on military assistance and cooperation. (2001) The most concrete result of this cooperation was Georgian troops that have been serving under the Turkish command in Kosovo. Turkey’s actions are perceived by Georgia in a very positive manner have created effects on Georgian politics. The preachment between Georgia and NATO, and similarly with some of the other western organizations have strengthened the hand of politicians such as Eduard Shevardnadze internally and internationally, in another word balanced the Georgian politics between Russia and the west.
Conclusion

Politically Turkey supports territorial integrity of Georgia. However, the cases of Abkhazia, South Ossetia and Ajara are still keeping their tense and sensitive points. Another sensitive issue for Turkey is Javakhetia, which is a southern Georgian region that borders Armenia and where the tendency of autonomy and possible deeper relations with Armenia are called for frequently. The existence of a group agitating for the “greater Armenia” idea is clearly a concern for Turkey.

Turkey is also increasingly worried about the fate of the Meskhetian Turks, who might be repatriated to the Javakhetia. Based on the agreement with the Council of Europe Georgia needs to have legislation adopted for the return of the Meskhetian Turks back to their homes. The resettlement must be complete within ten years and the clock is working since 2001. But so far the Georgian government has not begun repatriations.

The stability and peace in all neighboring areas is extremely important for Turkey. The Caucasus is not exempt from this. However, there are very sensitive and hard questions in the region. Turkey could play an active role as a peace broker in the region. But, to reach this purpose there is a need for a stronger and more stable Turkey. The inter-regional links are very important. The stability and peace in the Middle East will directly and rapidly enhance Turkey’s capacity to get involved in a constructive way in the Caucasus. Turkey’s relations with the EU and the USA are intertwined with the definition of a role Turkey could play in the region. Furthermore, Turkey needs an international climax in her area without conflictual ethnic tensions. Turkey should enhance her relations with Azerbaijan and Georgia to be able to develop a sustainable peace in the region. When there are concrete steps towards the solution of Azeri-Armenian conflict and Georgian issue of Javakheti then Turkey could consider establishing diplomatic relations with Georgia.

Turkey and Georgia could work together to establish a stable and developed region. These two countries’ effort to develop information methods on the border security and on the border management is a very important area of cooperation. These two countries are not taking place only on the energy sources’ transportation routes, but also on the routes of trafficking: Trafficking in human beings, drug trafficking and arms trafficking. Turkish security units have signed great achievements in Turkey’s combat with all illegal trafficking movements and illegal organizations. Turkey and Georgia could share their experiences on a more sufficient scale. This process has already been started but needs more effort.

Another issue of cooperation between Turkey and Georgia is about a probable NATO membership of Georgia. Turkish army officers are actively involved in education activities of the Georgian Army. Georgia, just
like Ukraine, is hoping to receive a Membership Action Plan (MAP) from NATO (one of the most important articles on the agenda of the Bucharest Summit of NATO, 4-5 April 2008). Turkey supports Georgia in this effort to become a full NATO member.

Turkey and Georgia could play a significant role on the regional balances. The Nagorno-Karabagh issue needs to be solved on the basis of respect to the rules of international law. The existence of internally stable, territorially integrated and economically prosperous countries neighboring Armenia could create an attractive and deterring environment against unfair and aggressive Armenian allegations.

There is a further area of cooperation between Turkey and Georgia, which has been kept in shadow till now. The water scarcity is an acute issue to be dealt at most of the world. The Aras-Kura basin introduces a relatively rich source of water and the related environmental values. Turkey and Georgia could develop common environmental policies specifically on the Kura River basin. The Kura River together with the Posof water stream deserves more attention from both of the parties, namely Georgia and Turkey.

It needs to be underlined that the relations between Turkey and Georgia are not immune from any problems. However, the issues of discontent compose only a very limited and a small portion within the whole bunch of relations. Areas of cooperation are so important and vital that relations between the two countries have gained the envy of most of the members of the international community. This process should go on. Both Turkey and Georgia have benefits in supporting their internal and regional, also the international policies.
4. Azerbaijan

*Azerbaijan: oil boom and challenges*

**Pınar İpek**

Anyone who has visited Oily Rocks (Neft Dashlari), the massive oil industry complex built in 1947 during the Soviet Republic of Azerbaijan and the ultra-modern highly secured Sangachal Terminal, one of the world’s largest integrated oil and gas processing terminals, would easily notice the role of the oil and gas industry in the independent Republic of Azerbaijan. In the aftermath of the inauguration ceremony for the Baku-Tbilisi-Ceyhan pipeline in July 2006, energy security and the importance of Azerbaijan in diversifying energy supplies for Turkey and the European Union (EU) remains a special topic in Turkish foreign policy.

Accordingly, the economic, social, and political developments in Azerbaijan should be assessed through the geopolitics of oil and gas in the Caspian region and through the nexus of relationships among the Azerbaijan government; the neighboring countries of Russia, Iran, and Turkey; the United States (USA); and the EU. This paper first aims to review the major political and economic changes in Azerbaijan, since 1991. Second, recent trends and developments in these major issues are assessed. In light of these assessments, emerging threats and opportunities for the stability of the relationship between Azerbaijan and Turkey are identified, while the implications for Turkish foreign policy are discussed in the third section.

The first section examines the Karabakh conflict, the legal status of the Caspian Sea, and the geopolitics of oil and pipelines. Such an outline is important to explain the implications—particularly for the political rivalries in domestic politics—as well as the security threats in the early years of Azerbaijan’s independence.

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1 The Sangachal Terminal is the starting point of the Baku-Tbilisi-Ceyhan pipeline and other pipelines to export production from the Azeri, Chirag, and Guneshli oil fields and the Shah Deniz gas field.
Early Challenges for the Newly Independent Republic of Azerbaijan

The Karabakh Conflict and Domestic Politics:

Azerbaijan became independent in December 1991, after the dissolution of the Soviet Union. However, the conflict over Karabakh between Armenia and Azerbaijan has threatened the territorial integrity of Azerbaijan prior to the collapse of the Soviet Union. Understanding the ethnic tension in the Caucasus is essential in order to assess the perceptions of new political leaders in the newly independent Republic of Azerbaijan. Furthermore, the Karabakh conflict has been the central issue in the development of competing political discourses and the national identity of Azerbaijan.

The Karabakh (Nagorno-Karabakh) conflict had its roots during the Soviet period, in which Moscow initially opposed Armenian demands and considered them a threat to the fragile regional ethnic map in the Caucasus. However, the Armenian claims in 1988 moved thousands of people to fight over the Karabakh region, jeopardizing the territorial unity of Azerbaijan. As a reaction to Armenian claims of independence, anti-Armenian riots occurred in Sumgait, Azerbaijan in 1988. Following the heightened ethnical tension, Armenian-Azerbaijani clashes occurred in Baku in January 1990. In response, President Gorbachev of the Soviet Union sent Russian troops to Baku in January 1990. The entrance of the Russian troops into Baku resulted in the deaths of many civilians. Thus, this event, known as “Black January”, was the turning point in the history of Azerbaijan. It facilitated pro-independence and anti-Russian feelings among Azeris and was reflected as pan-Turkism in the ideology of the Azerbaijan Popular Front (APF) led by Abulfez Elchibey. Moreover, Ayaz Mutalibov came to power as the last president of the Soviet Republic of Azerbaijan.

The demise of the Soviet Union brought a radical change in the balance of power in the Karabakh conflict. The Soviet Army, which, between 1988 and 1991 buffered the increasing violence between Armenian and Azerbaijani fighters, withdrew between November 1991 and February

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Thus, the Azeris and Armenians were left alone, which led to a full-scale war in the region. Russia began to support the Armenian side. The main reason for the Russian government’s policy change was the coming to power of APF leader Abulfaz Elchibey. Elchibey had been favoring an anti-Russian and pan-Turkism policy and close ties with Turkey and Western countries. Thus, the shift in the balance of power to Armenian forces led to victories over Azerbaijan forces.

Mutalibov became the first president of Azerbaijan and paid more attention to strategic cooperation with Iran and Russia during his administration. However, ever since Azerbaijan declared its independence on October 18, 1991, the military defeats on the Karabakh front destabilized his regime. In March 1992, after the atrocities committed against civilians who stayed behind the front line in Khodjaly in the Karabakh region, public resentment turned into a mass protest in Baku against his presidency. Mutalibov accused Azerbaijani opposition groups of having exaggerated the Khodjaly massacre in order to bring him down. Mutalibov’s declaration increased public anger against him as well as accusations about the influence of Russia on his presidency. Finally, Mutalibov was forced to step down on March 6, 1992. Yakub Mamedov took over as interim president, but instability and a power struggle continued in Baku. A presidential election was held on June 7, 1992. The APF leader, Abulfaz Elchibey, won and stabilized the presidency.

President Elchibey’s major campaign promise was to defeat Armenians in Karabakh and to unite Karabakh into Azerbaijan’s territory. He initially achieved some military victories. Elchibey gave priority to developing a strategic partnership with Turkey and considered radical solutions to overcome the security dilemma of Azerbaijan. He stressed expanding contacts with Western countries as a key way to strengthen national independence. Thus, Elchibey’s administration set a pro-Western course for the foreign policy of Azerbaijan. The country’s rich oil resources were an important policy instrument.

Accordingly, Elchibey’s administration accelerated negotiations with Western oil companies, which had been started by the Ministry of Oil and Gas in Moscow and Caspomorneftegaz in the Soviet Republic of Azerbaijan.

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6 It was reported that Russian forces began to withdraw from the Karabakh enclave in November 1991, except for the 366th regiment in Stepanakert. In March 1992, this regiment fell to pieces while the Armenian officers seized the light and heavy weapons and joined the Karabakh forces. *The Economist*, 10 April 1993.


and had been continued slowly during Mutalibov’s administration. In addition to the potential economic benefits they promised, an important immediate political outcome of the achieved oil agreements was that they supported the pro-Western course in the foreign policy of Azerbaijan. The agreements also demonstrated to Russia that Elchibey was determined to work with Western companies in his oil strategy.

However, by the winter of 1992-93, Karabakh forces had launched a counterattack and defeated the Azerbaijani army, occupying new territories in the Azerbaijani region outside the Karabakh enclave. The defeats of the Azerbaijani army, thus, led to another round of power struggles in Baku. On June 4, 1993, an anti-government insurgency in Azerbaijan began, which, in two weeks, led to the collapse of the Elchibey administration.

The timing of the Russian withdrawal from Ganja and of Huseyinov’s rebellion against President Elchibey clearly emphasized the conflicts in the Caucasus and the geopolitics of Caspian oil. Despite the optimism that overtook Baku with major foreign capital invested in Azerbaijan, active Western involvement in the Caucasus was too complicated to support the Elchibey administration directly. The Armenian community in the USA lobbied effectively to gain US government support for the Karabakh conflict. In April 1992, the US congress voted for the “Freedom Support Act” that determined the assistance to be given by the USA to the former Soviet republics in their transition to democracy and to market economy. However, Section 907 of this act restricted US government assistance to Azerbaijan on the basis of energy and food blockades imposed on Armenia and what was referred to as “offensive uses of force” in the Karabakh conflict.

9 Two contracts were signed, one with BP-Statoil in September 1992 and one with Pennzoil-Ramco in October 1992 for the Chirag and Guneshli fields, respectively.

10 A military leader, Surat Huseyinov, refused to obey the orders of the political leadership of Elchibey. Huseyinov was a former director of a textile factory in Ganja and became a hero after scoring military victories in northern Karabakh. Then, suddenly, the 104th Russian Airborne Division withdrew from its base in Ganja and handed its heavy weapons to rebel leader Huseyinov, making him the major military force in Azerbaijan. About 250 troops loyal to Huseyinov marched toward the capital city from the rebel-held city of Ganja, about 150 miles away from Baku, which in a few weeks led to the downfall of Elchibey.

11 F. Wallace Hays, “US Congress and the Caspian”, Caspian Crossroads Vol. 3, No. 3, Winter 1998, 19 May 2003. http://ourworld.compuserve.com/homepages/usazerb/casp.htm. "The Armenian National Committee of America critiqued congressional performance on this issue and wielded significant political power (in terms of both money and votes) especially in the key electoral states of New Jersey, New York, California, and Illinois. These four states comprise nearly half of the total electoral votes needed to be elected President. The primary objective of these pro-Armenian groups, who are well-organized, well-funded and active on Capitol Hill, is to retain Section 907.”
4. Azerbaijan

conflict. Thus, this section became a major obstacle for Azerbaijan in seeking further US assistance to strengthen its economy and national security.12

Following the insurgency against President Elchibey, Haydar Aliyev13 returned to power. The Karabakh forces took further advantage of the chaos in Azerbaijan and occupied several districts around Karabakh. Several hundred thousand Azeris had to flee their villages, creating a dramatic refugee problem. At the same time, the Talish minority in the southern town of Lenkoran started an upheaval. The Lezgin minority, inhabiting the north, was also tense about being involved in turmoil. In the summer of 1993, Azerbaijan was in chaos and threatened to collapse into a multitude of regions fighting against the central authorities in Baku. Surprisingly, President Aliyev succeeded in repressing the Talish rebellion and in asserting central authority over the various regions of Azerbaijan in a short time.

Aliyev chose to have a closer relationship with Russia. He visited Moscow and agreed to join the Commonwealth of Independent States (CIS) on September 5, 1993. Aliyev also invited the Russian oil company, Lukoil, to join the oil projects in the Caspian offshore fields. Of SOCAR’s (State Oil Company of Azerbaijan Republic) share of the Chirag, Azeri, and Guneshli offshore fields, 10% was transferred to Lukoil. Aliyev’s approach to Russia bore some fruit.14 In November 1993, the Azerbaijan army began a new offensive on the Karabakh front, but it did not achieve any changes, and a cease-fire was signed on May 12, 1994. By the time of the cease-fire, Armenia had captured the Karabakh region and seven other districts, forming a supply corridor between the region and Armenia, an area that accounted for 20% of Azerbaijan’s sovereign territory. The Organization

12 In April 1992, the US congress voted for the “Freedom Support Act” that determined the assistance to be given by the United States to the former Soviet republics in their transition to democracy and to market economies. However, Section 907 of the Freedom Support Act restricted the US government’s assistance to Azerbaijan and became a major obstacle for Azerbaijan in seeking further US assistance in strengthening its economy and national security. President George W. Bush waived Section 902 of the Freedom Support Act in 2002 and has extended the waiver annually in line with his policy to counter international terrorism.

13 President Haydar Aliyev has been Azerbaijan’s most dominant political figure, since 1969, as First Party Secretary of the Soviet Republic of Azerbaijan, Soviet Politburo member, and President of Republic of Azerbaijan.

14 The Azerbaijani army received large quantities of arms, including tanks and assault helicopters, and more than 200 Russian military experts moved to Ganja to reorganize the army. For detailed information on the Karabakh conflict refer to Vicken Cheterian, pp. 11-37 and Kamer Kasim, “The Nagorno-Karabakh Conflict, Caspian Oil and Regional Powers”, in The Politics of Caspian Oil, Bulent Gokay (ed.), Palgrave, New York, 2001, pp. 185-198.
for Security and Co-operation in Europe (OSCE) has played a leading role in negotiation talks since then. A subset of OSCE members, called the “Minsk Group”, was formed to supervise the negotiations in 1992.

Overall, the Karabakh conflict has been an important issue for the national security and domestic politics of Azerbaijan. Every Azerbaijan leader had to view every aspect of its national and regional security through the prism of the Karabakh problem. Since independence, the successive presidents of Azerbaijan have faced this security dilemma in attempting to preserve the stability of their regimes. Accordingly, three distinct periods can be identified in Azerbaijan’s political discourse.

The first period between 1992 and 1993 during President Elchibey’s administration was characterized by the strong pro-Turkish, pan-Turkist, anti-Russian, and anti-Iranian ideology of his leadership.15 Thus, two major opposition parties of Azerbaijan, the APF and Musavat, have been closely associated with the national movements and nationalism.16

The second period, between 1993 and 1996, started when Haydar Aliyev came into power. There was disappointment with the nationalist policy of President Elchibey, because the defeat in the Karabakh war raised concerns over the legitimacy of Elchibey’s rule. President Aliyev adopted an accelerated approach to Russia between 1993 and 1995. He considerably improved Azerbaijan’s relationship with Iran and Russia, generating hope that those two countries would be neutral on the issue of liberating the Armenian occupied territory of Azerbaijan. Furthermore, the changing geopolitical context of oil contracts and the conflict over the legal status of the Caspian Sea reflected the shift in President Aliyev’s policy. In September 1994, Azerbaijan signed its first oil agreement, known as “the contract of the century”17 followed by two deals in 1995. Although President Aliyev tried to appease Russia and Iran by giving them shares in

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16 The Musavat Party was first organized in 1912. M. Emin Resulzade, the leader of the Musavat played an influential role in the Turkist movement. Secular nationalism has been the essential ideology of the Musavat Party since then. The nationalist movement resulted in the establishment of the first Azerbaijan Democratic Republic between 1918 and 1920. Israfil Ismayilov, Azerbaycan Halkinin Siyasi Medeniyeti, Zaman Nesriyat, Baku, 2002, pp. 15-31.
17 The contract covering the Azeri, Chirag, and Guneshli fields established the Azerbaijan International Oil Company (AIOC), which consisted of Amoco (USA), BP (UK), Statoil (Norway), the Turkish Petroleum Corporation (TPAO, Turkey), Pennzoil (USA), Ramco (UK), Delta (Saudi Arabia), McDermott (USA), Unocal (USA), and Lukoil (Russia). Later, some of these companies sold all or part of their equity to other companies.
the development of oil fields in Azerbaijan, Russian opposition in the demarcation of the Caspian Sea continued. President Aliyev, recognizing that Azerbaijan's independence and economic growth were at stake, resisted Russian pressure and set a clear pro-Western foreign policy. The diplomatic support of the USA and the multi-billion dollars of committed oil investment facilitated the shift in Aliyev's policy. By 1996, four major oil consortia were established with 12 different companies from 10 different countries in which European and US firms had the largest shares.

The third period between 1996 and 2003 was characterized mostly by the consolidation of power in domestic politics by President Aliyev and the ruling elite in the New Azerbaijan Party (NAP), given the oil-led economic development in Azerbaijan. Despite some brief swings during four different presidencies, Azerbaijan's rich oil and gas resources have been an important policy instrument in its national and regional security. Aliyev's long-term strategy was to bring in the investments of multiple countries to the oil and gas sector in order to strengthen national security. President Haydar Aliyev tried to create pro-Azerbaijan lobbies in Washington, London, Moscow, and later, in Paris by signing oil deals with multinational corporations (MNCs). The investment of various companies from the USA and Europe were the catalysts in forming an international pro-Azerbaijani lobby to strengthen Azerbaijan’s position in the Minsk Group.

The Legal Status of the Caspian Sea:

The conflict over the legal status of the Caspian and the ownership of its oil became an issue particularly after Azerbaijan signed its first oil contract in September 1994, under the presidency of Haydar Aliyev. By giving an important stake to Lukoil, the Russian oil firm, Aliyev's administration expected that Russia would take a softer stand on the dispute over the legal status of the Caspian Sea. However, Russia has argued that historical treaties with Iran in 1921 and 1940 imply that the sea cannot be divided.

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18 The USA, the UK, Norway, Italy, France, Japan, Turkey, Saudi Arabia, Russia, and Iran.
19 A subset of the OSCE (Organization for Security and Co-operation in Europe) members, referred to as the Minsk group after the location of its first convening, supervises negotiations between Azerbaijan and Armenia on the Karabakh conflict of 1992. The group is jointly chaired by Russia, France, and the USA.
20 The treaties and their relevant provisions are given below. For a detailed discussion of the legal status of the Caspian Sea, see Cynthia M. Croissant and Michael P. Croissant, “The Legal Status of the Caspian Sea: Conflict and Compromise”, in Oil and Geopolitics in the Caspian Sea Region, Michael P. Croissant and Bülent Aras (eds.), Praeger Publications, Westport, CT, 1999, pp. 21-42.

The Treaty of Turkmanchai (21 February 1828) established that the land boundary between Russia and Persia would end at the Caspian Sea, thus
Although Azerbaijan and Kazakhstan did not sign these treaties, the Alma Ata Declaration of December 1991 that established the Commonwealth of Independent States (CIS) and which was signed by all the former Soviet republics included a specific provision recognizing the validity of all treaties and agreements signed by the USSR. There was, therefore, a case for keeping the treaties between Russia and Iran in force. Nevertheless, Azerbaijan has claimed that the 1982 United Nations Convention on the Law of the Sea should be applied to the Caspian. Despite the strong opposition of (and sometimes threatening statements made by) the Russian Ministry of Foreign Affairs, Russia’s Fuel and Energy Minister backed Lukoil’s participation in the Azerbaijan International Operating Company (AIOC) agreement and downplayed territorial disputes over the Caspian Sea.

Following the Russian government’s strong stand against the unilateral oil contracts with Western oil companies to develop offshore fields in the Caspian Sea, Azerbaijan put all diplomatic efforts into securing their right to develop their national sector of the Caspian Sea. Furthermore, Azerbaijan consistently refused to accept Russia’s proposal on the legal status of the sea. Aliyev’s success in resisting Russian pressure was due in large measure to the diplomatic support of the USA. After claiming neutrality on the legal status of the Caspian Sea for more than two years, the USA gave its support in favor of sectoral division in November 1996, implying that the sea was not subject to delimitation at the time. Article 8 of the treaty also established freedom of navigation on the Caspian for the merchant vessels of both sides, but reserved for Russia the sole right to deploy warships there.

The Soviet-Persian Treaty of Friendship (26 February 1921) established freedom of navigation for all Soviet and Persian ships on the Caspian. The Treaty on Trade and Navigation between the USSR and Iran (25 March 1940) reiterated the freedom of navigation rights of the 1921 treaty. Moreover, a ten nautical mile offshore fishing zone was recognized.

Two contradictory policy groups characterized Russia’s policy toward the Caucasus and Central Asia in the initial five years after the collapse of the Soviet Union. The first group was led by the Ministry of Foreign Affairs (both when Y. Primakov and A. Kozyrev were foreign ministers), which interpreted Russian policy within a traditional balance-of-power framework. They viewed the development and export of oil in zero-sum terms and took Russia’s historical hegemony more into consideration for its relations with the newly independent states. Prime Minister V. Chernomyrdin and other oil ministry officials espoused the second group. They welcomed Western participation in the development of Caspian reserves as a means of accessing capital and technology and of establishing a Russian foothold in world oil markets. Thus, they focused on adjusting to the realities of a free market. Consequently, inter-ministry contradictions in Russian policy toward the Caucasus and Central Asia seemed to be the result of power diffusion in the still emerging post-Soviet new order in Russia.
4. Azerbaijan

because, in the mid-1990s, US policymakers had been proceeding with two major issues—NATO expansion and the encouragement of Russian political and economic reform. Thus, the US government avoided challenging the Russian policy on the legal status of the Caspian Sea in order to balance the broader goals in US foreign policy in its relationship with Russia.22 The USA had opposed Russia’s idea of joint development of the Caspian Sea, particularly after the Iranian national oil company invested in a major consortium, Shah Deniz Azerbaijan.

Despite the initial disagreements, all littoral states now favor sectoral division of the Caspian Sea. The issue is no longer whether the seabed should be divided but how that division might be accomplished. In May 2003 Azerbaijan, Kazakhstan, and Russia concluded bilateral agreements with each other based on a Russian-developed principle known as the “modified median line”.23 Turkmenistan and Iran, meanwhile, refused to sign the May 2003 agreement. Iranian officials argued that the southern end of the Caspian constitutes a natural bay; therefore a different baseline should be used.24 Currently, Azerbaijan fiercely contests the concept of such a baseline and related claims on the offshore fields. Moreover, the disputes between Turkmenistan and Azerbaijan remain unsettled.

The Geopolitics of Oil and Pipelines:

Azerbaijan’s relative isolation from world markets and its landlocked location have been obstacles to the exportation of its natural resources. In the early phases of oil production in major fields, smaller amounts of oil were exported by barge and by rail through Russia. With the new production, Azerbaijan needed new transportation routes to transport Caspian oil and natural gas to world markets. Three strategic goals were decisive in determining the routes for the proposed pipelines. First, the war in Karabakh threatened the territorial integrity of Azerbaijan. Second, the Azerbaijan government needed Russia’s military assistance, because Russia remained the predominant military force in the Caucasus after the collapse


23 These three littoral states divided the northern 64% of the Caspian Sea into three unequal parts, giving Kazakhstan 27%, Russia 19%, and Azerbaijan 18% (US Department of Energy, EIA, September 2005, *Country Analysis Briefs, Caspian Sea*, July 2006. http://www.eia.doe.gov/emeu/cabs/Caspian/Background.html).

24 Iran, for instance, has set claim over the Araz-Sharg-Alov field in the southwestern Caspian Sea. Because Iran threatened to use force in 2001 to evict BP-owned exploration vessels from the Araz-Sharg-Alov offshore fields, beginning work on the field was halted.
Turkey’s Neighborhood

of the Soviet Union. However, Russia demanded the return of its military bases and control over Azerbaijan’s energy exports in return for military assistance. These demands were unacceptable for the sovereignty of an independent Azerbaijan.25 Third, Azerbaijan needed to begin exporting oil in order to increase its revenues. A financially stronger Azerbaijan could have a modern army, which in turn would enable stronger leverage against Russia and Armenia. However, exporting oil from the landlocked Caspian region required the collaboration of several neighboring states. A northern route to export oil through Russia would increase Russia’s leverage over Azerbaijan. The routing of major pipelines only through Russian territory would give Russia a monopoly and great political influence over the Caspian countries that neither Azerbaijan nor the oil MNCs want to see.

In January 1991, prior to the independence of Azerbaijan, the Mutalibov administration of the Soviet Republic of Azerbaijan issued a decree soliciting bids for the exploitation of three offshore fields, namely Azeri, Chirag, and Guneshli in the Caspian Sea. Initially the fields were treated as three separate contracts.26 The initial firms interested in bidding were BP (UK); Statoil (Norway); and Amoco, Pennzoil, Unocal, and Mc Dermott (all USA).27 In June of that year, officials from the Soviet Oil and Gas Ministry and CaspMorneftegaz of the Soviet Republic of Azerbaijan chose Amoco over Unocal, BP, and Statoil. The official Soviet press agency Tass reported that Amoco would develop the Azeri offshore field where reserves were estimated at more than one billion barrels.28 In September 1991, Amoco signed an area of mutual interest agreement with other Western companies interested in participating in the exploitation of the oil field. At this point, the motivation of the BP-Ramco-Statoil and the Amoco-McDermott-Unocal alliances was to control the increasing demands of local officials, who were allegedly involved in widespread corruption in Moscow and Baku.29

Meanwhile, the demise of the Soviet Union transformed the Karabakh crisis from a domestic dispute into an international political issue. Russia
began to support the Armenian side, particularly after the rise of the APF, led by Abulfaz Elchibey, because he had a clear anti-Russian strategy in his nationalistic policy. He prioritized expanding contacts with Western countries as a key factor in strengthening national independence. Thus, Elchibey’s administration set a pro-Western course for the foreign policy of Azerbaijan. Elchibey’s pro-Western policy aimed not only to improve Azerbaijan’s economic and political relationships with the West but also to resort to the “oil card” for new strategic routes to strengthen the national and economic independence of Azerbaijan.\(^\text{30}\) Two contracts were signed, one with BP-Statoil in September 1992 and one with Pennzoil-Ramco in October 1992 for the Chirag and Guneshli fields, respectively.

The detailed analysis of the technical and economic aspects of various routes for an export pipeline began in November 1992 during Elchibey’s administration, after SOCAR (Azerbaijan), Amoco (USA), BP (UK), and Pennzoil (USA) signed a memorandum of understanding on a common oil export pipeline. A working group from these companies began assessing seven principal routes. Three of them ended at Black Sea ports (Novorossiysk, Poti/Supsa, and Khopa), three at the Mediterranean terminal of Ceyhan in Turkey, and one at the Kharg terminal of Iran on the Persian Gulf.\(^\text{31}\)

Although calculations proved the Baku-Tbilisi-Poti/Supsa route to be the cheapest, this route, like others ending at other Russian Black Sea terminals, had one considerable drawback: it required transport through the Bosphorus and Dardanelles. The Turkish government persistently opposed the transportation of Caspian oil through the straits, given the already heavy sea-transport traffic in the Bosphorus and a significant threat to the environment and to the lives of the more than 10 million residents of Istanbul located on the shores of the Bosphorus Strait. However, because Azerbaijan was surrounded by the rival states of Russia and Iran in addition to Armenia, Elchibey’s administration considered Turkey to be the most reliable country for its national security and independence in its efforts to transport the oil from Azerbaijan fields to world markets. Aliyev’s administration followed the previous pipeline preference of the Azerbaijan government and announced that the Baku-Ceyhan option route would be its choice for the main export pipeline.\(^\text{32}\)

The Azerbaijan government had so far been moving in solid steps in pursuit of its strategic goals to strengthen the economic and political independence of the country by signing various interim memoranda and agreements.\(^\text{33}\) In fact, the government made an important decision in

\(^{30}\) Sabit Bagirov, pp. 179-180.
\(^{31}\) Ibid., p. 190.
\(^{32}\) Nasib Nassibli, p. 110.
\(^{33}\) Sabit Bagirov, p. 180.
pursuing its interest by its declaration on the unified development of the Azeri, Chirag, and Guneshli oil fields. The declaration was announced on June 4, 1993, the same day that anti-government insurgency in Azerbaijan began, which, in two weeks, led to the collapse of the Elchibey administration. Nevertheless, all the oil companies confirmed their agreement with the document within one week, and the preparation and coordination of the main commercial terms of the future contract began. Elchibey had been due to fly to London on July 2, 1993 to sign the contract. He was also to agree on a pipeline route, with preference given to the southern route that would cross Iran, Nakhichevan, and Turkey and end at the Mediterranean port of Ceyhan, Turkey. Russia was totally absent from the contract. However, following the insurgency of Huseynov against President Elchibey, Haydar Aliyev returned to power.

Aliyev invited the Russian oil company, Lukoil, to join the oil projects in the Caspian offshore fields. In November 1993, the Russian delegation visited Baku. During this trip, Russia and Azerbaijan signed a number of contracts concerning cooperation in energy and oil engineering. Ten percent of SOCAR’s share of the Chirag, Azeri, and Guneshli offshore fields was transferred to Lukoil instead of the 20% share that the Russian delegation insisted on.

Azerbaijan signed two further deals in 1995 after the “contract of the century” in which the Russian oil firm Lukoil had a stake. Despite the new allies of Azerbaijan in Moscow, the country continued to face Russian opposition in the demarcation of the Caspian Sea. In November 1995 Aliyev tried again to appease Russia by giving it the biggest share in the development of the Karabakh oil field. Later, in June 1996, the third major consortium to develop the Shah-Deniz field was established, in which Iran was included. No US company was part of the deal in order to prevent any potential objection by the US government, given its sanctions on Iran. Thus, the Azerbaijan government had been deliberately giving concessions to the national oil companies of its powerful neighbors, Russia and Iran, to lessen the pressure of these countries in the demarcation of the Caspian Sea.

However, Azerbaijan needed to begin oil production as early as possible in order to generate revenues for the economy and to tackle its growing energy problems. The final decision on the main export pipeline (MEP) and

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34 Nasib Nassibli, p. 104.
35 Forty-five percent was given to LukAgip, an Italian-Russian joint venture, and 12.5% to Lukoil. Other participants in the Caspian International Petroleum Company to develop the Karabakh field were Pennzoil (30%, USA), Agip (5%, Italy), and SOCAR (7.5%, Azerbaijan).
36 Other participants in the Shah Deniz consortium along with Iran (10%) were BP (25.5%, UK), Statoil (25.5%, Norway), Lukoil (10%, Russia), Elf (10%, France), TPAO (9%, Turkey), and SOCAR (10%, Azerbaijan).
beginning construction required long negotiations among the conflicting interests of Russia, Iran, and Turkey and the stakes of the investing companies. Thus, after the AIOC was established, the decision on an export route for “early oil” became the top priority.

The Azerbaijan government was under pressure from Russia, despite the financial viability of the Georgian route (Baku-Supsa) for the “early oil”. Western oil companies, on the other hand were concerned about the political risks involved in the Russian route—an unstable Chechnya, terrorism, and unfixed tariffs changed frequently by Moscow. Nevertheless, neither the companies involved in AIOC nor the Azerbaijan government wanted to escalate a crisis with Russia in the early phases of the project. The official US position also softened to consider a dual-pipeline solution, because the transport of “early oil” was a minor issue in avoiding conflict with Russia.37

Thus, Azerbaijan eventually opted for the northern route (Baku-Novorossiysk). In fact, President Clinton himself contacted Haydar Aliyev to promote the dual-pipeline solution on October 2, 1995. On October 9, 1995, the AIOC decided on two routes for the export of early oil: (i) Baku-Novorossiysk, Russia, and (ii) Baku-Supsa, Georgia. 38 Despite Russia’s strong pressure and Azerbaijan’s compliance with Russia’s interest, the AIOC has, in fact, hardly used the northern route. 39 The Baku-Supsa line was commissioned earlier in 1999.

The MEP project was launched after the settlement of the “early oil” export route. In August 1996, the SOCAR and AIOC established a strategic management committee, which coordinated the project activities regarding an analysis of the MEP options. Several routes for the pipeline were considered.40 The options that involved routes through Iran were withdrawn after the US congress passed the Iran-Libya Sanctions Act of 1996.41 Throughout the assessment of different options for the MEP route between 1991 and 1996, the USA had repeatedly objected to any involvement of Iran in the oil resources of Azerbaijan. Particularly in 1995, 37 In the mid-1990s, US policy proceeded with two major issues—NATO expansion and encouraging Russian political and economic reform. This adjustment coordinated with a broader trend in US policy, in terms of US relations with Russia.
39 The Novorossiysk route was $50-$60 more costly per ton of exported oil, due to high transit fees and mixing of high-quality Azeri oil with heavy West Siberian oil (Sabir Bagirov, p. 191).
40 See Ibid., p. 192 for detailed information on the proposed routes.
41 Baku-Astana (Azerbaijan)-Tabriz or Kharg Island (Iran) and transport by sea from Baku to Bandar Anzali (Iran) and by pipeline to Aliabad (Iran).
when Iran made an offer to the Azerbaijani government to receive a 5% share in the AIOC, the US ambassador to Azerbaijan, Richard Kavzlarich, expressed the strong concerns of the US government about the planned deal that would give a stake to Iran in the AIOC. Following intense pressure from the US government, Azerbaijan chose Exxon over Iran’s state oil company in its bid to divest a 5% stake in the AIOC, after having given Turkey’s state-owned Turkish Petroleum Corporation (TPAO) 6.75% (up from 1.75%).

The Azerbaijani government chose the Baku-Tbilisi-Ceyhan (BTC) route, which best met its interests on the basis of the results of the MEP project feasibility study and within the geopolitical parameters of each option. On October 29, 1998, Georgia, Kazakhstan, Turkey, and Uzbekistan signed the Ankara Declaration supporting the BTC route. The US Secretary of Energy, Bill Richardson, signed the declaration as an observer. On November 18, 1999, at the OSCE Istanbul Summit Meeting, in addition to the presidents of Azerbaijan, Georgia, and Kazakhstan, the US president Bill Clinton signed the Istanbul Declaration to stress the importance the US government placed on the BTC pipeline as the main export route. The Azerbaijan government deliberately opted for the BTC pipeline, which had the full support of the US government and Turkey.

The commercial viability of the MEP was the main criterion for the companies invested in the region. However, the US government’s policy on an East-to-West energy corridor and Azerbaijan’s strategic choice for the BTC pipeline put geopolitics in the center of negotiations on determining the MEP route. The Azerbaijan government relied on the support of the US government and Turkey to satisfy both the commercial concerns of the oil companies and the geopolitical stability of the region in favor of Azerbaijan. President Aliyev’s overall strategy in oil agreements was to resist Russian pressure by combining the national interests of Azerbaijan

43 Daniel Southerland, “Azerbaijan picks Exxon over Iran for oil deal”, Washington Post, 11 April 1995, A5. At the same time, the US government warned Russia that it would stop all nuclear co-operations unless Russia cancelled a $1 billion deal to build a nuclear power station for Iran (Martin Walker and David Hearst, “Clinton turns up heat on Iranian deals”, The Guardian, 11 April 1995, p. 9). The Clinton Administration also blocked Conoco’s $1 billion oil field development project in Iran (Oil and Gas Journal, Vol. 93, No. 16, 17 April 1995, p. 25).
44 “More FSU joint ventures have marked major milestones, and Exxon is the main beneficiary”, Oil and Gas Journal, Vol. 93, No. 16, 17 April 1995, p. 3.
with the regional policy of the US government and the large volume of foreign investments by US and other Western oil firms.

In confronting the regional conflicts and pipeline politics, Azerbaijan followed a clear strategy in its political preferences regarding firm characteristics, in order to strengthen its independence and national security. The Azerbaijan government was persistent in setting a pro-Western course in its foreign policy. President Haydar Aliyev successfully pursued his strategic agenda by resorting to the “oil card” on the Karabakh conflict, the demarcation of the Caspian Sea, and the pipeline routes, while giving some concessions to Russia.

Consequently, the BTC and SCP pipelines reflected the geopolitical parameters of the Azerbaijan government’s overall policy. In fact, the inauguration ceremony of the BTC pipeline on July 13, 2006 was an important milestone for the East-to-West energy corridor, connecting landlocked Azerbaijan to Western markets. The total capacity of the 1768 km long pipeline is 50 million tones of oil per year (or 1 million barrels a day). The importance of the BTC project for the foreign policies of Azerbaijan, Turkey, the USA, and Georgia is demonstrated by the fact that it has been maintained despite changes in these countries’ governments. Likewise, the SCP gas pipeline will carry gas from Azerbaijan’s offshore Shah Deniz field via Baku and Tbilisi, Georgia, running parallel to the BTC oil pipeline for most of its route before connecting to the Turkish hub in Erzurum, Turkey. The SCP was completed in 2007. The total capacity is planned to reach 6.6 billion cubic meters by 2009.

Recent Developments

This section provides an assessment of the recent developments in (i) the Karabakh conflict, (ii) the legal status of the Caspian Sea, and (iii) the role of Azerbaijan’s oil and gas resources in energy security and in transporting the Caspian energy resources via the energy hub in Turkey.

(i) The Karabakh conflict is still the most important issue in the foreign policy of Azerbaijan. The current president, Ilham Aliyev, who came to power in 2003, has tried to create international pressure on Armenia to withdraw its support for Karabakh Armenians, following the increased oil production in Azerbaijan and the completion of the BTC pipeline. Furthermore, Azeri officials have classified the Karabakh region as a “terrorist heaven” and hoped to receive the USA’s support against Armenian terrorist activities in the post-September 11 rhetoric of US foreign policy and its ongoing war on global terror.47

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The Minsk Group reportedly presented four proposals as a framework for negotiation talks, but a peace settlement has proved elusive. The Karabakh conflict is one of the most dramatic human tragedies in the post-Soviet era in the Caucasus. The total number of refugees and internally displaced people from the occupied territories in Karabakh and the seven districts outside the region is 1,010,000, while there were 20,000 casualties, 50,000 people disabled, and 4,866 people missing. The latest round of peace talks failed to reach a settlement, because Armenia insisted on two conditions. According to Armenia, the Karabakh region should either be a sovereign state or should be part of Armenia. On the other hand, Azerbaijan’s position emphasizes that the Karabakh region is inseparable, given the territorial integrity of the Republic of Azerbaijan recognized by the related UN resolution. The Minsk Group co-chairs revealed part of the proposals for settlement. Accordingly, the proposal includes “redeployment of Armenian troops from Azerbaijani territories around Karabakh, with special modalities for Kelbajar and Lachin districts (including a corridor between Armenia and Karabakh); demilitarization of those territories; and a referendum or population vote to determine the final status of Karabakh”. International peacekeepers would also be deployed in the conflict area. In July 2006, disagreeing with the Minsk group proposal, President Aliyev declared that the withdrawal of forces from occupied territories must be followed by the return of displaced Azerbaijani citizens. Then, Azerbaijan citizens including those in Karabakh would discuss the status of the region, but its secession from Azerbaijan was forbidden. Although recent statements by both President Aliyev and President Kocharyan of Armenia reflected some progress and optimism regarding the last stage of peace talks, most people in both countries believe that both presidents aim to manipulate public opinion and prolong the status quo.

Furthermore, little progress is expected in the next round of peace talks until the presidential elections in Azerbaijan in 2008 and in Armenia in 2009 are completed. Most of the surveys conducted in Azerbaijan, in fact, demonstrate that the public in Azerbaijan has increasingly favored a military resolution to the conflict. Thus, both presidents have been unwilling to make concessions, given the historical role of the Karabakh issue in destabilizing the governments in both countries. Although the increased oil revenues, the geopolitics of oil, and security threats in the Middle East (i.e.,

48 Lachin, Kalbajar, Aghdam, Fizuli, Jabrayil, Gubadly, and Zangilan.
50 OSCE, Statement of the Co-Chairs of the OSCE Minsk Group, 3 July 2006.
51 Leyla Tavsanoglu, “Interview with the President of Azerbaijan”, Cumhuriyet, 4 July 2006.
53 Ibid.
the strategic location of Azerbaijan and its air zone in the fight against terrorism in Afghanistan and Iraq) seem to have increased the bargaining power of Azerbaijan, the unknown risks associated with a furious military operation could be highly destructive for its economic and political independence.

(ii) The demarcation of the Caspian Sea is crucial to bringing Turkmen gas and Kazakh oil to the EU energy market via the energy hub of Turkey, independent of the Russian-controlled pipeline network. Russia and Iran have contended that the Caspian is actually an inland lake and thus subject to joint control by all the littoral states. Azerbaijan, Kazakhstan, and Turkmenistan, however, have argued that the Caspian is a sea that should be divided into national sectors over which each state has exclusive sovereignty. Nevertheless, all littoral states currently favor sectoral division of the Caspian Sea. In May 2003, Azerbaijan, Kazakhstan, and Russia concluded bilateral agreements with each other based on a Russian-developed principle known as the “modified median line”. Turkmenistan and Iran, meanwhile, refused to sign this agreement. Iranian officials argued that the southern end of the Caspian constitutes a natural bay; thus, a different baseline should be used. Azerbaijan fiercely contests the concept of such a baseline and related claims on the offshore fields. Moreover, the differences between Turkmenistan and Azerbaijan remain unsettled. Therefore, while the projects in the northern Caspian Sea are likely to move forward despite the lack of a comprehensive regional consensus, the extension of the SCP (South Caucasus-Shah Deniz) gas pipeline to Turkmenistan and the trans-Caspian oil pipeline project have been halted for the foreseeable future.

Nevertheless, there are plans to connect Turkmen gas to the SCP pipeline. The demarcation of the Caspian Sea does not exclusively constitute an obstacle for building a trans-Caspian gas pipeline between Turkmenistan and Azerbaijan, if the two countries agreed to build such a pipeline in their sectors of the Caspian Sea.

(iii) Azerbaijan, Kazakhstan, and Turkmenistan are important energy rich countries of the Caspian region, which has increasingly become important for the energy security of developed countries. The war in Iraq, China and India’s emergence as major energy importers, Hurricane Katrina in 2005, 


55 For example, the lack of an agreement on maritime borders between the two countries has kept the Serdar/Kyapaz field from being developed.
the dispute between Russia and the Ukraine in 2006, and most recently, the turmoil in the Middle East have contributed to the heightened fears about energy security. Thus, Azerbaijan has an important role together with Turkey—given that the BTC and SCP pipelines connect to Turkey’s energy hub—to secure, stabilize, and diversify the energy transportation routes for the EU. The EU is the world’s largest energy consumer without its own significant reserves. The EU imports 50% of the energy it needs, and projections predict that its dependence on imported energy will rise to 70% by 2030. Furthermore, roughly half of the EU’s gas consumption comes from only three countries (Russia, Norway, and Algeria). Following current trends, gas imports would increase to 80% in the next 25 years.

There are plans to connect Turkmen gas to the SCP gas pipeline. At present, Turkmenistan is bound to export most of its gas through the Russian pipeline system. Using the Korpezhe-Kurt Kui pipeline as a way to create another export outlet for the huge gas reserves of Turkmenistan is limited because of the international crisis about the nuclear proliferation in Iran. The unexpected death of Turkmenistan President Saparmurat Niyazov highlighted some optimism about the feasibility of a trans-Caspian gas pipeline, because under his dictatorial rule, most of the multinational oil companies withdrew their investment from Turkmenistan.

Furthermore, in May 2007, Turkmenistan, Kazakhstan, and Russia agreed to carry Turkmen natural gas to Europe via Kazakhstan and Russia. Thus, the agreement was a blow to the planned trans-Caspian natural gas pipeline project. While the new President Berdymukhammedov states that Turkmenistan still has a long-term interest in diversifying pipelines to export Turkmen gas via Iran, China, Afghanistan, India, and the Trans-Caspian, there are concerns over how much gas is available in Turkmenistan. Despite the confident statements of President Berdymukhammedov emphasizing that there are enough gas reserves, Turkmenistan has not published independent audits of its gas reserves. On

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56 The EU energy consumption by fuel is distributed as 37% oil, 24% natural gas, 18% solids (i.e., coal), 15% nuclear, and 6% renewables (The European Commission, *Annex to the Green Paper, A European Strategy for Sustainable, Competitive, and Secure Energy: What is at Stake—Background Document*, Brussels, 2006).


58 Ibid.

59 The Korpezhe-Kurt Kui natural gas pipeline, completed in 1997, was the first to follow a non-Russian route from a newly independent state, Turkmenistan, to Iran. Turkmenistan has been able to supply Iran less than the capacity of the pipeline.

the other hand, the previous agreement between Turkey and Turkmenistan to bring Turkmen gas to the Turkish energy hub was revitalized in June 2007.

New Challenges for Stability in Azerbaijan and Policy Implications for Turkey

Within the framework of recent developments in the Karabakh conflict, the demarcation of the Caspian Sea, and the geopolitics of energy security, emerging threats and opportunities for the progress of stability in Azerbaijan are identified in this section. Accordingly, the implications for Turkish foreign policy are discussed.

The emerging threats and opportunities for the progress of stability in Azerbaijan depend on domestic and international factors. While the democratization process and the economic and social development in Azerbaijan constitute emerging threats in domestic politics, the nuclear proliferations in Iran, terrorism, and energy security are the major issues for Azerbaijan’s foreign policy, in addition to the previously described Karabakh conflict.

The democratization process is important to foster stability not only in domestic politics but also for economic and social development in Azerbaijan. Likewise, any peaceful resolution to the Karabakh conflict is highly dependent on the political leadership in the country. Since the independence of Azerbaijan in 1991, the larger oil revenues and oil-led economic development have created a rentier state instead of a market economy. Thus, the hopes for democratization have faded, as the political leadership in Azerbaijan distributes selective benefits to certain political and social groups in exchange for political acquiescence. The dependence of prominent state bureaucrats, regional administrators, and businessmen on the allocation of revenues and resources that are strictly controlled by President Aliyev and his extended network of loyal family/clan members further strengthens undemocratic governing institutions. President Aliyev disassociates himself from his constituents, because the Azerbaijan government does not need to extract resources from a domestic economy that lacks diversified sectors. The economy of Azerbaijan is heavily dependent on the growth in the oil and gas sector, which accounts for nearly 90% of total exports.61

With the exception of the short presidency of Abulfaz Elchibey between 1992 and 1993, President Haydar Aliyev was Azerbaijan’s most dominant political figure after 1969, first as party secretary of the Soviet Republic of Azerbaijan, then as Soviet Politburo member between 1982 and 1987, and

finally as president of the Republic of Azerbaijan until his death in 2003. Although Haydar Aliyev was repeatedly reelected, the elections were not truly democratic and fair. Great power was concentrated in the hands of the president, regional networks centered on him, and his immediate family/clan has dominated the political landscape. President Aliyev prepared the political ground for his son Ilham’s succession. At the end of 1999, Ilham Aliyev was formally appointed deputy leader to the New Azerbaijan Party, second only to his father. Thus, both the public and the opposition were expecting Ilham Aliyev’s candidacy in the presidential race. On October 16, 2003, the Central Election Commission \(^63\) declared that Ilham Aliyev had won the elections. \(^64\) However, international observers such as the OSCE declared that the election could not be considered a genuinely democratic process, as it was marred by widespread and serious manipulations that included ballot-box stuffing, unmonitored voting, and purges of opposition voters from the rolls.\(^65\)

Furthermore, despite the pressure to conduct fair elections that Azerbaijan’s well-developed but fractured political opposition and the international community put on the Azeri leadership, the last parliamentary election in November 2005 did not meet international standards for democratic elections. Even though there were improvements in some respects during the pre-election period—notably in the registration of candidates—important shortcomings were evident with continued restrictions on the freedom of assembly, detention of the opposition “Azatlik (Freedom) Bloc” supporters, dominance of pro-government officers at the national and provincial levels in the Central Elections Commission, and deficiencies in tabulating results.\(^66\)

In fact, fearing a coup, President Aliyev fired Economic Development Minister Farhad Aliyev on

\(^{62}\) International election observers from the OSCE, NDI, and other local NGOs have repeatedly criticized the conduct of presidential elections in Azerbaijan (1993 and 1998).

\(^{63}\) The Central Elections Commission is dominated by Aliyev’s party, which actually controls two-thirds of the seats.

\(^{64}\) Ilham Aliyev got nearly 80% of the vote, while the leading opposition candidate, Isa Gambar, won 11% of the vote. See Seth Mydans, “As Azerbaijan Decides on a Son, Cries of 'Foul!' are in the Air”, The New York Times, October 16, 2003.


\(^{66}\) Although the observers reported smooth voting proceedings in 87% of the polling stations they visited, they viewed ballot counting as bad or very bad in 43% of the counts observed (OSCE/IEOM, Parliamentary Election, Republic of Azerbaijan, 6 November 2005: Statement of Preliminary Findings and Conclusions, Baku, November 7, 2005.)
charges of conspiring with exiled opposition leader Resul Guliyev to provoke unrest and seize power.\textsuperscript{67}

The crackdown on opposition leaders and reform-minded members of the ruling New Azerbaijani Party has been interpreted as a sign that Ilham Aliyev’s presidency is alternately strong or weak. However, President Aliyev has all the means to consolidate his power by taking advantage of the geopolitics and oil-led development in Azerbaijan.\textsuperscript{68} In fact, a series of removals of high-level government officials demonstrated that President Aliyev has been determined to consolidate his power and weaken that of his potential rivals.\textsuperscript{69} Thus, President Aliyev opts for the path of measured democratic change in which he is assured that he would not face a serious challenge within the ruling elite.

Moreover, the Azeri leader has become confident in the expectation that his country’s strategic partnerships both in the global war on terror and the “East-to-West energy corridor” will balance the pressure to promote genuine democratization. Despite unfair election procedures—reportedly carried out below international standards—the long-term strategic interests of the USA favor stability in the region rather than the rapid, uncontrolled political change likely to be promoted by local NGOs or opposition groups.

On the other hand, Turkey has been cautious in her bilateral relationship with Azerbaijan in the aftermath of the removal of and the attempts to remove the authoritarian Presidents of Kyrgyzstan and Uzbekistan, respectively. The Ministry of Foreign Affairs of Turkey took the necessary steps to distance Turkish foreign policy from the image that Turkey has an incontestable relationship with the current leaders in Central Asia and the


\textsuperscript{68} Although the opposition “Azatlik Bloc” reorganized itself into a new coalition, the Democratic Front (in order to continue organizing peaceful demonstrations against election results and calling for the government to resign), on November 26, 2005, riot police officers violently attacked a peaceful demonstration, beating Ali Kerimli, the opposition leader of the People’s Front of Azerbaijan. See C. J. Chivers, “Police Break Up Peaceful Demonstration in Azerbaijan”, The New York Times, November 27, 2005.

\textsuperscript{69} For example, in February 2007, Kamaladdin Heyderov, the head of the Customs Committee was removed from the office that he had held since 1996. Likewise, Sirus Tebrizli, Huseyin Abdullayev, and Ali Insanov the leading members of the ruling New Azerbaijan Party were substituted with new people who were devoted to President Aliyev (Rovshan Ismayilov, “Azerbaijan: Recent Shake-ups Reinforce President’s Power”, Eurasia Insight, 2 February 2006; and Rovshan Ismayilov, “Azerbaijan: President Presses Generational Change within Governing Party”, Eurasia Insight, 10 April 2007.
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Accordingly, the opposition leaders of Azerbaijan, who came together under the “Azatlık [Freedom] Bloc” as the preparations for the country’s parliamentary election campaign was underway, visited Istanbul to share their agenda with Turkish officials in June 2005. Therefore, despite the strategic interests of Turkey in the “East-to-West energy corridor” through the planned energy hub in Turkey, Turkish foreign policy seems to perceive the completion of BTC pipeline as an opportunity to expand its capability for maneuvers, in the case of a change of power in the Azerbaijan government.

For example, the visit of Turkish Prime Minister Tayyip Erdogan to Baku on June 30, 2005 not only emphasized the friendly and strategic relationships between the two countries but also Ilham Aliyev’s concerns on the acceptance of Azeri opposition groups by Turkish officials. Interestingly, following Mr. Erdogan’s visit to Baku, flights between Azerbaijan and the Turkish Republic of Northern Cyprus (TRNC) began, and President Ilham Aliyev met with the first President of TRNC, Rauf Denktas, and Minister of Foreign Affairs, Serdar Denktas. The timing of President Aliyev’s gesture seems to reposition the converging interests of Turkey and Azerbaijan in their foreign policies beyond the immediate demands of the international community on Aliyev’s leadership for an accelerated democratization process in Azerbaijan.

Accordingly, the leverage of Turkey and the USA on the democratization process of Azerbaijan is important, because both countries are likely to face a trade-off between strategic partnerships with Azerbaijan in their long-term policies and regional stability, at least in the near future, given the risk of internal instability. Although President Aliyev has consolidated his power, his government is in constant need of legitimation in domestic

70 The author’s interview with a Turkish diplomat on September 14, 2005, in Ankara, Turkey.
72 For the first time since the establishment of the Turkish Republic of Northern Cyprus, a foreign airline’s plane landed at Ercan Airport in Lefkose. The start of flights and visits to Lefkosa and Baku are important, given the current diplomatic isolation of the TRNC and the on-going division in Cyprus. See Enes Cansever and Mesut Cevikalp, “Aliyev’den KKTC’ye tarihi jest: Baku ucus ve ticaret icin dugmeye basiyor [Historical gesture to TRNC by Aliyev: Baku pushes the button for flights and trade]”, Zaman, 1 July 2005; Semih Idiz, “Azerbaycan’ın Kıbrıs acilimi onemli; ama gec ve yetersiz [Azerbaijan’s action on Cyprus is important but late and not enough]”, Milliyet, 1 July 2005; Sefa Karahasan, “Azerbaycan’dan KKTC’ye destek [Support by Azerbaijan to TRNC]”, Milliyet, 18 July 2005.
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politics, given the regional disparities of income and the development, nepotism, and corruption in Azerbaijan.\textsuperscript{73} For example, while radical groups remain weak, a politicization of Islam is taking place in Azerbaijan with the potential to grow under the continued problems of poverty, corruption, and elite-centered authoritarian politics.\textsuperscript{74} Consequently, a long-term failure to fulfill domestic political and economic expectations of the Azeri people may deteriorate the stability in Azerbaijan.

Following the completion of the BTC pipeline and high crude-oil prices since the invasion of Iraq in 2003, the oil boom in Azerbaijan created the world’s fastest growing economy. Real GDP grew by 26.4\% in 2005 and 34.5\% in 2006, and the forecast for 2007 is around 21\% growth. Oil output grew by 41\% in 2005 and 45\% in 2006, while a similar increase is expected for 2007.\textsuperscript{75} However, a large increase in budget spending has pushed inflation up. Average inflation was 8.3\% in 2006 but ended the year at 11.4\%. One of the immediate problems of Azerbaijan’s economy is Dutch Disease, which is the loss of competitiveness in the non-oil sectors of the economy caused by exchange rate appreciation and other factors.

Although the non-oil sector grew by 11\% in 2006 mainly by services, the growth is due to non-tradable industries such as construction booming in Baku. Agricultural output grew only by 1\% in 2006. Agriculture is important for regional development, because it is the largest sector for non-oil exports and employment.\textsuperscript{76} The construction boom in Baku forced rural laborers to migrate to urban areas, bringing the economic and social problems of housing, education, and public services.

Although the oil boom is in its early stage, oil production is estimated to begin declining in 2012. Thus, hiking wages and subsidizing farmers in order to increase the president’s popularity prior to the 2008 presidential elections would slow down. While the country’s underdeveloped infrastructure is slowly improving by public investment, the financial services and utilities require not just financial resources but substantial


\textsuperscript{74} For a detailed analysis, see Svante E. Cornell, The Politicization of Islam in Azerbaijan, Central Asia-Caucasus Institute and Silk Road Studies Program, Washington, D.C., 2006.

\textsuperscript{75} Economist Intelligence Unit, “Azerbaijan economy: Gone Dutch”, 7 March 2007.

reforms for efficiency. There are few banking services beyond major cities that impede small business development and entrepreneurship.

Moreover, the business environment is unstable and hardly flourishes outside of the elite circle. Since the presidential elections in October 2003, a number of major enterprises have been subject to official assaults by the government.\textsuperscript{77} The deterioration of the business climate and large-scale nepotism and corruption constitute a threat to the Turkish-Azeri trade relationship.\textsuperscript{78} Turkish companies have the largest foreign, direct investment in Azerbaijan’s non-oil sectors. The total amount of these investments has been steadily increasing, exceeding that of the USA and the United Kingdom.\textsuperscript{79} However, Turkish companies have been facing difficulties and experiencing malpractices in a climate of corruption and lack of strongly monitored regulations in customs.\textsuperscript{80}

Nevertheless, the start of the railway project between Kars-Akhalkalaki-Thilisi-Baku (KATB) created an important opportunity to improve the transportation infrastructure as well as the trade volume in the region. The railway’s total length is 258 km, and the overall cost is estimated to be $600

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\textsuperscript{77} For example, the downstream oil company Azpetrol was taken over by the state during the 2005 parliamentary elections, and its major shareholders were jailed (Fariz Ismailzade, “Is Aliyev Government Meddling in Azerbaijan’s Business Sector?”, \textit{Eurasia Daily Monitor}, 11 January 2006).

\textsuperscript{78} Barmek, the Turkish electric power company, was granted permission for 25 years to manage the electricity distribution system of Baku, Sumgait, and the whole northern part of Azerbaijan. However, the company faced charges in March 2006 and was accused of being tied to the former Minister of Economic Development, Farhad Aliyev, who was arrested in October 2005 on charges of an attempted coup (Fariz Ismailzade, “Baku Seems Determined to Trade Turkish Business into Russian”, \textit{Central Asia-Caucasus Analyst}, 8 March 2006). There have been other unreported incidents, and since the second half of 2006, a group of Azerbaijani businessmen have migrated to Georgia and Kazakhstan because the business climate has been more favorable there (\textit{Economist Intelligence Unit}, 7 March 2007).

\textsuperscript{79} For example, the total foreign investment in non-oil sectors by Turkish companies reached $136.6 million US in 2006 (The State Statistical Committee of the Republic of Azerbaijan, \textit{Azerbaijan in Figures 2007}. http://www.azstat.org/publications/azfigures/2007/en/).

\textsuperscript{80} For example, although about 12,000 Turkish trucks per year cross Azerbaijan, trans-border passage licenses for Turkish trucks have been limited to 3000 in 2006.\textsuperscript{80} Moreover, due to extended periods for customs control or inappropriate custom practices, Turkish trucks stay longer in Azerbaijan, which, in turn, increases the overall cost of Turkish transportation firms. In addition, a road tax imposed on Turkish trucks adds an additional cost for Turkish exports, while other competitive countries’ trucks are exempted from this tax (Osman Ozcan, Foreign Trade Secretary in the Turkish Embassy to Azerbaijan, “Azerbaycan ve Turkiye” [Azerbaijan and Turkey], June 2006, June 2007. http://www.turktrade.org.tr).
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The capacity is planned to carry 10-15 million tons annually by the third year of operation and up to 20 million tons annually afterwards.\textsuperscript{81} Construction is scheduled to be completed by the end of 2008. The KATB railway project will be the first major project to revitalize the “new Silk Road”. Despite the EU’s program (TRACECA) for a transport corridor between Europe, the Caucasus, and Central Asia, the EU is not involved in the project. In the absence of the EU and financial support from the USA, the strategic alliance between Turkey, Georgia, and Azerbaijan demonstrated that these countries could take substantial initiatives to strengthen regional cooperation and economic development in their countries.\textsuperscript{82}

Nuclear proliferation in Iran and the rising tension between the USA and Iran have implications for Azerbaijan’s foreign policy. First, Azerbaijan clearly declared its strict neutrality and called for a diplomatic resolution to the differences between Iran and the USA. Second, a major portion of the world’s Azeris (estimates range from 6-12 million) live in Iran. Ethnic Azeris are Iran’s largest ethnic minority, consisting of almost one third of its population.\textsuperscript{83} The southern regions of Lankaran and the Nakhchivan Autonomous Republic have the closest relationships with Iran including trade and energy. However, Iranian Azeris are pleased to be Iranian, because they never felt discriminated against in the political, economic, and social life of Iran. In fact, some famous religious leaders as well as post-Iranian revolution leaders like Ayetullah Ali Hamaney have been Iranian Azeris.\textsuperscript{84} Third, Azerbaijan participated in Individual Partnership Action Plans (IPAPS) for military and civil-military reforms in 2005, following NATO’s Partnership for Peace (PfP) aimed at facilitating the modernization of their armed forces and at increasing ties with Europe. Azerbaijan deployed 30 troops in November 2002 to assist the US-led coalition in Afghanistan. Likewise, Azerbaijan supported the US-led Operation Iraqi Freedom and sent 150 troops in August 2003. Accordingly, the large amount of investment by US oil firms in the oil and gas sector of Azerbaijan and the strategic alliance with the USA for regional


\textsuperscript{82} Azerbaijan provided a $220 million US loan to Georgia for the construction of the Georgian section of the railway, while Turkey and Azerbaijan are financing their sections. A declaration of intent to build the KATB railway was signed in May 2005 between Azerbaijan, Turkey, and Georgia; the credit agreement between Azerbaijan and Georgia was signed in January 2007.


\textsuperscript{84} Iranian Azerbaijani religious leaders are Ayetullah Hoyi, Ayetullah Tebrizi, Ayetullah Lenkarani, and Ayetullah Musavi Erdebili.
security require a skillful diplomatic approach to the Iranian nuclear problem. While the strategic relationships with the USA in economy and security are essential parts of the pro-Western policy of Azerbaijan’s foreign policy, maintaining its neutrality on the rising tension between the USA and Iran has been imperative. The overwhelming preference of the Azerbaijan public is also to maintain the status quo and to be neutral in case of any military operation. Thus, Azerbaijan and Turkey have a similar position favoring a diplomatic resolution to the nuclear proliferation in Iran.

A major aspect of Turkey’s energy strategy is to complete “the East-to-West Energy Corridor”. This corridor essentially aims to transport the energy resources in the Caspian Sea region to Western markets by alternate routes that bypass Russian territory. Therefore, a critical issue for developing the Caspian gas fields and building trans-Caspian pipelines is access to the EU energy market. The planned trans-Caspian pipelines will enhance supply and diversify transit routes for the EU energy market by interconnecting the Turkey-Greece-Italy and the Nabucco (Turkey-Romania-Bulgaria-Hungary-Austria) gas pipelines. However, the completion of the trans-Caspian pipeline projects depends strictly on the development of long-term contracts and the pace of new infrastructure investment in the EU energy markets. The creation of an integrated internal energy market and a coherent external energy policy in the EU are vital steps to identify buyers, before the Caspian region gas resources are extracted, and pipelines are constructed.

The stability in Azerbaijan and in the Caspian region, thus, is increasingly important in light of the energy security of the EU and the planned energy hub in Turkey. Rather than individual initiatives by EU members, an external energy policy should be established in order to plan and finance the required infrastructure in coordination with ongoing projects for an energy hub in Turkey. Therefore, there is a need for political will beyond market incentives to complete and finance the required new infrastructure. A strong political will is needed in the European Council and the European Parliament to create a coherent external energy policy. Such a will is essential for enabling a coordinated approach to new investments in infrastructure, in gas markets particularly. The lack of such political determination will undermine not only the EU energy security strategy but also the planned energy hub in Turkey, emphasized as being of “strategic importance to the EU”.

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86 For an official statement on Turkey’s energy policy, see Ministry of Foreign Affairs of Turkey. http://www.mfa.gov.tr/MFA/ForeignPolicy/MainIssues/EnergyIssues/.
Consequently, the democratization process and economic and social development not only in Azerbaijan but also in Kazakhstan and Turkmenistan are important to maintain a stable regional environment for the planned trans-Caspian pipelines. The existing relationships between Turkey, the EU, the USA, and the Caspian countries include a constructive dialogue for a democratization process and sustained economic growth. However, these issues require a long-term strategic agenda that is not limited to energy security and terrorism.
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5. Iran

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Introduction

In order to fully understand the dynamics behind Iranian policy making, in domestic matters as well as in foreign policy, the Constitution of 1980 has to be reviewed briefly. Iran today is the only surviving Islamic Revolutionary state where the policy-making structure is defined by the constitutional and the institutional system that was generated by the 1979 Islamic Revolution.¹ This system is one of the main reasons why there are competing and clashing factions within the policy and decision-making system and by itself contributes a great deal in explaining the policies, that have succeeded or failed, in Iran during the 1990’s.

The system that came to existence with the revolution consisted of both elected representatives and non-elected bodies. The main bodies consist of the Vali-ye Faqih, the Supreme Leader who is appointed by the Assembly of Experts; the President who is elected every four years; the Majlis, the Parliament also elected every four years; the Cabinet; the Assembly of Experts elected every eight years with the duty to decide on the successor to the Supreme Leader; the Council of Guardians; the Expediency Council that serves as the organ to arbitrate between decisions of the Parliament and the Council of Guardians; the Judiciary that is presided by a candidate elected by the Supreme Leader; the Armed Forces; and the Revolutionary Guards Corps as well as Bonyads, para-statal and non-state organizations that have ties with the clerics in power.²

Therefore one can conclude that the President and the Majlis are the only fully elected bodies in the policy making structure, however the rest of the official bodies are either non-elected or they are under the control of non-

² Ziba Moshaver, “Revolution, Theocratic Leadership and Iran’s Foreign Policy: Implications for Iran-EU Relations”, in Analysing Middle East Foreign Policies, the Relations with Europe, Gerd Nonneman (ed.), Routledge, Abingdon, 2005, pp. 174-196.

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selected bodies. Another important fact that shows the limits in the
decision-making of the elected representatives is that those representatives
can only be elected once they are authorized to become a candidate by the
non-elected Council of Guardians.

Iran’s political culture has been characterized by clashes between
conservatives that promote a return to the main principles of the Islamic
Revolution, a more strict political and social order labeled as
“shari’atisation” by many authors. The conservatives also advocate a more
meticulous process whereby candidates to government offices are elected
by putting special emphasis on whether or not a candidate’s “Islamicity” is
sufficient for his candidacy. In the economic area, the conservatives are
unwilling to open the economy to outside actors, be they foreign investors
or international financial institutions, and support an economic system
under the strict control of the state apparatus. However, because of their
opposition to liberalization and democratization, conservatives in Iran can
not necessarily be labeled as radicals, per se. They are against those ideas
because they fear that the implementation of such policies would shaken
the very foundations of the Islamic regime and put into jeopardy the
changes that are brought to bear by the revolution. The decision-making in
Iran, whether on foreign or domestic issues, is generally achieved through
negotiations between different bodies rather than being the result of an
institutional mechanism.

The Rafsanjani Period

The death of Islamic and Revolutionary leader Ayatollah Khomeini in 1989
open the way for change and reform in Iran because Khomeini himself was
an emblematic figure of the revolution and he had strict opinions about
how the Islamic Republic should function in domestic as well as in foreign
spheres. Ayatollah Khamanei succeeded as the Supreme Leader of the
Islamic Republic of Iran. There have been since the 1980’s reforms in the
Constitution, but none of those reforms were made at the expense of the
centers of power’s authority. Khamanei remains today the ultimate
decision-maker and the authority in the Islamic Republic.

By the end of the 1980’s, a need for change in Iranian politics manifested
itself. The pillars of the Islamic Republic of Iran are laid out in the Islamic
Constitution that was designed at a time when the fundamentalists did not
feel secure about their position. Therefore, the Constitution was designed
as a mean to empower the executive bodies with a view to protecting the
principles behind the revolution by preventing any forms of challenges

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against the Faqih. With the deteriorating health of Khomeini, the end of the Iran-Iraq war, and the need of economic restructuring, by 1990s the pragmatists in the Iranian Parliament advocated for a change in the constitution that would provide the president with more power. Ali Akbar Hashemi Rafsanjani was among the main architects of the new Constitution that was drafted in 1988. The new Constitution abolished the post of prime minister, transferring all the related powers to the president, gave the president the power to select or to dismiss ministers with the confirmation of the Majlis. The constitution also increased the president’s say over the conduct of economic and foreign policy. Also the power of the president in matters related to defense and intelligence were increased.

Ali Akbar Hashemi Rafsanjani was the first president to serve under the new Constitution. The new, improved, powers of the presidential post allowed Rafsanjani to pass the First Five Year Development Plan through both the Majlis and the Council of Guardians.5 Rafsanjani succeeded to some degree in reducing the tension between the old and new institutions of the Islamic Republic such as the Revolutionary Guards and the regular security forces. Rafsanjani also succeeded in adopting a new approach in international politics and revolutionary thoughts, and ambitions became more moderate. This can be perceived in Iran’s attitude during the First Gulf Crisis when the country opted for “active neutrality”.

The relative success of Rafsanjani's presidency can be explained by his management abilities, the new Constitution that gave him more freedom of action and also the co-operative role played by the new Supreme Leader Ayatollah Khamanei who kept a lower profile when compared to his predecessor Khomeini. However, Rafsanjani was not able to rule Iran by himself, as described above, the complex system of decision-making and the influence that different factions had within the policy-making process forces the president to seek a consensus whereby decisions could be reached by each side making compromises.6

The Khatami Period

Iran’s constitution limits the presidency of a given person to two-terms. Therefore Rafsanjani, having already served as President for two terms between 1989 and 1997, could not run for President in the 23 May 1997 elections. On the other hand the Iranian people, especially the Iranian youth and women as well as other segments of the society that previously strongly supported the creation of a theocratic regime, were increasingly dissatisfied with Rafsanjani’s political, social and economic policies. The dissatisfied segments of the population, women, students, disadvantaged economic groups, religious and ethnic minorities, human rights activists

5 Ibid.
6 Ibid.
and intellectuals, later named after the day of Khatami’s election “the
Second Khordad” movement, organized a strong presidential campaign for
Hojjatoleslam Sayyed Muhammad Khatami. The participation in the 1997
elections was unprecedented with 80% voter participation. Khatami,
became the fifth post-revolution President of Iran, chosen by
approximately 21 million voters, equating to nearly 70 percent of the votes
cast nation-wide. Khatami's term as president was regarded as a “turning
point” for the Islamic Republic.

Several factors can be listed to explain Kathami's victory. The
dissatisfaction with the Rafsanjani's government is one of the most
important reasons in this respect. Rafsanjani's economic policies failed to
benefit the population, while allowed a group of nouveaux riches to rise. He
was also suspected of leading policies that would benefit more his own
family. The reconstruction of the war torn zone of the 1980-1988 Iraq-Iran
war did not proceed at the expected rate. The economy remained stagnant.
The exchange regime was problematic. The privatization program was a big
failure and allowed corruption and irregularities. The inflation levels and the
foreign debts had reached historical records. Besides economic problems,
the society in Iran claimed changes. The rise in the literacy rate of the
population, the urbanization and the growth in the population increased the
say of the youth and the women. The society wanted less control over their
everyday lives. The young populations resented the controls of the Basiji, a
militia formed by volunteers to enforce the norms of the Islamic Regime
such as the obligation to wear the veil, or to assure that every woman is
accompanied by an appropriate legal male guardian being their father,
husband or brother or to prevent gender-mixing in public places.

Another reason why Khatami obtained such a victory at the ballots was the
reaction against his rival at the Presidential elections, namely Ali Akbar
Nateq-Nuri. Nateq Nuri was the Speaker of the Majlis and he reflected the
willingness to enforce Islamic legal and ethical norms in the government
and in the society at large. This ambition generated resentment in women,
young Iranians and liberal voices. Therefore in reaction to Nateq-Nuri,
Kathami that represented the opposite of Nateq-Nuri gained support. In
addition, Nateq-Nuri gave signs that he would follow some of the least
popular policies of Rafsanjani in the economic arena and he appeared as a
status-quo politician to many. As said above, Kathami's campaign promised
reforms in the areas of human rights and freedoms, social justice, the rule
of law, an improvement of the civil society, an improvement in the

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7 Jahangir Amuzegar, “Khatami’s Legacy: Dashed Hopes”, *Middle East
8 Ziba Moshaver, “Revolution, Theocratic Leadership and Iran’s Foreign
Policy”.
9 Olivier Roy, “Tensions in Iran”.
10 Jahangir Amuzegar, “Khatami’s Legacy”.

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economic conditions of all, more equal opportunities in the economic sphere and he also promised reduced tensions with the outside world. This campaign fascinated all segments that recognized the need for change in the Iranian political sphere.

Another reason of Kathami’s victory was his personality. His lifestyle suggested that he was a clear contrast to his opponents that all led more old fashioned life styles. His appearance, his monogamous life, his sense of humor, his more secular college past, the way he tolerated the opposition's views and his preference of dialogue instead of confrontation made him an attractive candidate for Presidency.

To sum up the main reasons behind Kathami’s victory was the strong aspiration toward finding a way of transformation in all political spheres. After two terms of conservative politicians, Kathami’s left-of-center policies presented an opportunity for political change in order to keep up with the new conditions under which reforms within the government and the society took place. Change was perceived as essential and the support of the Iranian youth was a key factor in Kathami’s triumph.

The changes in the political scene did not affect Iran’s long lasting economic problems. The Islamic Republic of Iran has struggled during the 1990's in reconstructing its economy that was severely damaged both by internal and external factors that immediately followed the Islamic Revolution of 1979. There have been trade sanctions that were imposed by external powers and important Iranian assets abroad have been frozen right after the revolution. The war with Iraq, which broke out right after the revolution and lasted for eight years, was also an important factor destabilizing the Iranian economy and putting pressure on the country's economic resources. In addition to those factors, the rapid changes that took place in the oil markets had important repercussions on the Iranian economy.

**Economic Situation**

In order to redress the economy of the country, the government headed by the President Rafsanjani launched the First Five-Year Economic Plan in 1989. The main objective of the plan was to stimulate the national economy that was struggling with high levels of unemployment, lack of productivity in the industry, high levels of inflation and an increasing imbalance between the rich and the poor within the country. The plan consisted of structural adjustment policies recommended by the

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11 Ibid.
12 Ibid.
International Monetary Fund (IMF) that would provide the government of Rafsanjani with a guide to follow in order to realize their economic liberalization projects and succeed in their structural reforms. The plan included an important part on administrative reforms, through reducing the number of decision making and policy planning bodies in the economic area. It consisted of reorganizing the public administration more effectively by erasing all duplication and overlapping of functions and duties. It was also an attempt to regulate the market mechanisms on more solid judiciary foundations by improving laws and regulations.

The First Five-Year Plan relied on the privatization of large industries, on putting an end to the multiple exchange rates, in encouraging direct and indirect foreign investment. It also consisted of establishing free trade zones, on luring back to Iran the skilled immigrants. In order to put this plan into action, Iran needed capital. This caused a drastic change in Iran’s revolutionary principles that were against borrowing from international financial institutions and calling on foreign investment. More than a decade after the Islamic Revolution, Iran for the first time borrowed USD 250 million from the World Bank in 1990. In order to decrease the voices of his critics, Rafsanjani publicly stated that despite this loan the Islamic Republic of Iran was still “true to the ideals of the revolution” and that the loan, by allowing the country to redress its economy, would serve to make Iran a model of Islamic independent state for the rest of the world.

Therefore, the First Five Year Plan can be seen as the first attempt to improve economic, social and cultural affairs in Iran. According to the statistics that are available, during the First Five Year Social and Economic Development Plan the Gross Domestic Product (GDP) increased by 7.3 percent on the basis of 1988 factor prices. The GDP per capita increased from 197,000 Riyals at the beginning of the First Five Year Plan to 240,000 Riyals in 1993, while the fixed gross domestic investments increased by 13.3 percent. The private consumption increased by 7.7 percent per year, whereas the public consumption increased by 5.5 percent each year during the same period. In addition, the ratio of fixed gross domestic investments to GDP, which had been declining until then, rose from 12.4 percent in 1988 to 16.3 percent in 1993.

The Second Five Year Plan that immediately went into effect after the end of the First Five Year Plan in 1993 aimed at bringing into life more

14 Ziba Moshaver, “Revolution, Theocratic Leadership and Iran’s Foreign Policy”.
15 Akbar Shokoohi, “Public Administrative Reform in Iran”.
comprehensive regulations than the previous one. The Second Plan put an emphasis on increasing productivity, expanding the agriculture, promoting sustainable economic growth. It also aimed at normalizing the weight of oil revenues in the overall economy by reducing the dependence on oil revenue and promoted a greater expansion of non-oil exports.

The attempts by Rafsanjani to inject a limited amount of capitalism in the Iranian economy faced some resistance in the Majlis, where conservative voices raised suspicions about how capitalism and the Islamic regime can be compatible. By 1995, public reaction forced Rafsanjani to leave aside important elements of the Second Five Year Plan such as the floating exchange rate, the elimination of subsidies for consumer staples and the privatization of state-owned enterprises. A high inflation rate and a USD 30 billion foreign debt are what Iranians remember of Rafsanjani's liberalization effort.

At the time of his election, Khatami inherited from Rafsanjani an economy haunted by low crude oil prices, inflation, budget deficit, in addition to imbalance in external payments and agricultural problems caused by drought. Although most of the economic reforms were started during Rafsanjani’s term in office, their benefits were visible during Khatami’s presidency. Especially during the second term of Khatami, the economic indicators have shown improvement in certain areas. The 2000-2005 Five Year Plan launched by Khatami aimed at removing trade restrictions, at modifying the economic structure and harmonizing the rules, norms and regulations governing production and investment. The plan was put in place to achieve the institutionalization of the required structures and the employment of political economic and cultural obligations and essential necessities, which would assure a stable growth in Iran’s economy. The real gross production in Iran grew of 4.6 percent per year between 1997 and 2005. The population of Iran continued to rise, although at a slower pace than in previous years, at an annual rate of 1.6 percent. The real per capita income also followed an upward direction, by increasing from USD 1,550 to USD 2,300 per capita with approximately 3.0 percent per year.

To sum up, the sudden increase in crude oil prices that took place between 2002 and 2005 allowed an increase in Iran’s oil exports revenues from USD...
15.4 billion in 1997 to USD 36.3 billion in 2005, this increase in return allowed the government to take steps to reduce poverty through subsidies and welfare assistance. Also the non-oil exports increased from USD 2.9 billion to 7.5 billion. The exports in the service sector, on the other hand, tripled during the same period. The rise in the oil revenues also allowed the imports to reach USD 36.6 billion from approximately USD 14 billion. There were also improvements on the unemployment rates, with practically twice as many job opportunities than during the previous Rafsanjani government and unemployment decreased from 15 percent to 11 percent. Although external debts were higher than at in previous terms, during Khatami’s rule, the percentage that those debts represented in relation to the GDP of Iran was much smaller. The increase in the oil revenues also allowed the nation to extend their foreign exchange holdings at a record level of approximately USD 34 billion. Khatami was also able to provide the Iranians an improvement in infrastructures; he provided electricity to rural areas, extended telecommunications, Internet access, natural gas lines and construction of housings and beautification of the urban area.

The main reason behind the success of Khatami’s economic policies lies in the acceptance that reforms were needed to align Iranian policies with world realities. Iran was assisted by the IMF in drawing economic policies and in implementing reforms, which allowed growth while sustaining high employment and low inflation. The main policy that allowed those positive outcomes in the economic sphere has been the simplification of the multiple exchange rates and the establishment of a single floating exchange system in March 2002. Another cornerstone in Iranian economic policy has been the compliance with liberal obligations under the IMF restrictions. Iran during the same period became a member of the World Bank’s Multilateral Investment Guarantee Agency. The Iranian Central Bank was also allowed to have more independence from the government, the credits that were allocated through the Central Bank by the request of the Majlis were reduced. The Khatami government also launched a reform in the fiscal area in 2002. On the other hand, private banks and insurance companies were issued licenses for the first time since the 1979 Iranian Revolution when banks and insurance companies were included in the nationalization wave. Privatization was also put under the supervision of the National Privatization Organization established in 2001 to centralize privatization policies and as an attempt to put an end to corruption that surrounded the privatization process. However, once again, reforms planned by the Khatami government could not be put into action in a harmonized manner, therefore their success has been limited.

24 Ibid.
25 Ibid.
Foreign Policy

On the foreign policy of Iran, the Rafsanjani term was marked by changes on several fronts. The Rafsanjani government attempted to improve relations with the Gulf States. The invasion of Kuwait by Iraq in August 1990 gave Rafsanjani a window of opportunity to normalize relations with other Gulf States. The countries, previously threatened by Iran’s willingness to export its Islamic Revolution were now threatened by a more imminent danger that was the Saddam regime; therefore they presented a readiness to cooperate with Iran. The declaration of the Gulf Cooperation Council in 1990 Qatar Summit can be a clear sign of this decision.

With regard to Iran’s relations with Europe, the period between 1989 and 1997 has been a period where both sides were willing to leave ideological differences aside in order to explore their mutual functional interests. This change in Iran’s stance vis-à-vis the other countries resulted from two main developments. The first development was Iran’s willingness to have friendlier ties with the Gulf States and its Arab neighbors. This affected positively the possibility of Europeans to increase interactions with Iran, not only because they viewed Iran as an important source of oil and gas but also because with its population of over 60 million people, Iran offered a lucrative trade and investment prospect. An additional factor in Europe’s willingness to increase relations with Iran was to be able to free their hostages held by the Shia militants in Lebanon more easily and avoiding terrorist attacks on their soils.

From the perspective of Iran, the collapse of the Soviet Union forced Iran to look to other possibilities to balance the US. Iran saw in its relations with Europe a possible source for its foreign loans, credit, investment and technology that the country badly needed to perform its economic rehabilitation, subsequent to the Iraq-Iran war and also to continue the reconstruction of the war-torn regions that were devastated. Another event that allowed improvements in the relations between Iran and the international community was the earthquake that hit Iran on 21 June 1990. Facing one of the worst disasters of its history, Iran could not deal with the catastrophe on its own. The moderates in Iran thought that this could open a window of opportunity for a more balanced Iranian foreign policy while at the same time providing relief to the victims of the disaster.

26 Ziba Moshaver, “Revolution, Theocratic Leadership and Iran’s Foreign Policy”.
29 Shireen T. Hunter, “Iran after Khomeini”.
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Iran declared that it was willing to accept foreign aid to deal with the tragedy, including aid from the United States. This call was received by the Western world and aid was granted to the region. Germany and France were the two countries that provided the most aid to the country. On the other hand Saudi-Arabia, another country that had encountered tensions with Iran, sent an important amount of aid. This disaster showed once again that Iran in order to redress its economy in times of crisis or disasters needed to improve its relations with the external world, therefore opt for a more pragmatic rather than ideological approach to foreign policy.

Another important event for Iranian policy makers in the 1990’s was the war in the Gulf that followed Iraq’s invasion of Kuwait. In August 1990, Saddam Hussein’s armies invaded and occupied oil rich regions of Kuwait. The crisis culminated in the intervention of the US-led Coalition Forces to the area and the defeat of Saddam’s forces. The most important benefit for Iran was that Iraq, in order to direct all its military assets toward coalition forces in Saudi Arabia, had to cease hostilities on its Iranian border and therefore Saddam had to accept certain terms imposed by Iran, one of which was the signature of the peace terms determined by Iran which imposed the recognition of Iranian and Iraqi joint sovereignty over the contested region of Shat-al-Arab. This peace accord heightened hopes for Iranians in diverting their resources to their economic revitalization rather than spending their wealth for military buildups. However the peace accord signed between Saddam and Rafsanjani did not satisfy the Western community that hoped Iran would reject the peace offer therefore prevent Saddam from bringing additional troops to its Saudi Border. The West failed to understand that Iran could not adopt a more pro-Western policy because of primarily the domestic pressures on Rafsanjani government that refrained from appearing too pro-Western to Iranian people.

Iran, after the Gulf War, wanted to be part of a security framework within the Middle East but rejected the idea of any foreign troops being present in the Gulf. However, the Gulf Countries and the Western Countries, especially the United State and Britain, preferred to keep Iran out of any security arrangements that could come to life.

The Gulf Crisis was another event that allowed a relative improvement in Iran-Europe relations by showing that Iran had still a strategic importance in the Post-cold War Middle East and also by Iran acquiring sympathy from

30 Ibid.
33 Adam Tarock, “Iran-Western Europe Relations on the Mend”.

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the European because of its open door policy towards the Kurdish refugees fleeing Iraq. Those events and the resolution of the Rushdie affair caused a great improvement in Iran’s relations with European countries including Britain. In addition to European countries, there was a clear improvement in Iran’s relations with Saudi Arabia, Jordan, Morocco and other countries during the same period.

The improvement in European relations with Iran caused a gap between US and European policies regarding Iran. The US, in addition to earlier-established sanctions against the Islamic Republic, included Iran in a “Dual-Containment Policy” announced in 1993. In 1995, the US government introduced new sanctions, which banned all US trade and investment with Iran. The Iran Oil Sanctions Act, that later came to be known as Iran-Libya Sanctions Act, was passed to reprimand any US or foreign trading company that invested more than USD 40 million per year in oil and gas development in Iran by boycotting their imports and denying them loans and US government contracts. The reason behind the bill was to put pressure on Europe and any other country to adopt similar policies to the US policy concerning Iran. However the impact of the bill was not one that was hoped by Washington, instead of aligning policies with the US the Europeans, declared the US boycott as illegal in international law and adopted a policy of engagement in addition to continuing their trade relations whereas the US continued its policy of isolation plus sanctions. Europeans claimed that a “critical dialogue” would, by engaging Iran, encourage its government to moderate its radicalism. However relations with Britain, although blossoming in trade and investment, failed to improve due to the poor human rights records of Iran and especially due to the Rushdie case.

By the end of the two-term presidency of Rafsanjani in 1997, the diplomatic reforms proved to be insufficient in promoting change in Iran’s international stance. The relations between Iran and the US remained problematic. The Clinton Administration proved to be insistent on change in Iran’s position on issues such as its efforts to build weapons of mass destruction, its support for terrorism and its opposition to the Israeli-Palestinian peace initiatives, before the US could think about normalizing

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34 Shireen T. Hunter, “Iran after Khomeini”,
36 Adam Tarock, “Iran-Western Europe Relations on the Mend”,
37 Ziba Moshaver, “Revolution, Theocratic Leadership and Iran’s Foreign Policy”.
38 Shireen T. Hunter, “Iran after Khomeini”,
39 Matthew C. Wells, “Thermidor in the Islamic Republic of Iran”,

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relations with the Islamic Republic of Iran. Since there were no drastic changes in Iran’s position, the US maintained sanctions in place, used its influences for preventing Iran’s access to international financial institutions, and used its political weight to influence third parties relations with Iran, such as European countries, Russia and others.

On the foreign policy front, the election of Kathami opened opportunities for better and expanded economic and political ties with the outside world although attacked by sections of the press and the Majlis at home. Kathami’s foreign policy rested on the principles of détente and confidence building. The policy of détente in foreign policy consisted in pursuing confidence-building measures and at easing tensions with other countries. The main principle adopted in foreign relations was that of peaceful resolution of conflicts and “dialogue of the civilizations”.40 Khatami advocated that in a globalizing world, all nations had to learn from one another; therefore even the West that was considered as the source of many ills, according to hardliners, had to be studied. Khatami’s attitude towards the outside world was not based on ideology, as the foreign policy was since the Islamic Revolution, but more pragmatic.

Iran’s relations with a number of Arab states improved during Kathami’s terms. He was elected the President of the Organization of the Islamic Conference (OIC) in December 1997. He made frequent visits to a number of developed countries. He succeeded in easing tensions with Saudi Arabia. Relations with other countries of the regions such as Bahrain, Qatar, and the United Arab Emirates improved considerably. On the global arena, Khatami obtained a tremendous diplomatic victory and succeeded in improving Iran’s international image, when the United Nations accepted his suggestion to declare the year 2001 the year of “Dialogue Among Civilizations”.41 He also showed that Iran was willing to comply with international norms by signing several international treaties such as the treaties against chemical and biological weapons.

The good efforts of Khatami were hampered by the failures in democratization and liberalization. The human rights violations caused the international community to pursue condemning Iran for its bad records. Those failures caused the trend in European Iranian relations to go back to critical talks rather than constructive dialogue.42

42 Ziba Moshaver, “Revolution, Theocratic Leadership and Iran’s Foreign Policy”.

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5. Iran

Iran and the NPT

Another major point of contention between Iran and the world community was Iran's efforts regarding uranium enrichment. Although Iran had signed the Non-Proliferation Treaty (NPT), it was discovered to have a clandestine uranium enrichment program. The international community, against Khatami's claims that Iran had the right to engage in uranium enrichment for peaceful civilian purposes under the terms of the NPT, engaged in talks with Iran in order to convince the Iranians to stop their nuclear program. However, Iran pursued cooperating with the Democratic Peoples Republic of North Korea in developing its missiles, including long-range missiles. This cooperation causes concern in the international arena since it can result in nuclear proliferation with press reports that suggest that North Korea and Iran have been working together in research and development phases of their nuclear programs. Reports, stating that Iran has already bought 12 nuclear-capable 3000 km range Kh-55 cruise missiles from Ukraine in 2001 contribute to those concerns.

Even talks about the US were more conciliatory relatively to the past. At the beginning of his term in office in 1997 and 1998, Khatami clearly stated that he was willing to engage in new more peaceful type of relations with the US. The US also responded in a friendly tone. However the improvements were hampered by both the conservative and fanatical fractions of the Iranian government and by strong anti-Iranian lobbies in the US congress.

It can be said that the Khatami years witnessed a clear improvement in some aspects of foreign policy and in terms of the image projected by Iran to the rest of the world. Iran was still balancing powers against its two declared enemies Israel and the US, but it had the support not only of China and Russia, but also new countries such as Cuba, North Korea and Venezuela.

Iran and the Caspian Sea Demarcation

Iran has been at the center of the disagreements over the legal status of the Caspian Sea. Up until 1998, Kazakhstan and Azerbaijan supported dividing the Sea according to each country's shoreline whereas Russia and Iran advocated for the Caspian Sea to be treated as a lake rather than a sea and therefore promoted a condominium solution of equal distribution among riparian states, while Turkmenistan's stand fluctuated. By the mid-1990's Iran was more willing to make a compromise on its legal claims over the

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44 Ibid.
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Caspian Sea. This move was due to the willingness of Iran in taking part in the energy projects that were drawn around the area. However this window of opportunity to include Iran in the regional projects was not used and Iran was left out and isolated. This was particularly the case with the “Contract of the Century” signed between Azerbaijan and Western oil companies. Therefore Iran returned to an unreconciling position on the issue.

In 1998 Russian and Iranian position on the Caspian Sea’s legal status began to diverge when Moscow started to sign bilateral agreements with Azerbaijan and alter with Kazakhstan in 2001 and grew closer to the “sea position”. Iran made a bold move to show its insistence on the issue and its determination by sending gunboats to threaten a BP explorer vessel scanning a disputed area of the Caspian Sea, therefore starting a crisis. Iran also attempted to heighten tensions in the area and to intimidate Azerbaijan by violating its airspace.

The Iranian position over the Caspian Sea demarcation stems directly from Iran’s economic goals, but also from its wider policy principles that consist on preventing Azerbaijan from gaining more wealth and power, increasing its influence in the region. According to Iran, Azerbaijan represents a potential threat to Iran’s national security, on the one hand because of the important Azeri population in Iran, and on the other hand as being a potential rival. Limiting Western influences in its immediate neighborhood is also perceived as essential for Iran’s security and the economic gains that will result from the energy projects in the Caspian region provide much needed resources for improving Iran’s economic reconstruction. Iran’s position can be explained by the fact that it is believed that Iran’s offshore waters are not rich in oil and gas and by opting for a “Caspian Sea” rather than a “Caspian Lake” demarcation would cause Iran to loose access to resources closer to its neighbors.

In the domestic area, success in the Caspian Sea demarcation dispute has become a highly political issue. The Caspian Sea is not only of economic and strategic importance but bears also a symbolic importance because if resolved in the terms of Iran it would allow Iran to be accepted as a partner in the energy projects and therefore provide recognition form the regional states as well as from Western states. In addition, the Majlis spent considerable numbers of sessions on this issue which was used between different fractions of the government to hamper one another’s effort to implement coherent policies. One example can be that the Majlis, where many suggest adopting a more nationalistic stand point on the issue than

Khatami’s position, has used this issue to criticize President Khatami’s performance on the issue and his talents as a policy maker.

Once again one can see that foreign policy is not directed by the ideology of the Islamic regime but by material state considerations. Iran’s general policy in Central Asia and the Caucasus is led by geopolitical concerns rather than ideological motivations. In issues regarding the area, Iran always chooses the policies that enhance its security and economic considerations.

**Iran and Nagorno-Karabag**

Officially Iran has chosen to stay “neutral” in the conflict between Armenia and Azerbaijan and preferred to act as a mediator. One can see a drift from the official ideology of the Islamic regime that claims to be the protector of Shi’i Muslims on a global scale. There are several reasons behind the neutral posture of the Islamic Republic. First of all, Iran has a greater interest in keeping Azerbaijan involved in the conflict. By doing so, Iran makes it less attractive for Iranian Azerbaijanis disillusioned with domestic realities to support the Greater Azerbaijan idea that encompasses parts of the Iranian soil. On the other hand, Iran fears an escalation of the conflict that can cause waves of refugees from the region and a general instability in the region as a whole but especially in Iran’s northwest border. Iran was concerned with limiting the spread of ethnic and other types of conflict that broke out in the region in the immediate aftermath of the collapse of the Soviet Union in 1991. This concern stems not only because Iran is also a multi-ethnic society that can be highly affected by the waves of independence movements and ethnic nationalism but also because Iran is concerned with the overall stability of the region and about Russia that has on diverse issues been the most important, if not the only, supporter of Iran. Therefore Iran chose to remain neutral on the issue only when the results of the conflict do not threaten Iran’s interests or its security.

Iran offered various types of support to Armenia especially at the height of the conflict between Armenia and Azerbaijan in the form of economic agreements that allowed Armenia to gain resources to reinvest in the conflict. For example, Iran offered a route for Armenia to get access to energy and supplies while on the other hand providing an outlet for Armenian trade. The support of Iran can be also explained through its efforts to balance a Turkish-Azerbaijani alliance that allowed Azerbaijan to

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47 Abbas Maleki, “Myth and Reality of the New World Order”,
48 Brenda Shaffer, “Iran’s Role in the South Caucasus and Caspian Region”,
49 Christopher Rundle, “Iran”,
have military and economic support and also allowed Azerbaijan and the Western world to bypass Iran in accessing world energy markets. However the official position remained neutral and Iranian diplomats have negotiated several instances of cease-fires since 1994.

**Turkish-Iranian Relations**

During the 20th century, Iran’s relations with Turkey remained peaceful, although not always amicable. Until the 18th century, the main reason of tension in the Turkish Iranian relations was the struggle between the Safavid Persian Shi’ism and the Islamic orthodoxy embraced by the Ottoman Empire. The peace accords between Iran and the Ottoman empire reached in the early 1700s succeeded in reducing tensions, by each party recognized that sovereign states could be parts of the Islamic world community even if their interpretations of Islam do not match.

In the first part of the 20th century, there have been commonalities as well as divergences in Iranian and Turkish foreign policies. The most important difference was the fact that Turkey was ruled along the lines of the republican constitutionalism established by Mustafa Kemal Atatürk whereas Iran was ruled according to an absolutist monarchy led by Reza Shah. Although the political systems of Turkey and Iran were divergent, the fact that both country experienced fragmentation on the domestic level and foreign occupation resulted in a common concern in both country’s ruling regime that was to consolidate their domestic power and to strengthen their regimes, at the same time trying to pursue and independent foreign policy. With those vital concerns in mind, neither Turkey nor Iran saw one another as immediate threat, therefore were not hostile towards each another.

During the Cold War years both Turkey and Iran, fearing Soviet expansionism and Soviet influence in their domestic affairs, were within the pro-Western camp and designed their foreign policies accordingly. By joining the Central Treaty Organization (CENTO) as founding members, Turkey and Iran became regional allies.

During the détente period in the 1960’s, with the decrease in tensions between the two superpowers of the international system, both Turkey and Iran could focus on regional problems and causes of concerns. Their efforts in cooperation on a bilateral or multilateral level were supported by the United States. In 1964 Iran and Turkey along with Pakistan founded the Regional Cooperation and Development grouping, which would later turn

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53 Ibid.
into the Economic Cooperation Organization (ECO) to promote economic, technical and cultural cooperation among members although the organization failed in achieving concrete outcomes. At the time, Turkey perceived Iran as a friendly power within the Western camp and most importantly Iran was seen as a status quo power, not willing to jeopardize Turkey’s position in the region or its security.

The 1979 Islamic Revolution shook the stability of Turkish-Iranian relations. The Islamic Republic of Iran, with its militant Islamist statements and its willingness to export its revolution became a cause of concern for Turkey. This was due to the fact that the Islamic revolution in Iran coincided with the rise of political violence in Turkey, at a time when the Turkish Armed Forces established martial law in 1980, and at a period when the country underwent economic crisis.

Another reason why the Islamic revolution caused fissures in Turkish-Iranian relations was that the ties between Iran and the Unites States, that strongly supported cooperation and friendly relations between Turkey and Iran as members of the Western alliance, were cut by the anti-American character of the Islamic Revolution. The Iran-Iraq conflict that broke out immediately after the revolution caused another problem for Turkey since Iraq was then its main energy supplier. In addition, the Islamic Republic’s aggressive statements towards Israel, such as the aim to eradicate the state of Israel created another area of tension between Turkey and Iran. Regime change in Iran caused another factor that increased tensions between the two countries, a flow of Iranian expatriates were already in Turkey, but that increased after the revolution.

Another issue rose when in the mid 1980’s Turkey became the target of the PKK terrorism. Turkish officials suspected that Iran was supporting the PKK, or if not turning a blind eye to PKK terrorists that used Iranian territory to stage attacks on Turkey through the inadequately controlled Turkish Iranian borders. Turkish officials also accused Iran with interfering in Turkey’s domestic affairs and with conducting attacks on Iranians living in Turkey. On the other hand, Iran was accusing Turkey of harboring anti-revolutionary forces, such as the Mujaheddin-e Khalq (MKO).

Although tensions between Iran and Turkey that existed before were seriously increased by the Islamic Revolution in Iran and the mutual distrust between the two countries increased dramatically, both Turkey and Iran wanted to prevent conflict or a rupture in relations. This reluctance to

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55 John Calabrese, “Turkey and Iran: Limits of a Stable Relationship”, p. 77.
56 Ibid., p. 78.
57 Ibid.
escalate the tensions stemmed from the fact that both countries had economic interests in their bilateral relations, with Turkey being an exporter of goods towards Iran and Iran being a major energy supplier for Turkey. The end of the Cold War and the advent of the unipolar world, along with developments such as the developments in the Arab-Israeli peace process and the globalization of the world economy have deeply impacted Turkish-Iranian relations in the 1990s.

In the area of economic cooperation, the 1990s have witnessed positive developments in the relations between the two countries. In August 1996, Turkey and Iran signed two important agreements. A USD 23 billion agreement of gas supply from Iran to Turkey in addition to a gas pipeline construction project, and a second agreement where parties agree to increase the bilateral trade in merchandise to USD 2.5 billion a year.\textsuperscript{58} The signature of the agreements between Turkey and Iran coincided with a period in Turkish political history where the “first Islamic government” of modern Turkey was formed by Necmettin Erbakan whose party the “moderate Islamic” Refah (Welfare) Party won the first rank during the 1995 national elections.\textsuperscript{59} This coincidence enforced the perception that the relations between Turkey and Iran were improving because of the ruling party's Islamic character, however the agreements were designed long before the Refah Party came to power, and the secular politicians and businessmen in Turkey supported economic cooperation with Middle Eastern countries, especially in the energy field where Turkey had an interest in diversifying its suppliers, as long as those attempts did not jeopardize relations with the Western countries.

The 1990’s witnessed deterioration in Iranian Turkish relations especially due to the threat perceptions of these countries towards their domestic security. The 1990s witnessed an increase in the debates on what the role of religion should be in Turkish public life. The municipal elections of 27 March 1994 bringing the Refah Party to power in big cities such as Ankara and Istanbul, and the national elections of 24 December 1995 that resulted in the victory of Refah Party marked a turning point in Turkish history.\textsuperscript{60} Turkish secular spheres and the military were suspicious regarding Iran's intentions towards Turkey. There were according to those spheres, attempts by Iranian politicians and media to agitate the constitutional order in Turkey.

Iran was also accused by Turkey in having interfered in Turkish domestic affairs by supporting radical Islamic organizations through institutions in

\textsuperscript{58} Ibid., p. 83.
\textsuperscript{59} Ibid., p. 81.
\textsuperscript{60} Hakan Yavuz, “Turkish Israeli Relations Through the Lens of the Turkish Identity Debate”, Journal of Palestine Studies, Vol. XXVII, No. 1, Autumn 1997, pp. 22-37.
Turkey such as the Institute for Clergymen, Missionaries and Instructors, libraries, clubs, associations propagating against the secular regime in Turkey.\textsuperscript{61} The events reached a peak on the night of 1 February 1997, when during the commemoration of the “Jerusalem Day” in Sincan a small town in the environs of the Turkish capital Ankara, posters of Hizballah and Hamas were displayed and the secular regime of the Turkish Republic was strongly criticized by the participants, including the Iranian Ambassador to Ankara, namely Mohammed Reza Bagheri who reportedly called for the institution of Shari’a in Turkey.\textsuperscript{62}

The Sincan events precipitated the downfall of the coalition government led by Erbakan, of the closure of his party Refah and also caused serious tensions between Iran and Turkey with Turkey expelling Bagheri. Those allegations were denied by the Iranian government, that in turned accused Turkey of interfering with Iranian domestic affairs. Iran accused Turkey of espionage and also of not putting a halt to the activities of the Mujaheddin-e Khalq (MKO). Iran lodged a diplomatic protest when the MKO organized a rally in Ankara. Iran accused Turkey of participating in the US policies designed to isolate Iran.

Another source of tensions between the Islamic Republic of Iran and Turkey has been the Arab-Israeli conflict and the Turkish-Israeli relations. Since 1980’s Turkey has stated that the Arab-Israeli conflict was a dispute between Arabs and Israelis in general and refrained from seeing the conflict as an Islam versus Israel conflict.\textsuperscript{63} Turkey, the first Muslim country to recognize the State of Israel in 1949, has always been careful in its relations with Israel in order to refrain from offending its Arab neighbors.\textsuperscript{64} However the advent of the Madrid Peace Process paved the way for improved relations with Israel. Besides, Turkey, facing an increasing Kurdish separatist terrorism, saw its role within the NATO alliance decrease with the end of the Cold War and was hardly criticized by the Western countries, especially its European counterparts. Those criticisms regarding Turkey’s human rights records caused several arms supplier countries such as Belgium, Germany, and Norway to stop their arms trade with Turkey. Therefore Turkey had to turn elsewhere for arms purchases, cooperation and security guarantees.

On 23 February 1996, Turkey and Israel signed a military contract for the modernization of the Turkish military aircraft and then more

\textsuperscript{61} John Calabrese, “Turkey and Iran”, p. 85.
\textsuperscript{62} Hakan Yavuz, “Turkish Israeli Relations Through the Lens of the Turkish Identity Debate”,
\textsuperscript{64} Hakan Yavuz, “Turkish Israeli Relations Through the Lens of the Turkish Identity Debate”,

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comprehensive defense and security cooperation agreement that was signed on 28 August 1996 that included an “open skies” clause that allowed Israel to use the Turkish airspace for training purposes as well as for surveillance. When the agreement became public, Iranian officials expressed their suspicions regarding such an arrangement. Then Iranian Foreign Minister Velayati voiced “grave anxiety” and the opposition of the Iranian government to such an arrangement, when at the same time the Spiritual Leader Ali Khamanei insisted on Turkey to reconsider the agreement.65 This development contributed to the crisis in Iranian domestic policies by increasing voices criticizing Rafsanjani in his inability to dissuade Turkey from aligning with Israel. All those developments pushed Iran to align with Iraq and Syria in order to balance the Turkish-Israeli military alliance.66

The Gulf War in 1991 and the creation of a de facto Kurdish autonomous region in northern Iraq were other developments that affected Turkis-Iranian relations during the 1990s. The role assumed by Turkey as a NATO member during the war, raised Iranian suspicions as to how far would Turkey go in supporting the US policies in the Middle East, on the other hand, the economic sanctions that resulted from the war caused Turkey to engage in more cooperative relations with Iran especially in the field of energy.67 The creation of “safe havens” for the Kurds in Northern Iraq caused a problem for both Iran and Turkey that feared that this would lead to claims to independence by their respective Kurdish populations.68 Therefore both countries stated their willingness to keep Iraq as a unitary state. For Turkey, since the mid 1980s, northern Iraq has served as the kitchen for the increasing waves of political violence perpetrated by the PKK. On countless occasions the Turkish Armed Forces used their right of hot pursuit, with the permission of Baghdad and entered the Iraqi territory to kill or capture the PKK terrorists.69

Another important factor relating to Iraq is that Turkey has been the destination of many Kurdish refugees fleeing the brutal rule of Saddam. Therefore, Turkish security concerns are highly linked with developments happening in Iraq. Northern Iraq has also become a safe haven for the KDPI that perpetrated attacks against Iran.70 Although both countries share similar concerns regarding Iraq and the Kurdish factor, there have been instances where those similar concerns caused tensions between Iran and Turkey. Iran has several times claimed that Turkish Armed Forces have violated Iranian airspace and territory in their pursuit of PKK terrorists.

65 John Calabrese, “Turkey and Iran”,
67 John Calabrese, “Turkey and Iran”.
68 Sabri Sayari, “Turkey and the Middle East in the 1990s”,
69 Ibid.
70 John Calabrese, “Turkey and Iran”,
Turkey on the other hand, as stated before, condemned Iranian support for the PKK.

In October 1993, Iran and Turkey signed an agreement according to which neither country would let terrorist organization to act or exist on their soil. The following year, Iran returned more than 28 PKK terrorists to Turkish forces.\(^71\) Both countries later acknowledged that coordination and reciprocity was necessary in their policies against political violence and separatism.

Another area of cooperation and rivalry for Turkey and Iran is the role they both wanted to play in Central Asia and the Caucasus. Since the Commonwealth of the Independent States emerged in the early 1991, Iran and Turkey wanted to increase their influence and power in the newly independent areas of Central Asia and the Caucasus. Both countries underlined the common history, values and linguistic and religious affinities they shared with those populations. Turkey on one hand put the emphasis on ethno-linguistic resemblances whereas Iran underlined the religious commonalities.\(^72\) Turkey has been supported by the Western countries especially the US, which feared the spread of political Islam in the area, in providing a model to the former Soviet republics. Both Turkey and Iran have established strong relations with the new Central Asian countries and the countries in the Caucasus, however both have also overestimated their capabilities in providing those states with the economic aids and loans that were badly needed there. Both countries also underestimated the resentment that imposing a model would cause in countries that barely freed themselves from the Soviet influence.

Another factor that hampered both Turkish and Iranian efforts to expand their influence and act as “model” in Central Asia was the return of Russia as a strong influential regional power. Russia, with the improvements in the economy stemming largely from the oil and gas revenues, has been during the second part of the 1990s more and more influential in matters it considered related to its “near abroad”. Russian influence that comes not only from its power and proximity to Central Asia and the Caucasus, but that also derives from its historical and organizational ties with the people and rulers of those states, makes it hard for other states to have a say in the region.

\(^{71}\) Ibid, p.90
\(^{72}\) Ibid.
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6. Iraq

Tarık Öğuzlu

Introduction

This chapter is about Iraq’s socio-political transformation since its foundation as an independent state up to now and its impacts on Turkey’s national security interests. The post-Cold War era developments in Iraq have made such an analysis more urgent than ever. Particularly, following the latest US-led war in Iraq, which resulted in the dethronement of Saddam regime, what have transpired in Iraq, especially in the northern part of the country, have radically impacted Turkey’s internal and external security.

The relevance of Iraq to Turkey’s interests emanate from a number of reasons. First, Iraq owes its territorial existence to the dissolution of the Ottoman Empire. It is through the agreements, viz. the Ankara Agreement, among the Turkish Republic, the United Kingdom and Iraqi Monarchy in the 1920s that Iraq’s borders were drawn. This suggests that Turkey has historical responsibility for the maintenance of Iraq’s borders.

Second, the institutional, administrative, and social structures of the modern Iraq have been to a significant extent influenced by the ages-old Turkish rule. It is through the incorporation of the Mousul, Basra and Baghdad governorates into a single entity that modern Iraqi state took place at the first instance. Any change of this structure will undoubtedly influence Turkey’s interests.

Third, Iraq’s population includes substantial number of Kurds and Turkmen, who have kinship relationship with Turkey’s own people. Such kinship relationship between the two populations denies Turkey the luxury of keeping itself immune from Iraq’s internal developments. For example, any change in the socio-political status of Iraqi Kurds offers Turkey too legitimate a pretext to get involved in Iraqi politics. The stake here is that the fate of Iraqi Kurds might impact the social-political status of Turkey’s Kurdish origin citizens.

Fourth, Iraq’s relevance to Turkey does also emanate from Iraq’s geopolitical location. Just as the question of who ruled Baghdad impacted Turkey’s approach towards Iraq in the past, the question of how the latest changes in Iraqi geopolitics might now potentially affect Turkey’s regional interests in the Middle East is equally important. That the traditional politics of influence in Iraq have now changed following the overhaul of the Saddam regime and that Iran and the United States have radically
increased their spheres of influence in the region are now critical factors that need to be taken into account while determining Turkey’s policy towards Iraq. Whether Iraq is going to remain as a unitary state or morph into three new states, whether Iraq is going to operate as a strong centralized state or transform into a weak federal structure, whether Iraq is going to become a pro-Western secular country or turns into a theocratic state in the image of Iran are of significant questions with respect to Turkey’s regional interests in the Middle East.

Against such a background, this chapter will first of all analyze the sociopolitical developments in Iraq during the Cold War period with a particular emphasis put on the determinants of Iraq’s foreign policy. Afterwards, an attempt will be made at uncovering the nature of the transformation process that Iraq has been going through since the advent of the post-Cold War era. This section will also analyze the impacts of the US war on terror, as well as the US-led occupation of Iraq in 2003, on the complexities of contemporary Iraq. This paper will also make an attempt at uncovering the dynamics of Turkey’s relations with Iraq since the early postwar years. To what extent the beginning of the post Cold War era and the latest US approach towards Iraq since 9/11 have affected the nature of bilateral Turkey-Iraq relations is a particular question that this paper tries to answer.

**Iraq during the Cold War years**

When the First World War ended, the victorious powers engineered the establishment of Iraq by incorporating the three provinces of the Ottoman Empire in the region, namely Mousul, Basra and Baghdad, into a single state in 1921. From 1921 to 1932, Iraq was under the mandate of the League of Nations. The United Kingdom was the major external authority overseeing Iraq’s territorial integrity as well as helping the Monarchy create the institutions required for the effective administration of the state. In 1932, the UN protectorate ended and Iraq formally became an independent state. Until 1958 Iraq was ruled as a Monarchy with the King Faisal seating in Baghdad. The age of republican revolutions started in 1958 when the old regime was overthrown by a small group of army officers under the leadership of General Kassim.

The reign of the country passed to the Baath Party in 1963 following the ascendancy of Arif brothers to power. From 1968 until 1978, General Baqir ruled Iraq. Saddam became the Iraqi President in 1978. From then onwards, not only the course of Iraqi foreign policy changed but also the social fabric of Iraqi society went through radical overtures. When the US-

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2. Ibid. pp. 211-289.
led forces ousted Saddam from power in 2003, Saddam was the sole authority in the country shaping nearly every aspect of Iraqi politics.

During the reign of the Baath Party, Iraq was an authoritarian and totalitarian country in the sense that democracy was not in existence and that all branches of powers were amassed at the hands of Saddam. The revenues from the export of oil enabled Saddam to escape from the calls for democratization, as well as to maintain his police state.\(^3\) The Iraqi economy was a state-run closed market type in which free entrepreneurship did not exist. The lack of market economy did also make it possible that the rulers did not feel themselves accountable to the people. Iraq was a secular country and had an urbanizing population during this period. Iraq was the most developed Arab state in the Middle East with Iraqi women occupying a significant share of the employed people. In comparison with other states in the region, the number of white-collar employees in Iraq was much higher. Before Saddam intensified the policy of armament, the revenues coming from the export of oil was extensively used in dealing with the problems of infrastructure.

Internally, Iraq was made up of ethnically and religiously different communities. Although the Arabs constituted the main ethnic group, they were divided along sectarian differences. The Shiite Arabs constituted some 60 to 65 percent of Iraq’s population, whereas the Sunni Arabs amounted to 20 to 25 percent. The Kurds constituted the 15 to 20 percent of Iraq's population. The remaining consisted of Turkmen, Assyrians, Cheldanis, Jews and others.\(^4\)

The issue of the size of the Iraqi Turkmen community has always been contested. While the Turkmen claim that they cannot be less then ten percent of Iraq's overall population, the statistics offered by Baghdad and external sources put the numbers of Turkmen around 2 to 3 percent of Iraq's population. The Turkmen argue that the population census undertaken in 1957 revealed that they were numbered at 560 thousand people out of 6.5 million Iraqis. Extrapolating from such figures, the current Turkmen population is estimated to hover around 2.5 to 3 million out of 25 million Iraqis.\(^5\) Another issue of contention revolves around the Turkmen claim that Iraq consists of three main nations, namely the Arabs, Kurds and Turkmen. However, this claim has been historically resisted by

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the Arabs and Kurds, to whom the Iraqi Turkmen can only be defined as a
nationality, like Chaldaic and Assyrians. The numerous Iraqi constitutions
proclaimed since the late 1958 defined Turkmen as a nationality deserving
minority treatment.

Iraq did never become a socially homogenous nation-state in the image of
European nations. Since its foundation, Iraq has remained a socially,
religiously and ethnically fragmented country. At different times, attempts
were made at creating an Iraqi nation-state, yet such attempts have mostly
failed. Iraq has historically been considered as an artificial state lacking a
unifying Iraqi identity.\textsuperscript{6} That is why the efforts to help preserve Iraq’s
territorial integrity and unitary state identity in the wake of the latest US-led
war in 2003 have mostly foundered.

The fragmented nature of Iraqi society has to a great extent impacted the
substance of Iraq’s foreign policies. Since the emergence of the modern
Iraq, Iraq’s foreign policy oscillated between two rival ideologies, namely al-
kawmiyye and al-wataniyye.\textsuperscript{7} These two concepts suggested alternative
courses of foreign policies abroad. The first course of action suggested that
Iraq aspired to a leadership role among Arab states seeing the mission of
uniting all Arabs in the region under the banner of a single Arab state as the
most legitimate goal to pursue. The second course of action on the other
meant that Iraq was at peace with the Westphalian interstate relations,
recognizing the legitimacy of each and every state in the region to exist
independently from each other. In this configuration, the number one
foreign policy objective appeared to preserve Iraq’s territorial and juridical
sovereignty as well as to help contribute to the emergence of a regional
environment that would not hamper the efforts to forge an umbrella Iraqi
identity at home.

That said, the pursuit of pan-Arabist foreign policies abroad was strongly
objected by the Kurdish groups on the ground that such policies would
most likely help transform Iraq into a purely Arabic country at home. The
fear on the part of the Kurds was that the more Iraq became the champion
of pan-Arabism in the Middle East, the more marginalized and
discriminated the Kurds would feel at home. In the past, pan-Arabist
adventures abroad mainly went hand in hand with Arabization policies at
home.

Pan-Arabist foreign polices were also strongly resisted by the Shiite groups
for the reason that the Sunni Arabs were the main driving force of that
particular ideology. Similar to the Kurds, the Shiite Arabs feared that,

\textsuperscript{6} Liora Lukitz, \textit{Iraq The Search for National Identity}. London: Frank Cass,
1995, pp. 107-121.

\textsuperscript{7} Phebe Marr, “Iraqi Foreign Policy” in \textit{Diplomacy in the Middle East The
International Relations of Regional and Outside Powers}, Carl Brown (ed).
should Iraq follow pan-Arabist policies abroad, the Sunnization of Iraq would likely become a reality at the expense of Shiites.

The early years of the Monarchy witnessed to some attempts at following pan-Arabist foreign policies, for the existence of British colonial rule in the Middle East helped legitimize this ideology in the eyes of Arab people who were trying to free themselves of the British yoke. Yet, with the advent of the 1950s, Iraq gradually adopted the “first-Iraq” policy. The bi-polar nature of the Cold War era on the one hand and the speeding up of the decolonization process on the other accelerated this process.

The most important indication of Iraq’s western oriented course took place in the middle of 1950s when Iraq took part in the foundation of the so-called ‘Baghdad Pact’. The decision to join forces with Turkey, Iran, Pakistan, the United Kingdom and the United States in an effort to preempt the Soviet involvement in the Middle East was taken amid strong domestic and regional opposition to western policies, of which the pan-Arabist Nasser regime in Egypt came first. Opponents to Iraq’s western-oriented foreign policy mainly argued that Iraq should join the United Arab Republic that was established by the merger of Egypt and Syria in 1958.

The Kassim regime adopted a “first Iraq” approach abroad for the main reason that it had to rely on the support of the Kurds and Communists at home. Not only Iraq withdrew from the Baghdad Pact but also tried to develop strategic relations with the Soviet Union. Indeed, flirtation with the Soviet Union constituted one of the reasons why this regime was toppled by the Baathist officers in 1963.

The Baathist rule, first under General Bakir and then Saddam, tried to strike a balance between these rival ideologies. For example, Saddam both tried to enhance Iraq’s leadership status in the region and set into motion an Arabization policy at home. In the beginning of 1970s, he agreed to recognize the autonomous status of the Kurdish region in the north, but following the signing of the Algiers agreement with the Shah regime in 1975 he soon forgot his promises towards the Kurds.

The defeat of the Arabs by Israel in 1967 and in 1973 wars dealt a severe blow to pan-Arabist foreign policy ideology in Iraq. Besides, the rising oil prices in the middle of 1970s following the OPEC crisis enabled Iraq to amass significant sums of money. Increasing revenues from the export of oil enabled the regime to invest in Iraq’s infrastructure and internal developments. These two factors, defeat at the battlefields against Israel and rising incomes led the regime to gradually adopt the view that Iraq should act in the Middle East in line with the principles of ‘first-Iraq’

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8 Ibid. 189.
policy. The change of regime in Tehran in late 1970s also contributed to this trend. It would be simply impossible for Saddam to unite all Arab nations, while Iraq’s territorial existence was at stake during the war with Iran.

Another factor that played a key role in the shaping of Iraq’s foreign policy was the strong feelings of anti-westernism. This was mainly informed by the legitimacy of the pan-Arabist ideology across the region as well as the legacy of the Mandate regime imposed by the League of Nations. The proclamation of Israel as an independent state in 1948 did also help perpetuate this trend.\(^\text{10}\)

Seen from this perspective, Iraqi efforts to establish a regional hegemony in the Middle East were strongly resisted by the Western powers. For instance, Saddam’s efforts to turn Iraq into the region’s most powerful country during the 1980s and the early 1990s were considered by the US-led western international community as threatening western security interests in the region, which are mainly defined as to keep the flow of oil to western markets open and the price of oil low, preserve the territorial integrity and sovereignty of Israel, and to prevent any country in the region from taking the mantle of hegemon.\(^\text{11}\) When Saddam tried to annex Kuwait into Iraq in 1990, the Western powers simply feared that if Iraq controlled the oil resources of the region, the regional balance of power would likely change to the disadvantage of the US-led Western international community.

Another factor that played a decisive role in the shaping of Iraq’s foreign policies was that Iraq’s fragmented internal structure provided external actors with an opportunity to interfere with Iraq’s domestic issues. Worse Iraq’s multi-ethnic and multi-sectarian character helped decrease Iraq’s leverage vis-à-vis external actors.\(^\text{12}\)

While the Kurdish region in the north affected Iraq’s relations with Turkey, the presence of the Shiite community in the South impacted relations with Iran. Even though both Saddam’s Iraq and Turkey shared the view that the aspirations of the Kurds living in both countries to achieve a greater degree of autonomy should be resisted for geopolitical reasons, Baghdad at times saw the PKK presence in northern Iraq as a bargaining chip in its disagreement with Turkey over the use of the waters of the Euphrates and Tigris Rivers originating from Turkey.


Its geopolitical location has also played a critical role, most of the time negative, in Iraq’s foreign relations.\textsuperscript{13} External actors saw Iraq as a battleground to materialize their regional agendas. For example, following the dethronement of the Baathist rule in 2003 not only the US has tried to create a new status quo in Iraq, but also Iraq’s neighbors to the east and south endeavored to strengthen their particular spheres of influence. While Iran has been trying to benefit from its close links with Iraq’s Shiite population, Saudi Arabia and Jordan have been aiding Iraq’s Sunni community in their efforts to counterbalance the rise of Iran.\textsuperscript{14}

Iraq’s abundance in oil has been another determinant of its foreign policy. Given that nearly ten percent of the proved oil reserves across the globe are in Iraq, external actors, particularly the US-led western international community, have always taken an utmost care to make sure that Iraq never pursues a hegemonic policy in the Middle East. During the Cold War era, the United States had two specific goals vis-à-vis Iraq. One was to deny the Soviet Union any access to Iraq’s oil resources whereas the other was to check Iraq’s hegemonic aspirations. As long as Iraq acquiesced in such western goals, the authoritarian nature of Iraqi regime was rarely contested in the West.\textsuperscript{15} Similar motives have been present during the latest war in 2003. One of the particular causes of the war has been assumed to be the particular US intention to deny other global actors, mainly the rising powers of East Asia, the possibility of having strategic control over the natural resources of the Middle East. Controlling the access of other powers to oil would be much easier if the United States found a way to permanently remain in the region.\textsuperscript{16}

**Iraq in the 1990s**

The dissolution of the Soviet Union impacted Iraq negatively. Iraq’s relative capability vis-à-vis its neighbors declined following the termination of the Soviet military and economic assistance.\textsuperscript{17} During the 1990s Iraq’s capability to play a hegemonic role in the Middle East was near to nonexistence. Neither Turkey nor any other neighboring country perceived a traditional security challenge posed by Iraq. However, Iraq increasingly transformed into a weak/failed state. This undoubtedly caused an increase in the non-conventional security challenges emanating from Iraq. The

\textsuperscript{13} Ibid.
possibility of Iraq turning into a decentralized state increased following the emergence of an embryonic Kurdish statehood in the north of the country.

Initially, the end of the war with Iran in 1988 did erroneously lead Saddam to believe that Iraq now became the most powerful Arab state in the region. When pressured by the Gulf Cooperation Council countries to repay its debts, Saddam chose to occupy Kuwait. The argument was that Kuwait was historically a part of Iraq's Basra region and therefore should have been incorporated into Iraq long before. Saddam mistakenly assumed that the West would not resist the incorporation of Kuwait into Iraq.

Following the defeat at the hands of the US-led coalition forces in 1991, Saddam mainly became preoccupied with the preservation of his regime. His goal was to help extend the control of the center over the whole country under the limitations of the externally imposed sanctions. The sanctions were intended to punish Saddam’s belligerency against Kuwait, to make Baghdad pay the war damages, and to exert pressure on the regime to give up the Weapons of Mass destruction policy.

However, the continuation of the sanctions during the 1990s provided Saddam’s regime with two significant advantages. On the one hand, Saddam instrumentally benefited from the sanctions in his efforts to help weaken the international legitimacy of the sanctions. In doing this, the most important strategy appeared to be currying favor with the countries, which saw the sanctions illegitimate and thought they were negatively impacted by them. Saddam tried to help wedge differences among the members of the United Nations Security Council. By awarding oil contracts to the French, Russian and Chinese companies, Saddam hoped that the resolve of the US-UK coalition to maintain sanctions would weaken. On the other hand, blaming the external actors for the sufferings of the Iraqis proved to be a useful strategy to deflect domestic opposition at home. Standing up against the West helped him unite the Iraqis of many stripes around his rule.

With the Iraqi Kurds coming under the protection of the West and the Shiite population becoming exposed to the Iranian influence, Saddam had to increasingly rely on the Sunni community during the 1990s. The Sunni character of the regime became more pronounced during the first decade of the post-Cold War era. The circle of power simply included members of Saddam’s close family, tribe and hometown, Tikrit. The alienation of the Kurds and Shiite groups from the mainstream Iraqi society has gained momentum during this era. The US-led western international community approached these communities and the opponents of the regime living in exile with a view to garnering their support against Saddam. It is within such an atmosphere that the Iraq National Congress came into existence in the early 1990s.

During this period Saddam tried also to improve relations with neighboring countries in the hope that none of Iraq’s neighbors would be happy to see
that the central authority in Baghdad weakens and the possibility of independent Kurdistan becomes stronger. Saddam was surely aware of the fact Iraq’s neighbors, most notably Turkey, were discontent with the continuation of the sanctions regime, for the economic isolation of Iraq damaged their interests. Looking from this angle, the initiation of the “oil-for-food” agreement in late 1996 and the re-opening of the Kirkuk-Yumurtalık oil pipeline in 1997 both alleviated Iraq’s economic misery and served Turkey’s economy.

**Iraq in the post 9/11 era**

The US-led war on global terror following the September 11 attacks has dramatically impacted Iraq’s internal and external affairs. The suspicions on the part of the Bush Administration that Saddam built strategic relations with Al-Qaeda and developed a nuclear-weapons policy were the main reasons why Iraq was included in the “axis of evil”. The allegation that Saddam would not hesitate to harbor jihadist terrorists and offer them weapons of mass destruction in his fight against the United States proved to be the main incentive for Washington to attack Iraq in March 2003. When such suspicions proved to be wrong in the months following the occupation of Iraq by US forces, the American officials have increasingly referred to the idea of democracy promotion in order to justify their war efforts. To this view, the transformation of Iraq into a liberal-democratic country would not only offer a role model for other non-democratic regimes in the region but also produce a more pro-western and pro-US regional setting in which both the resolution of the decades-long Israeli-Palestinian dispute would be easier and attempts at regional hegemony would be thwarted.

However, since the onset of the war, not only Iraq has gradually transformed into a non-governable country with sectarian and ethnic politics gaining ground but also risks to regional pace and stability have increased. In the aftermath of the war, Iraq both offered a training ground for Al-Qaeda terrorists and eased Iran’s efforts to expand its sphere of influence in the region. Besides, the fabric of Iraqi society has begun to reflect a more divisive character than ever, as the determination of the Kurdish groups in the north and Shiite groups in the south to emphasize their distinctive communal identities has grown.

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18 The rationality of this approach can be traced in the National Security Strategy of the United States document issued in late 2002. The document can be reached through the website of the White House.

Turkey has now transformed into a place where different kinds of wars are waged simultaneously. On the one hand, Sunni insurgents fight the American occupiers; on the other Al-Qaeda terrorists fight both the US-led international coalition and Iraq’s mainly Shiite groups. Another struggle has been between the Shiite and Sunni groups. Another one is between the Kurds and Shiite on the one hand and Sunni groups on the other. Another war is currently waged between the US and pro-American Sunni regimes on the one hand and Iran on the other.

While the main concern during the 1990s was Iraq’s explosion, it is now Iraq’s further implosion. The possibility of Iraq ceasing to exist as an independent and unitary state has now become the most important factor affecting the dynamics of regional politics. The latest trends indicate that Iraq is hardly going to exist as a strong unitary state in the years to come. Either a very weak federation will emerge or three new states will come into existence. Adding insult to the injury is the erosion of the American resolve to keep Iraq intact. Numerous circles do now argue that the idea of a unitary Iraqi state does no longer serve American interests. For example, the Iraqi Study Group report recommended the withdrawal of US troops from Iraq by the end of 2008. The resolution adopted in the US Congress in October 2007 recommended that the US troops were withdrawn from Iraq and Iraq became a federal state along ethnic and sectarian differences. The same resolution did also contain some elements suggesting that the breaking up of Iraq into three new states might serve the US interests better than the option of keeping Iraq as a unitary state. Iraq as of today appears to be a country in shambles with the three main groups failing to come to consensus as to how to share oil, how to draw the lines between central administration and federal regions, how to decide the final status of the City of Kirkuk, and how to deal with the occupying US forces. Another factor that would make the situation appear more complicated in this regard is the possibility that the US troops be redeployed in northern Iraq following the termination of the occupation.

Turkey and Iraq during the Cold War era

Turkey’s relations with Iraq during the Cold War were mainly shaped by the dynamics of the bipolar Cold War environment. While Turkey’s recognition of Israel’s independence was negatively perceived by the majority of Arabic states, this did not become an obstacle before Iraq’s cooperation with Turkey within the framework of the Baghdad Pact in mid 1950s. However, following the overthrown of monarchy in Iraq in 1958, Iraq’s relations with the US-led Western bloc soured. This also negatively impacted Turkey-Iraq

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relations. While the Republican governments in Iraq tried to improve relations with the Soviet Union, Turkey continued to remain a staunch ally of the West during the rest of the Cold War era.

Beginning with the 1970s, some issues began to surface in bilateral relations, of which the status of the Kurds within Iraq and the allocation of waters flowing from Turkey down to Iraq came first. Turkey closely watched the relations between Baghdad and the Kurdish groups, hoping that the degree of autonomy the Kurds be provided did not damage Iraq’s unitary state identity.

Turkey and Iraq were in disagreement as to how to allocate the waters of the River of Tigris and Euphrates. While Baghdad accused Turkey of cutting the level of water Iraq needs for irrigation and other purposes, Turkey simply argued that Iraq got enough water yet misused it. While the Turkish government insisted that the waters that pass through both countries cannot be classified as international waters, the Iraqi governments held the view that such waters were international and the riparian states had to come to an international agreement as to how to share them. Baghdad was not content with Turkey’s South East Anatolian Project either for the reason that once this project completed, the amount of water that Iraq receives from Turkey would decline.

Turkey’s relations with Iraq were also impacted by the Iran-Iraq war during the 1980s. In economic terms, Turkey’s imports to Iraq increased. Turkey also appeared to be the main destination for the export of Iraqi oil. The Kirkuk-Yumurtalık pipeline operated throughout the war. The war, however, impacted Turkey negatively when the Iraqi Kurdish groups gained an increasing maneuvering capability during the war. Because Saddam was busy in fighting Iran and in dire need of Kurdish assistance to Baghdad’s war efforts, the leverage of the Kurds over Baghdad increased. The war also engendered a power vacuum in northern Iraq, which was successfully exploited by the PKK terrorists in their efforts to inflict damage on the Turkish state. In order to prevent the PKK from using northern Iraq as a safe heaven Turkey tried to secure an agreement with Baghdad that would potentially enable the Turkish troops to chase after the PKK terrorists in the region. Various agreements were struck between the two countries that have accorded Ankara the right of hot pursuit.

The existence of the Turkmen community in Iraq was also a concern in Turkey’s relations with Iraq. However, Turkey’s approach towards this particular issue was that Iraqi Turkmen were Iraq’s citizens and the improvement of their well-being depended on the nature of the relationship between Baghdad and this community. That is why Turkey tended to adopt a low-key stance whenever the Turkmen community was at various times exposed to some harsh treatment at the hands of the central administration.

For example, when the infamous Kirkuk massacre occurred in July 1959, Turkey did not adopt an interventionist approach. This cast a negative impression in the eyes of the Turkmen community. Though they expected from Turkey to play the big brother role whenever their interests were breached, Turkey did not act as such.

**Turkey and Iraq during the 1990s**

Two particular developments tremendously affected the nature of Turkey's relations with Iraq during the first decade of the post-Cold War era. The first was the dissolution of the Soviet Union, whereas the other Turkey's inclusion in the US-led international coalition that came into being with the sole mission of drawing Iraq out of Kuwait. Both of these developments helped increase Turkey's power capabilities vis-à-vis Iraq. Iraq was no longer seen as constituting a traditional threat to Turkey's security. However, Turkey has increasingly become exposed to non-conventional security challenges emanating from Iraq's internal developments.

A case in point is that political developments in northern Iraq also led the international community to pay a greater attention than ever to the situation of Kurds in Turkey. Following the human tragedy of the Iraqi Kurds in the late 1988 and in 1991, the international community started to pay a growing attention to the plight of Kurds wherever they are located. With the weakening of Saddam's control over northern Iraq the Iraqi Kurdish problem has begun to gain a more regional and international dimension. In this sense, the way the Turkish governments dealt with the domestic Kurdish problem increasingly came under the spotlight of international community. This has made it difficult for Turkey to define its own Kurdish problem as a local issue. Ankara was generally criticized by the West due to “its militarized and non-democratic approach to the Kurdish issue at home”. Such an approach was, for example, mentioned among the various factors discrediting the arguments for Turkey's membership inside the European Union.22

Traditionally speaking Turkey's Iraq policy during the 1990s was based on the following departure points. First, Iraq's territorial integrity was considered as vitally important for the preservation of Turkey's own security. Despite the repressive and authoritarian character of Saddam's regime, the writ of Baghdad's rule over the whole country was seen as the most important break on the separatist and secessionist claims of Kurds.

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and Shiite groups. Looking from this angle, Turkey hoped that the sanctions on Iraq be lifted soon and bilateral trade start immediately.

Second, Turkey was tremendously concerned with the political status of the Iraqi Kurdish groups. Turkey became upset by the fact that the existence of the “no-fly zone” above the 36th parallel would help Iraq’s Kurds strengthen their political status. Ankara feared that any political gain Iraq’s Kurds gain at the expense of Baghdad would likely affect the strategies and aspiration of Turkey’s own Kurds, particularly those who pursue a secessionist agenda. Given that Kurds are scattered across the region, Turkey tried to help establish strong cooperation mechanism among Iraq’s neighbors with a view to contributing to Iraq’s territorial integrity.

That said, Turkey felt again disappointed when the rival Kurdish groups, Patriotic Union of Kurdistan (PUK) and Kurdistan Democratic Party (KDP), came together to declare Kurdistan Regional Administration in the middle of 1992. Rather than recognizing this entity as the sole representative of the Kurdish region, Turkey preferred to interact with each Kurdish group bilaterally. Turkey’s intention was to make use of intra-Kurdish disagreements to its own advantage. Whenever the western international community orchestrated initiatives to help the PUK and KDP resolve their disagreements, Turkey took an utmost care not to be excluded from such initiatives.

Third, Turkey gradually saw Iraq’s Turkmen community as a possible source that might potentially counterbalance the rising Kurdish influence. To this end Turkey supported the foundation of the Iraqi Turkmen Front in the early 1990s. This particular organization was seen as the most appropriate institutional platform where various fractions of Iraq’s Turkmen community would unite under Turkey’s protection. In this regard, Turkey also gave active support to the claims of those who argued that Turkmen people numbered around three million and constituted a distinct nationality alongside the Arabs and Kurds. From the Turkish perspective, either the Turkmen should be entitled to constitute their own regional administration, just like the Kurds, or the Kurdish region should not be

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Turkey’s Neighborhood

based on ethnicity. If federalism were to come to Iraq, it should be based on geographical criteria rather than religion or ethnicity.

Fourth, Turkey was also concerned with the possibility of the PKK benefiting from the lack of authority in northern Iraq in its efforts to organize terrorist attacks inside Turkey. Despite all these difficulties emanating from the power vacuum in the region, Turkey at same time benefited from this situation in two ways. First it could easily enter the region to chase after the PKK terrorists. In response to Turkey's cooperation with the western powers in the “Operation Provide Comfort” and later “Operation Northern Watch”, the Americans simply turned a blind eye to Turkey’s military operations in the region, of which the biggest ones occurred in 1992, 1995 and 1997. Second, Turkey could easily manipulate the power struggle between the two main Kurdish groups, namely KDP and PUK. It could at times secure the cooperation of the KDP against the PKK.27

Turkey and Iraq in the During the US Occupation

The US occupation of Iraq in 2003 has fundamentally affected Turkey's security interests. First, the political future of Iraqi Kurds has increasingly become one of the key factors in Turkey's own Kurdish problem than ever. The fear on the part of Ankara has been that if Iraq’s future were to reflect ethnic differences, the ethnicization of Kurdish question in Turkey might gain ground. Whether Turkey’s Kurds would be growingly attracted to the emerging political authority in northern Iraq has become a question that Turkey’s security policy makers do now take into account while defining Turkey’s national security interests.28 A worrying development in this regard is the increasing influence of Barzani on Turkey’s own Kurds. It is worth mentioning that the key figures of the Democratic Society Party (DTP), such as Leyla Zana, have been referring to Barzani, as well as Talabani, as the leaders of Kurdish independence movement across the region.29

Second, the success of Turkey’s efforts to eliminate the PKK terrorism at home has been negatively impacted by the PKK’s increasing ability to use northern Iraq as a logistic area. Unfortunately, Turkey’s non-cooperation on the eve of the war in March 2003 seems to have led the current US administration to reciprocate by opposing Turkey’s entry to the region. The conventional Turkish view holds that if the PKK terrorists had not used northern Iraq as a safe heaven, Turkey’s ability to eradicate this threat would have been much higher in the past. Besides, the eradication of the

27 Bill Park, “Turkey’s Policy Towards Northern Iraq: Problems and Perspectives”,
PKK terrorism would not be possible unless the Kurdish leaders in northern Iraq viewed PKK through Turkey’s prisms. A recent poll conducted by the Milliyet newspaper has revealed that the majority of Turks do think that the number one reason accounting for the PKK’s resilience is the support that PKK receives from external actors. Absent the strategic depth that northern Iraq seems to offer PKK, Turkey could much easily eliminate it. However, as of today, neither the PUK nor the KDP defines the PKK as a terrorist organization. Instead, they incessantly ask Turkey to find a political solution to the PKK problem at home.

Third, given that Turkey’s transformation in line with the premises of liberal-democracy is now considered to be the number one factor affecting Turkey’s chance of being admitted to the European Union, the more negatively Turkey’s security were impacted by the developments in northern Iraq, the less able Turkey has become to complete its Europeanization process. The continuation of the PKK terrorism appears to have slowed down Turkey’s democratization process, for in a securitized domestic environment the steps that need to be taken in the name of liberal democracy have increasingly been seen as threatening. Besides, Turkey’s exposition to growing security threats emanating from northern Iraq seems to have contributed to the EU’s reluctance to admit Turkey as a member. The EU public opinion does not want to see that the EU borders Iran, Syria and Iraq.

Fourth, the US occupation of Iraq has negatively affected Turkey’s relations with the United States. Despite all American attempts otherwise, Ankara has gradually come to the point that the current US government, under the influence of the neo-conservative ideology, has been punishing Turkey for its non-cooperation on the eve of the war in March 2003. For example, Ankara points out to the US government’s increasing deference to Kurdish priorities whenever Turkey intended to pursue a muscular foreign policy vis-à-vis northern Iraq. A case in point was that when the Kurdish groups resisted the deployment of Turkish troops in the Sunni triangle in late 2003 as part of the US efforts to suppress the growing insurgency, the American government did simply backpedal.

While Turkey has long tried to convince the United States that a limited Turkish military operation in northern Iraq would be necessary for the weakening of PKK’s operational capabilities, Washington has simply...
disputed such a rationale on the ground that any Turkish military incursion into the area might accidentally cause a military confrontation between Turkey and the Iraqi Kurds. After all, to Washington, the ongoing democratic experience in northern Iraq is one of the rare cases demonstrating the success of the US-led democratization process in the Middle East. On the other hand, the US argument that engaging the PKK through the use of force is futile due to the nature of terrain did not seem convincing to Ankara, for after all the US has a good logistic of where the PKK camps are located, how many PKK terrorists live in those camps and what kind of arms they possess.

As for the final status of the City of Kirkuk, Ankara has long argued that the referendum in Kirkuk needs to be postponed sometime in future. From Ankara’s perspective Kirkuk is a miniature of Iraq where people of different ethnic and religious backgrounds have been living for centuries and its final status should be decided by all Iraqis. Otherwise, the incorporation of Kirkuk, an oil-rich city, into the Iraqi Kurdistan region would likely increase the prospects of a civil war, for the majority of Iraqis strongly oppose any Kurdish control of the city.

As for the shape of Iraq’s administrative structure, Ankara supports the idea of a federal Iraq that is based on geographical criteria, rather than ethnic and religious differences. That said, Ankara has increasingly felt worried, as the ongoing sectarian warfare between the Sunni and Shiite forces on the hand and the unstoppable insurgency against the US presence in Iraq on the other seem to have decreased US commitment to Iraq’s security and territorial integrity. Both a US withdrawal from Iraq before the Iraqis could succeed in providing their own security and the relocation of US troops to the Kurdish region would be untoward developments for Ankara.

Fifth, the occupation of Iraq has also impacted the dynamics of balance of power politics in the Middle East mainly by contributing to the rise of Iran’s relative influence at the expense of Turkey. Even though Turkey would not like to see that she needs to increase her defense expenditure in

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34 In this sense, Turkey is not alone. The International Crisis Group, a respected think that in western circles, and the Iraqi Study Group, composed of Democrat and Republican celebrities, have recently recommended similar ideas. Both organizations advised the decision makers that Kirkuk referendum which is envisioned to be till the end of 2007 can trigger an ethnic based civil war between Kurds, Turkmen and Arabs. That kind of a civil war invites the intervention of neighboring countries. So, final status problem of Kirkuk have to be internationalized and referendum have to be postponed.

35 Turkish Prime Minister R. Tayyip Erdoğan expressed his concerns on the future of Kirkuk in a TV program on 27 January.2007. He insistently pointed out the probability of a civil war if Kirkuk is included by Kurdish groups in a fait accompli style
In order to counterbalance the rising Iranian power, Iran’s growing nuclear aspirations on the one hand and the declining of NATO’s security commitment on the other might lead eventually Turkey to reconsider its decades-long non-nuclearization policies.\textsuperscript{36}

Given such risks to Turkey’s security interests as mentioned above, Ankara has recently adopted some policy initiatives to avert them. For example, Turkey orchestrated the gathering of Iraq’s neighbors to discuss how to help extinguish the fire in Iraq; helped train Iraq’s security forces within the framework of NATO; encouraged all Iraqis, particularly the Sunnis, to actively participate in the ongoing political process.

\textbf{Conclusion}

Based on the analysis above, this chapter predicts that Turkey will continue to perceive developments in Iraq and the region as challenging in the years to come. The dynamics that appear to have produced risks to Turkey’s security do still remain on the ground. Neither have the main Iraqi groups reached a consensus as to how to shape Iraq’s future nor has the United States government come up with a new approach that would contribute to stability. This gloomy picture notwithstanding, some recent developments on the other hand appear to suggest that something has started to change in the positive direction. The first is the growing realization on the part of Ankara and Washington that the improvement of bilateral relations is a must for peace in the region. Recent months have witnessed to numerous high level visits between two capitals as well as active American support to Turkey’s efforts to inflict military damage on the PKK strongholds in northern Iraq. As of early 2008, it seems that the United States is providing Turkey with logistical and intelligence help against PKK.

Second, the Bush Administration has recently grown more committed to Iraq’s internal security by adopting the well-known surge strategy from the early 2007 onwards. Besides, the US’ over-reliance on the cooperation with the Kurds seems now to have been replaced by growing American openings to Iraq’s Shiite and Sunni groups. It has gradually become obvious that northern Iraq has fallen short of being an exemplary case for liberal democracy, as the degree of socio-political corruption and authoritarianism has deepened in the Kurdish area. The perception that Iraqi Kurds have not sincerely been committed to Iraq’s territorial sovereignty and they have simply been trying to gain time to declare their independence in future might have led the American administration to

\textsuperscript{36}Retired Undersecretary of Ministry of Foreign Affairs and Istanbul deputy of the Peoples Republican Party (CHP) Onur Öyemen approaches the NATO-Turkey relations from a very skeptical perspective and argues that there is not any solidarity among NATO members on fight against terrorism, which affects Turkey security problems as well. See www.onuroyemen.com
change its approach towards the Kurds. It is worth mentioning that the US does now actively support the involvement of influential Sunni people of the Saddam’s era in state bureaucracy. Equally important is the fact that the Al-Qaeda terrorism has lost some of its power following the US’ decision to cooperate with the Sunni tribes in this regard.

Third, it is now the case that the Washington administration has now been in the process of altering its exclusionary approach towards Iran and Syria, as the voices of traditional realists are now being heard more often than the neo-con demagogues. The need to talk to Tehran and Damascus in order to contribute to the emergence of long-term stability in Iraq and the region has now become more pronounced in Washington than ever.

That said, this research holds that the way Turkey treats Iraq and Iraqi Kurds will likely prove to be the most important factor shaping Turkey’s relations with Iraq in the years to come. It appears that two positions vie for influence in Ankara. To the adherents of the first position that mainly consists of the members of establishment in politics and bureaucracy, Turkey’s number one priority should be to prevent the emergence of an independent Kurdistan. In this regard, Turkey should never accord legitimacy to Iraqi Kurds by talking directly to them. Gradual integration with northern Iraq is dangerous, for this might accelerate the process of reawakening of Kurdish nationalism in Turkey, particularly in Kurdish populated areas. To this view the United States and Israel actively support the emergence of an independent Kurdish state in the hope that such a state would not only provide Israel and the US with the capability to install anti-ballistic missiles against Iran, but also act a US protégée in the region.

To the other position, whose adherents consist of liberal intellectuals and pro-European circles, there is now a new status quo in Iraq and the only thing Turkey can do is to adjust its position to these new realities and to adopt a liberal integrationist approach towards the Iraqi Kurds. The Kurds of Iraq are Turkey’s true allies, particularly right after the influence of Shia Iran has increased in the region. The Kurds and Turks do share many common points, of which their western orientation and secular

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characteristics come first.\(^39\) While the Iraqi Constitution itself recognizes the political legitimacy of the Kurds, they ask what Turkey would gain from turning a blind eye to the Kurds of Iraq?\(^40\) The more Turkey eradicates the structural causes of the Kurdish problem at home through liberal-democratic reforms, the healthier relations with Iraqi Kurds would turn out to be.

Turkey should not overstate the potential danger of rising Kurdish influence in Iraq, for the Kurds need Turkey more than Turkey needs the Kurds. Turkey is the only outlet for the transmission of Kirkuk oil to western markets. Turkey does now own 80 percent of the construction sector in the region. Without trade with Turkey, the life in northern Iraq would be extremely costly. Trying to make northern Iraq economically dependent on Turkey would not only benefit Turkey’s economy but also provide her with better capabilities to affect Kurdish political decisions.\(^41\)

Just as the EU influenced the nature of economics and politics in Central and Eastern European countries through the enlargement strategy, Turkey might play a similar role vis-à-vis northern Iraq. The region provides Turkey with the chance to prove its growing European identity in the realm of foreign and security policy. It remains to be seen which position holds sway over Turkey’s approach towards Iraq and Iraqi Kurds.

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\(^40\) Sami Suruş, “Türk Ordusu Kuzey Irak’la Diyalog İngel”, (Turkish Army is a Roadblock to Dialogue with Northern Iraq), Al-Hayat, 24 February 2007.

\(^41\) Ibid.
Turkey’s Neighborhood

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7. Syria

Berna Süer

Introduction

Since the end of the Cold War, Syria, which was one of the client states of the Eastern Bloc in the Middle East during the Cold War, has faced many challenges as it lost its main supporter, the Soviet Union. However, there was room for maneuver for Syria to overcome these challenges and seize some opportunities. The main source of this ability to maneuver was pragmatism of Hafiz al-Asad. President Asad, who maintained order within the country after the decades of instability, had followed realist foreign policies rather than idealist ones. Therefore, Syria, which was manipulating the Cold War order and supporting Iran against Iraq in the Iran-Iraq War, did not hesitate to take place within the American-led coalition against Iraq in the Gulf War and participated in the Middle East peace process and the subsequent bilateral peace negotiations with Israel during the 1990s. Thus, Syria was displaying her readiness to take place in the new world order rather than being victim of it.

After the death of Hafiz al-Asad in June 2000, while Syria was in a transition process and Bashar al-Asad was trying to consolidate his power and answering reform needs without disturbing the old guard within the country, external challenges were at the front of Syria, too. In addition, there was no more a world order, which was manipulated by Hafiz al-Asad. Bashar could no longer maneuver between the Soviet and American superpowers, but also he was under the pressure of the US, the sole hegemon. The US had intensified pressures on Syria directly by the Syrian Accountability Act or indirectly through the Iraq War and Lebanon. Syria was being warned about her support for the Iraqi insurgency and her presence in Lebanon. As a response to these challenges, Syria was, on the one hand, trying to get rid of these challenges by giving useful intelligence about al-Qaeda to the US and withdrawing her armed forces from Lebanon in April 2005, and on the other hand, trying to balance these challenges through advancing her relations with the Arab and neighboring countries, particularly with Iraq, Egypt, Saudi Arabia and Turkey as well as its relations with the European Union (EU). Especially, evolving relations with Turkey since the 1998 crisis became a lifeline for Syria.

The present article aims to examine the Syrian domestic and external politics in the post-Cold War era. The main focus is to clarify the challenges
and the opportunities Syria faced and to explain how Syria dealt with them. Throughout the article, after an overview about Syrian political economy and security in the Cold War years, Hafiz al-Asad years in the post-Cold War era and then the Bashar al-Asad period will be examined. One of the aims of the article is to understand the evolving Syrian-Turkish relations since 1998.

An Overview: Syria in the Cold War Years

Syria, founded under the conditions of the I. World War, was a result of imperial designs of France and United Kingdom regarding Middle East. Syria, becoming a mandate under France in 1920, gained its independence in 1946 following the French withdrawal. After the independence, Syria was within the turbulence of instability; governments were vulnerable against the coup d’etats. The Arab Socialist Ba’th Party, dominated by the minority group of Alawites, came to power in 1963 and opened the way for order and stability, but not a democracy. After the two coups respectively in 1966 and 1970, Hafiz al-Asad became the leader of Syria and maintained stability in the country by his “Corrective Movement”.

Today its ruled type, its ruling party, and the ruler family; respectively “authoritarian populist state”, the Ba’th Party and the Asad family identify Syria. Hafiz Al-Asad had consolidated state power through the Ba’th party, army, and bureaucracy by adopting a patrimonial strategy of placing Alawite clients at the strategic points, and by building an alliance with the Sunni military officers and party politicians. Since then the logic of the regime became to maintain this order and stability at first. Thus, priority was given to defense of the legitimacy of the state. In that sense, the Syrian regime suppressed the Islamic uprisings in a bloody way in Hama and Homs between 1976 and 1982.

Regarding foreign policy, the Syrian regime under Hafiz al-Asad had opened a new era. Syria had already been radicalized by the conflict with Israel since 1948, in particular, by the 1967 War in which Israel occupied the Golan Heights. Being aware of limit of radical politics against Israel, Hafiz al-Asad formalized a realist foreign policy. In that manner, first, the state had to be consolidated. This consolidation process depended on

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external resources - the Soviet arms and the Arab oil money. Syria was getting the Soviet aid, as it was the client state of the Eastern Bloc and getting the Arab oil money, as it was a frontal state against Israel. As a result, as the state was stabilized and the regime achieved internal cohesion, foreign policy makers achieved adequate autonomy of domestic constraints to adopt foreign policy to the changing power balance.6

Economy also was under such a concern of the defense of the regime that the state controlled the economy while the bourgeoisie was deprived of many capital accumulation opportunities.7 However, in time it was understood that this statist economy could not be sustained much since the public sector was exploited by bureaucratization. There were no efficiency standards, but there were primarily political concerns over economy. Economy’s aim was to finance the regime’s political commitments. Even the remedies to the economic crises were formulized through the prism of the regime’s political concerns. For instance, the main strategy in the 1970s was infitah (opening) policies aimed at limited and selective liberalization based on the regime’s dual public-private sector strategy. This was promoting economic development but as an instrument of state formation.

By the 1980s, the fact of the Syrian political economy was that the public sector failed to become a device of capital accumulation to finance the state’s commitments. Furthermore, in the mid-1980s, Syrian dependence on external rent led to economic crisis because of decline in oil prices. The decline of Arab aid and decreasing value of the Syrian pound resulted in foreign exchange crisis. This situation needed serious measures, which meant a step back from the statist economy. Hence, infitah policies of the second round were put into effect. It was again selective liberalization that the regime got support and investment from the bourgeoisie without giving enough power to it.7 In this reform process, the most important development was the Investment Law No. 10, formulated in 1991. This law opened the sectors of agriculture, industry and transport to Syrian and foreign investors.

However, without complementary political reforms, it was not possible to achieve economic growth. President Asad’s insistence on dual public-private sector strategy, which refers to the complementary coexistence of

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5 Ibid., pp. 147-148
6 Hinnebusch “The Political Economy of Economic Liberalization in Syria”, p. 307
private, mixed and public sector economies, and his ignorance of political reforms led to failure. These crises in the Syrian economy together with inefficient reform process left Syria vulnerable to the important changes at the international power balance.

**Syria in the Post-Cold War Era I: Hafiz al-Asad Period**

**End of the Cold War and Syria**

End of the Cold War with the decline of the Soviet Union basically meant the end of the financial and military support for Syria. Hafiz al-Asad defined the collapse of the Soviet Union as the most significant event for Syria since its independence. By 1987, President Asad had already realized that the changes in the Soviet Union’s position would have important effects on Damascus. Hafiz al-Asad had said

I sensed from the beginning where things were heading. This was not prophecy – no one could have predicted the course of events in any detail – but the Soviet Union’s decline was apparent to me. I could see that large scale changes were in the offing which we needed to take into consideration, and which would have an impact on the whole world, and not just on us. In fact, the negative impact, both economic and political, has been felt around the globe. It has even harmed the enemies of the Soviet Union.

President Asad had good reasons to think about the negative impacts of the Soviet decline for Syria. First, as the Soviet Union had been a key source of political, military and economic support for Syria, the decline of it left Syria vulnerable. Second, the Soviet decline strengthened the US position in the region. Third, the demise of the Soviet Union was effective on the wave of Jewish immigration from Russia to Israel. Hafiz al-Asad perceived this as a factor to strengthen Israel. Fourth, the collapse of the Soviet Union generated a decline of inspiration for the regime in Syria.

As a response, Syria sought to overcome the challenges presented to it. Syrian domestic and foreign policy was put into major re-evaluations. It is argued that just as statism was partly a function of bipolarity and Soviet aid, the disappearance of Soviet power changed the conditions in which “Syrian

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9 Special Document, “Interview with Syrian President Hafiz al-Asad, *Journal of Palestine Studies*, Vol. XXII, No. 4 , Summer 1993, p. 120  
raison d’État” had to operate. The 1980s had already persuaded Hafiz al-Asad that Syria’s goals could no longer be pursued by statism. Furthermore, the collapse of communism in the 1990s questioned remaining ideologically rooted hostility to liberalization.

Regarding foreign policy, as long as Syria had support from the Soviet Union, the Asad regime could pursue foreign policy that was rhetorically anti-West and anti-Israel. The disappearance of the Soviet power changed the conditions. Hafiz al-Asad was convinced that his foreign policy could no longer be pursued in opposition to the US, and so put the objectives of improvement of Syrian relations with traditional Arab countries as well as with the West and an end to the Arab-Israeli conflict with a comprehensive peace. As a result, in December 1989, Syria established full diplomatic relations with Egypt. During the Gulf War, Syria supported American-led coalition. Because of this re-evaluation of the new world order, Hafiz al-Asad accepted to participate in the Madrid Peace Conference in 1991 and subsequent bilateral peace negotiations with Israel.

In addition, the end of the Cold War removed one of the barriers between Turkey and Syria, who were the members of the opposite camps of the Cold War. During the Cold War, Turkey was perceived by Syria either as a “Trojan horse” through which Western imperialism infiltrated into the Middle East or as a “gendarme” through which Western influence was exercised over the region. Because of Turkey’s membership in NATO, it was seen by Syria as a protector of the Western bloc. Therefore, from the outlook of Syria, Turkey was serving not only its own interests but also the interests of the West at the expense of Arab interests.

Thus, the Cold War politics was a kind of rigid framework for the relations and the end of this framework led to re-evaluations of the strategic, political and economic relations in both Syria and Turkey. Although the cold-line between Syria and Turkey ended, this does not mean that the relations were normalized. Just the structural constraint on the relations was removed, but still there were bilateral issues to be dealt with. This basis was strengthened by another event in the region, the Gulf War, which reinforced the supremacy of the US at the international system and in the Middle East.

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12 Hinnbusch, “The Political Economy of Economic Liberalization in Syria”, p. 316
The Gulf War and Syria

Following the collapse of the Soviet Union at the international level, the primary issue for Syria at the regional level became the Gulf War of 1990. Syria joined the American-led coalition against Iraq, and so signaling to the West that Syria realized that there was a new world order and she would not be against this new world order.

There were different Syrian considerations of her involvement in the war against Iraq. These considerations were related to Syrian re-evaluation of its bilateral relations with Iraq, its reading of the regional and international context and economics. First, Syria was feeling herself vulnerable against Iraq. Rivalry between the Ba’th regimes of Damascus and Baghdad had deep ideological, historical, political and personal roots. This rivalry had intensified during the 1980s. Iraq had extended aid to opponents of the Syrian regime, especially the Muslim Brotherhood during the Islamic uprisings in Syria in 1976-1982. Syria had supported Iran in the Iran-Iraq War (1980-1988). After the Iran-Iraq War, Iraq had directed its attention to the balance of power in the region. The formation of the Arab Cooperation Council (ACC) in February 1989, with Iraq as a center, had served as a threat to Syria. So Syria’s support of Iran had resulted in its exclusion from both the economic and security orders of the region. In 1989, Iraq’s sponsorship of the Maronite General Aoun, opponent of Syria, was a major obstacle in Damascus’s aim to maintain hegemony in Lebanon.

Therefore, in the Gulf crisis, if Saddam had not been confronted, he would have been in a position to dictate the oil, foreign, and defense policies of his neighbors. In addition, President Asad feared that the Iraqi invasion could unleash a wider war, which Israel could exploit to attack Syria, and joining the coalition was a kind of insurance against that possibility. From another point of view, Syria did not want to become the victim of the new world order. President Asad understood that he could not realize his goals in opposition to the remaining superpower, the US. He needed to get the US to accept Syria as the key to peace and stability in the Middle East. In other words, the crisis gave Damascus the chance to demonstrate its willingness to play the new game.

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18 Eberhard Kienle, “Syria, the Kuwait War, and the New World Order” in *The Gulf War and the New World Order, International Relations of the Middle East*, 194
Through economic considerations, it could be an opportunity to renew the subsidy channel from the Gulf States. The Gulf States had cut financial aid to Syria in 1982 because of its support for Iran during the Iran-Iraq War. It is argued that together with the long-standing Syrian-Iraqi conflict over regional influence, and a realistic assessment of the international politics, economic necessities determined Syrian decision. Hence Syria was clearly situating itself in the Arab world’s moderate camp and opening up the economic doors of investment and aid from the West and the Gulf states.

Due to the reasons above, with the news of Iraq’s invasion of Kuwait on August 2, 1990, Syria was among the first Arab states to condemn the Iraqi act, and to demand Iraqi withdrawal from Kuwait. The Syrian troops took up positions as part of the coalition on the Iraqi border and successfully engaged Iraqi troops that crossed into Saudi Arabia during the war; and then they moved into Kuwait alongside other allied troops. In addition to military action against Iraq, Syria also became active in imposing economic sanctions against Iraq. When Iraq’s oil pipelines across Turkey and Saudi Arabia were closed and the Iraqis asked Syria to reopen the pipelines, which Syria had closed during the Iran-Iraq War, Syria refused.

Joining the coalition against Iraq gave Syria several benefits as she expected. Damascus recovered $700 million in credits from the Europeans and Japanese and over $2 billion in cash from Saudi Arabia and the Gulf States. In political and strategic terms, at the international and regional levels, the Gulf War, just after the decline of the Soviet Union, gave the opportunity to Syria to adjust to the “New World Order” and to be part of the new regional order. The political and military preparations in the inter-Arab arena after the Gulf War marked the formation of a new political alignment in the Arab world: Syria, Egypt and Saudi Arabia. This process placed Syria back in the mainstream of Middle Eastern politics. Such a new Arab order was mentioned in the Damascus Declaration of March 6, 1991, in which Syria and Egypt agreed to contribute to the defense of the members of the Gulf Cooperation Council in exchange for economic cooperation. This declaration meant the success of Syrian diplomacy during the war.

Furthermore, the short-term occupation of Kuwait by Iraq resulted in the long-term domination of Lebanon by Syria. On 13 October 1990, the Syrians attacked the forces of Michel Aoun in Lebanon. The Syrian act got

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19 Ibid., p. 393


Quilliam, Syria and the New World Order, p. 155

Kienle, “Syria, the Kuwait War, and the New World Order”, p. 386

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undeclared US approval. This approval of the Syrian action expressed the recognition of Syria’s hegemony in Lebanon. Domestically, Syrian people had opposed the decision of the regime participating in the war against an Arab country, Iraq. Nevertheless, President Asad could explain the Syrian behavior to his people that Iraq, under the name of pan-Arabism, was occupying another Arab country, which itself was an assault to pan-Arabism. This ability of the Asad regime to explain this radical behavior to its people shows power and authority of the Syrian regime within the country.23

Syria in the Middle East Peace Process

One of the consequences of the Gulf War for the region is the start of a new peace process. During the 1990s, Syria participated in the bilateral peace negotiations with Israel. This process did not follow a smooth way, but there were ups and downs due to mainly the different peace concerns of the both sides. While Syria put priority on getting back the Golan Heights and so its sovereignty and dignity, Israel’s first aim was to maintain its security. The first round of bilateral negotiations began in 1992 after the Madrid Peace Conference on 30 October 1991. Negotiations, despite of some interruptions, continued until 2000, when Ehud Barak proposed withdrawing from the Golan Heights, but on the condition that the northeastern edge of Lake Tiberias remain under Israel’s sovereignty. However, Syria, pursuing the strategic consistency in its objectives and tactical flexibility in the ways to reach the objectives,24 was adamant on getting back the every inch of the Golan Heights and refused to sign a peace agreement on those conditions. This was the end of the peace process between Syria and Israel. In June 2000, Hafiz al-Asad died and in September 2000, the second intifada in the Palestinian territories began. Turkey had some concerns regarding the Syrian-Israeli peace negotiations. Turkish concerns were changing according to the case of the Turkish-Syrian relations. Until the end of the 1990s, as Syria was one of the most problematic neighbors of Turkey, the latter saw the possible peace

23 From the start of the crisis, the Syrian regime needed propaganda to explain its policy to public. Their propaganda was based on several arguments: Iraq’s conquest of Kuwait was an illegitimate act; Saddam himself did not act for the good of the Arab people but rather out of personal, opportunistic motives so Saddam’s policy damaged the general Arab interest as well as that of Iraq itself; Saddam’s action had enabled the West to regain the upper hand in the region, so Syria had taken steps to prevent such a possibility; the crisis had strengthened Israel in military and economic terms. As a result, Syria could not remain neutral in the struggle because this struggle jeopardized the resources of the Arab people; unless there was an Arab presence in the Gulf, the Western forces would take the place of the Arabs.

24 Ehteshami and Hinnebush, Syria and Iran, p. 85
agreement between Syria and Israel as shifting the power balance against it. There were different security and water related concerns of Turkey: the removal of a Syrian-Israeli conflict would have made Damascus more confident in its demands toward Turkey.\(^{25}\) Turkey concerned that if a peace agreement between Israel and Syria was signed before Turkey resolved its own problems with Damascus, Turkey would be the sole country, which Syria had the problems of security and sovereignty.\(^{26}\) One of the most important concerns of Turkey was to get Kurdistan Workers Party (Partiya Karkerana Kurdistan, PKK) listed as a terrorist organization and to have Syria pressured to stop supporting the PKK.

From the mid-1990s, when the water issue became part of the multilateral talks, the Asad regime denied to attend before the bilateral issues solved. However, Israel and the US raised the matter privately that the waters of the Euphrates River could be part of the resolution of the water problem between Syria and Israel. This idea of linking two different water issues, which Syria is part of both, disturbed Turkey.\(^{27}\) Turkish authorities argued that the water issue and the peace process were two separate issues; the waters of the Euphrates were not an issue of bargaining; and no contribution to the peace could be made at the expense of Turkey.\(^{28}\) Turkey insisted that it would not accept any Middle East peace agreement that would be reached because of its concessions. The Turkish Foreign Ministry proposed that Turkey could only contribute to the water aspect of the peace process by selling water to the region.\(^{29}\)

During the last round of negotiations, which began in December 1999, Ankara was more confident compared to the first periods of the talks. It was believed that Syria would not risk its good relations with Ankara after the 1998 crisis. Turkey’s concern over the talks was less than in earlier times and focused on the water issue rather than the security or terrorism.\(^{30}\) Therefore, as the relations between Syria and Turkey advanced, Turkey could more confidently approach the negotiations between Syria and Israel.

\(^{28}\) *Turkish Daily News* (A Turkish Daily in English), 15 February 1996
\(^{29}\) Selling water to the Middle East was not a new project. In 1987 Prime Minister Özal offered to start up the Peace Water Project, which would carry water from the Seyhan and Ceyhan rivers to the Middle East through pipelines as far as to the Gulf countries and Israel. Another project that Özal initiated was about the Manavgat River. Both projects aimed at economic benefits of Ankara as well as contributing to the political stability of the region by increasing economic interdependence among the regional countries.
\(^{30}\) Sever, “Turkey and the Syrian-Israeli Peace Talks in the 1990s”
Syrian and Turkey in the 1990s

Although the Cold War, one of the important constraints on the relations between Syria and Turkey, ended and so the expectations increased, bilateral relations between Syria and Turkey have not improved immediately. Contrary to expectations, relations faced a decay of confidence and the two countries came to the brink of war. Therefore, the end of the Cold War was not a cause for the better relations between the two, but this was the end of the cold-line between the two countries and this gave an opportunity to the sides that the hot-lines were assessed without the rigid framework of the Cold War.

The years until the end of the 1990s did not witness good relations between Syria and Turkey due to many bilateral issues. The main problematic in the relations was the lack of confidence and the lack of political will. After the end of the Cold War, Turkey has been to deal with the external threats that were perceived to have shifted from the north to the south and southeast of Turkey. Within this shift, Syria had to be dealt with, as it was the primary supporter of the PKK. So each country continued to perceive the other as a threat. In that manner, while Syria was developing its relations with Armenia, Greece and Iran, Turkey was signing a military agreement with Israel in 1996. Hence, Turkey and Syria were locked in a “security dilemma”. Furthermore, it is argued that as the political bilateral relations declined, so the economic relations between the two. Although the emerging economic dynamism in Turkey could be extended to Aleppo and Damascus, the political inactivity, and unsolved problems prevented the emergence of multidimensional relations between the two states.

There were many issues to be solved at the bilateral level. These issues were not newly emerged ones. Syria and Turkey had some constant problems. Syrian claim on Hatay province of Turkey and issue of sharing the water of Euphrates were such problems. Especially the Syrian support for Armenian and Kurdish terrorist groups, the PKK in particular, led to high tension. That situation supports the argument that the Cold War structure was a

33 Benli Altunışık and Tür, “From Distant Neighbors to Partners? Changing Syrian-Turkish Relations”, p. 236
34 See Mustafa Aydın and Damla Aras, “Ortadoğu’da Ekonomik İlişkilerin Siyasi Çerçevesi; Türkiye’nin Iran, Irak ve Suriye ile Bağlantıları”, Uluslararası İlişkiler, Vol. 1, No. 2, Spring 2004
35 Bülent Aras and Hasan Köni, “Turkish-Syrian Relations Revisited”, Arab Studies Quarterly, Vol. 24, No. 4, Fall 2002, p. 56

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kind of insurance against the threats of the each country against another with the concern of such violence could easily turn out to be a war between the two blocs of the Cold War. Thus the disappearance of the bipolar rift uncovered the conflicts between the two countries, making issues of security and water more dominating.  

The relations between Syria and Turkey during the 1990s also proved that how domestic context was crucial for foreign policy making. The PKK terrorism was one of the most important concerns of the Turkish governments. The PKK had its roots not only inside but also outside the country. Hence, for an overall success against the PKK, Turkey had to deal with the outside supporters of this terrorist organization. So as Syria was the primary supporter of the PKK at that time, Turkey had to follow a consistent strategy against Syria. Syria had provided financial, military and logistical support to the PKK by hosting its headquarters and training camps throughout 1980s and 1990s. Abdullah Öcalan, head of the PKK, had settled in Syria since 1979. It was interesting that a country such as Syria, which was also vulnerable to its Kurdish population, was supporting a Kurdish rebellious organization in another country. It is argued that Syria perceived its support to the PKK as an opportunity to suppress the possible aspirations of its own Kurdish population.

In addition, Syria had used the PKK card to pressure Ankara about the waters of the Euphrates and Tigris rivers. Syria, together with Iraq, wants to share equally the waters of these rivers by arguing that these are international waterways, not trans-boundary waters. In addition, Turkey's Southeastern Anatolian Project had led to increase in the Syrian fears regarding the amount and quality of the water coming from Turkey. Furthermore, Syria was not happy with the Economic Cooperation Protocol of July 17, 1987, by which Turkey committed to release at least 500 cubic meters per second to Syria. Syria was putting pressure on Turkey by bringing the water issue to the international arena, using Arab solidarity against Turkey, especially in the Arab League and the Gulf Cooperation Council.

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36 Benli Altunışık and Tür, “From Distant Neighbors to Partners? Changing Syrian-Turkish Relations”, pp. 235-6
37 The estimated Kurdish population in the region is about 22.6 million and 7-10 million live in Turkey, 5-6 million in Iraq, 3-4 million in Iran and 2-3 million in Syria.
38 Benli Altunışık and Tür, “From Distant Neighbors to Partners? Changing Syrian-Turkish Relations”, p. 233
39 The GAP includes projects in agriculture and industry and the construction of 21 dams and 17 hydroelectric power plants on the Euphrates and Tigris.
The tension between Syria and Turkey had already escalated when Turkish Prime Minister Süleyman Demirel warned Syria that Turkey might bomb the PKK camps in the Beqaa Valley in Lebanon. Following this warning, parties signed a joint communiqué on 20 January 1993, by which they repeated their determination not to permit any activity on their respective territories detrimental to the security of each other.\textsuperscript{41} However, Syria frustrated the Turkish part since the PKK activities resumed later. Moreover, Syria maintained strategic cooperation with Greece. In 1995, Greek air forces were permitted to land at the Syrian air bases. It is obvious that these developments contributed to the toughening of the Turkish position toward Syria.\textsuperscript{42}

In January 1996, Turkey issued a memorandum, by which Turkey charged Syria with having engaged in de facto aggression because of its support to the PKK, and emphasized that according to Article 51 of the UN Charter, Turkey could adopt self-defense measures against Syria. In that memorandum, Turkey argued that the normalization of relations depended on the condition that Syria had to end support for the PKK. More importantly, Turkey demanded that Öcalan had to be turned over to the Turkish authorities. After Damascus had declined to expel him, in early 1996, Turkey decided to suspend all official contacts with Syria. Just after that memorandum, Turkey signed the Military Training Cooperation Agreement with Israel in February 1996. One of the concerns of Turkey with this agreement was balancing against Syria. Hence, the parties were trying to say each other that they were not alone against each other.

However, as she was looking for peaceful solutions, Turkey launched a diplomatic initiative for a dialogue with Syria in February 1998. As a response, Syrian Deputy Foreign Minister Adnan Omran came to Ankara. However, this peaceful initiative achieved nothing. It is argued that this failure of diplomatic initiative was used by Turkey as a justification of her resort to “gunboat diplomacy”.\textsuperscript{43} In general, the 1990s witnessed a decay of confidence between Syria and Turkey. The deepest point of this decay was the 1998 crisis, which was a turning point from decay to ascendance of confidence in the relations. Before normalization, relations were on the brink of war.

The most important question regarding the 1998 crisis is why such an escalation happened in 1998. What was special for 1998? There are many explanations for the 1998 crisis. Some look at regional and international balance of power; and some others look at the domestic contexts of each country. Both kinds of explanations are necessary to understand the crisis. Hence, Turkey’s struggle to stop the PKK violence and the escalation of

\textsuperscript{41} http://untreaty.un.org/unts/60001_120000/30/24/00059197.pdf
\textsuperscript{42} Aykan, “The Turkish-Syrian Crisis of October 1998: A Turkish View”, p. 176
\textsuperscript{43} Aykan, “The Turkish-Syrian Crisis of October 1998: A Turkish View”, p. 177
nationalist sentiments in the country, domestic uncertainties in Syria, Russia’s withdrawal from the Middle East, and changes in the international environment led to formulation of a determined Turkish foreign policy toward Syria in 1998.

When we look at Turkey, the first question is that why Turkey, being the militarily superior, had let Syria acting regardless of Turkey for so much. It is argued that there were different reasons behind this inactivity of Turkey. First, Turkey did not have adequate capabilities until the mid-1990s and after its capabilities increased, political will could not emerge due to changing coalition governments. Furthermore, Turkey was dealing with both internal and external problems. Externally, at the December 1997, Luxembourg summit, the EU declined to grant candidate status to Turkey; throughout 1998, Turkey had to deal with the missile crisis in Cyprus and the agreement between Mesud Barzani and Celal Talabani, aimed at an independent Kurdish state in Northern Iraq. Internally, Mesut Yılmaz government was losing its credibility; and furthermore it was heavily influenced by the armed forces, whose effectiveness increased after the decisions taken by the National Security Council on 28 February 1997. Actually monitoring the relations with Syria had already been given to the Turkish Armed Forces in September 1995 by the government. The Turkish policy, shaped by the armed forces, was to systematically increase pressure on Syria, as the latter did not accept the Turkish demands.

The relations got worse when the Syrian ambassador to the United States raised the sensitive issue of the province of Hatay during a TV program. Turkish authorities protested this irredentist claim from Syria directed at Turkey’s territorial integrity. Furthermore, the commander of the land forces, General Atilla Ateş, told military units near the Syrian border in late September 1998 that ‘Syria should know that our patience has limits’. Turkey demonstrated by President Süleyman Demirel’s speech before the Parliament that her patience was ending regarding Syrian support of PKK. And then, Chief of Staff, Hüseyin Kıvrıkoğlu stated that “Syria has been waging an undeclared war against Turkey for many years. Turkey endured this, but she has no any more patience.” At the end, Turkey deployed 10,000 troops on the Syrian border.

Although initially Syria retaliated by massing troops and installing some missiles against Turkey, President Asad sent a message via Iranian Foreign

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44 Benli Altunışık and Tür, “From Distant Neighbors to Partners? Changing Syrian-Turkish Relations”, p. 236
45 Aydın and Aras, “Ortadoğu’da Ekonomik İlişkilerin Siyasi Çerçevesi”
Minister Kemal Kharrazi, who mediated with Egyptian President Hosni Mubarak, that Syria began arresting the PKK militants and would expel Öcalan. On 20 October, Prime Minister Mesut Yılmaz announced that Öcalan was no longer in Damascus. This opened the way for Adana Agreement on 20 October 1998. With the agreement between Turkey and Syria, the latter agreed to view the PKK as a terrorist organization, to end all logistical and financial aid and to shut down the PKK camps in Syria. Turkey gave nothing in return for Syrian concessions. Despite of prior claims by Syria, Turkey neither gave an assurance about the Euphrates River, nor even signaled willingness to discuss the Hatay issue. In addition, she did not give up its military cooperation with Israel. It is argued that this agreement was “a lopsided agreement”, and so this resembled a Syrian surrender to Turkish demands.\(^{50}\)

What made Syria capitulate the Turkish demands is the question in the minds. From a realist perspective, this was the result of Asad’s evaluation of the balance of power in the region. There was a gap between the Turkish and Syrian military capabilities; and Turkey and Israel had made a military cooperation agreement.\(^{51}\) Together with the end of the Cold War, and the demise of the Soviet Union, balance of power in the region changed in favor of Turkey. Furthermore, a Syrian-Turkish conflict no longer was a threat of escalation into a superpower confrontation.\(^{52}\) Although these international and regional developments, which led to change in the balance of power in the region, changed the parameters of the policymaking, such a realist explanation is not enough to understand the Syrian policy. Under risk, President Asad reframed the crisis from another point of view.\(^{53}\)


\(^{51}\) Actually, the Israeli government openly declared that it did not intend to confront Syria on behalf of Turkey on October 4. Therefore, it is argued that the 1998 crisis between Turkey and Syria was a test case for the Turkish-Israeli military cooperation.

\(^{52}\) Sezgin, “The October 1998 Crisis in Turkish-Syrian Relations “, p. 46, 51

\(^{53}\) *Ibid.*, p. 54. According to Sezgin, Syria operated in the domain of gains during the 1998 crisis, while Turkey focused on the domain of losses. Initially this statement can be seen as ironic, but it is meaningful that by using the PKK, Syria was gradually gaining at Turkey’s expense. Turkey suffered thousands of human casualties and lost billions of dollars at the hands of Syrian backed terrorist attacks. As a result, Turkey embraced an aggressive, risk-seeking policy and resorted to military threats in order to minimize its losses. On the other hand, according to Sezgin, Syria struggled to maintain the status quo, from which it supposedly benefited throughout the last two decades. As Asad found out that this status quo would not benefit any more, he shifted his reference point from the status quo in his relations with Turkey to an adjusted reference point.
argued that it was not only fear of Turkey’s military threats, as the realist explanations assert, that led to Syria to capitulation, but rather some vital domestic constraints. It is asserted that it was not the changing balance of power behind Syria’s surrender to Turkish demands, but the domestic policy constraints and perceptual changes, neglected by the realist explanations. One of the main concerns of President Asad was the regime security and survival. He was concerning over his son Bashar’s succession. During the crisis, Turkish threats and the issue of the PKK, which had already become a liability, was a sort of succession concern for Hafiz al-Asad. As Asad’s health conditions were not so good, this succession problem gained more importance than ever.

**Syria in the Post-Cold War Era II: Regime under Bashar Asad**

Hafiz al-Asad’s concerns regarding his health were right and he died in June 2000, and his son, Bashar al-Asad became the president following a constitutional amendment. Bashar al-Asad came to power in a transition period for Syria, in which the attempts to reach a peace agreement with Israel since 1991 failed in May 2000. Beside the failure in the peace process, Bashar faced other challenges: first, need for domestic reform without threatening the regime dependents; and second, reconstructing Syria’s foreign policy relations compatible with the Arab identity.

Bashar continued in his father’s footsteps: maintaining peace as a strategic choice while insisting on a return of the Golan Heights to the 4 June 1967 line. In addition, he accelerated the foreign policy, which began under his father of removing regional barriers and diversifying ties in the region. Bashar attempted to improve relations with a number of states in the region, including Turkey and Iraq. Especially after the failure of the Camp David summit between Barak and Arafat in July 2000 and intifada in September 2000, Bashar formed close contact with his Egyptian and Saudi counterparts. It is argued that Bashar carefully positioned Syria so that it can reenter the peace process if necessary as well as play an Arab leadership role if the Arab-Israeli conflicts rise again.

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54 Ibid., p. 52
55 Ibid., p. 57
57 Lesch, “Flanks, Balances, and Withdrawals”, p. 197
58 Raymond A. Hinnebusch, “Syria after the Iraq War: Between Neo-Con Offensive and Internal Reform”, *Deutsches Orient-Institut-Focus*, Nr. 14, March 2004, p.10
59 Lesch, “Flanks, Balances, and Withdrawals”, p. 198
However, the hegemonic power, the US, identifying its interests in line with Israel and giving top priority to the war against terrorism after the September 11 attacks, does not hesitate to pressure Syria regarding her support to the Palestinian organizations and to the Iraqi insurgency and her stay in Lebanon. As a balance to this pressure when Syria needed the EU partnership, the EU sought to impose its demands about neo-liberal economic practices and human rights issues as the price of the partnership.\textsuperscript{60}

**Domestic Challenges and Opportunities**

When Bashar came to power, there were many areas demanding change in Syria. Hafiz al-Asad left behind problems of command economies: inefficiency, corruption, and unemployment.\textsuperscript{61} Being aware of these problems, Bashar started the reform process of “Damascus Spring” in 2001. It was a “phased reform process”,\textsuperscript{62} which began with the economic reforms and then planned to be followed by the political reforms.

In this process, the role of the private sector was important. To open up the country to foreign direct investment and to liberalize the economy, new social alliances needed to be constructed. However, incorporating the private sector challenged the old guard that has benefited from the strong role of the state.\textsuperscript{63} For Bashar, ignoring the old guard was not easy and so Bashar has not succeeded in improving the Syrian economy. Beside conditions of Syrian political economy, because of her attitude towards the Iraq War, Syrian or foreign private investors shy away from making long term investments,\textsuperscript{64} which Syria needed much rather than short term managements.

The real problem is not the economy at the first hand, but the real problems are related to the inability of the regime to tackle with political issues related to reforming its political economy and to the lack of capacity to support market-based development.\textsuperscript{65} There was a failure related to the narrowly confined political establishment to implement extensive economic reforms.\textsuperscript{66} Hence, initially the political system of one-party system,

\begin{footnotesize}
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\item[] \textsuperscript{60} Hinnebusch, “Globalization and Generational Change”, p. 207
\item[] \textsuperscript{61} Najib Ghadbian, “The New Asad: Dynamics of Continuity and Change in Syria”, *Middle East Journal*, Vol. 55, No. 4, Autumn 2001
\item[] \textsuperscript{63} Rachel Bronson, “Syria: Hanging Together or Hanging Separately”, *The Washington Quarterly*, Autumn 2000, p. 101
\item[] \textsuperscript{65} Ibid., pp. 94-5
\item[] \textsuperscript{66} Raphaeli, “The Syrian Economy Under Bashar al-Assad”
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dominated by security chiefs who come mostly from the Alawite minority, is needed substantial reform. Without greater accountability, transparency and a free media, it will be difficult to break the cycle of corruption and inefficiency.\textsuperscript{67} What did Bashar was the opposite that he introduced certain economic reforms, while attempting to preserve the political structure. It was similar to the Chinese case – reforming the economy while maintaining one-party rule.\textsuperscript{68}

Thus, initial “Damascus Spring” was very short-lived. Bashar understood that his plans could not succeed with the current regime; but also he feared that he might not long survive without it.\textsuperscript{69} In addition, there were fears including the Islamist threat, sectarian and ethnic strife, especially after the Iraq War, and the fear of economic dislocation.\textsuperscript{70} Overcoming such domestic challenges at the first hand are very important for economic development.

It is obvious that there is the idea and the will of getting rid of the old way of directing economy; but there is a strong legacy of the past, and it is not easy for Bashar to put away this and continue the reform process.\textsuperscript{71} Most importantly, there is the political will, despite limited, to change among the regime; the recent facts regarding the Syrian economy can be evaluated as part of this will. In early 2004, the Ba’th party issued a decree and the first three private banks were opened.\textsuperscript{72} Another economic reform issue was regarding a free trade area with the EU, as the main part of the Association Agreement of the Euro-Mediterranean Partnership. This called for reducing tariffs on imported European goods by 50 percent during the first three years following the signing of the agreement, and for the dismantling of the remaining tariffs in the following twelve years, before a full partnership agreement; although it is questionable that how entering into a free trade agreement with Europe will solve the main problems of the Syrian economy lacking competitiveness.\textsuperscript{73}

In the recent years, Syria’s biggest accomplishment was in the agricultural sector, to which the government has redirected its priorities from the industrial sector. The aim was to achieve food self-sufficiency, enhance export earning, and stop rural migration. Apart from oil, the main source of


\textsuperscript{69} \textit{Ibid.}, pp. 7-8

\textsuperscript{70} \textit{Ibid.}, pp., 11-19

\textsuperscript{71} Interview with Ziad Haidar of As-Safir (A Lebanese Daily), Damascus, 5 December 2007

\textsuperscript{72} Schmidt, “The Missed Opportunity for Economic Reform in Syria”, p. 94

\textsuperscript{73} \textit{Ibid.}, p. 94-5
foreign earning (68 percent of export receipts in 2004), agriculture and animal husbandry accounted for close to 15 percent of export earning.\textsuperscript{74}

In the Ba'th Party Congress in June 2005, the Syrian regime called for the social market economy. However, the Ba'th Party conference failed to establish the conceptual framework for this economic model. Obviously, in the absence of competitive environment and with a limited political will to join the global market, a social market economy remains a mere slogan.\textsuperscript{75} Syria needs more concrete reforms with a strong political will rather than slogans.

Regarding future, according to a study by the International Monetary Fund (IMF), the decline in the Syrian oil exports will cause a major fiscal and balance-of-payment crisis. With the decline of revenues from oil, and a further decline in foreign currency transfers by expatriate Syrian workers in Lebanon, the balance of payment can rapidly worsen. The IMF report stressed the urgent need for Syria to increase growth in order to diversify and expand the production and export base of the economy before oil resources are exhausted; and absorb new entrants into the labor market arising from decades of very rapid population growth.\textsuperscript{76} Related to this, one of the important issues in Syria today is the idea of lifting subsidies to oil. The ways of how to do this is being discussed, because it is a sensitive issue, which may lead to serious criticism from the whole society. There is concern that the regime has to do this; otherwise the economic system may collapse.\textsuperscript{77}

**External Challenges and Opportunities**

If we look at the foreign policy challenges to Bashar, it was to access the resources and support to cope with Israel and the US while sustaining the regime in its period of transition. However, the world order Syria faces today is very different from that which Hafiz al-Asad manipulated. Syria under Bashar can no longer maneuver between the Soviet and American superpowers, but also it was under the US demands and threats. Furthermore, Bashar faced a hindered peace process, unrest in Lebanon for Syrian forces in that country, the renewed activities of Hezbollah against Israel, and the war on terrorism declared by the US and the war in Iraq.

Against the pressures, Bashar has attempted to defend Syria’s position by constructing multiple alliances.\textsuperscript{78} Bashar had inherited a deteriorating

\textsuperscript{74} Raphaeli, “The Syrian Economy Under Bashar al-Assad”

\textsuperscript{75} Ibid.

\textsuperscript{76} http://www.banquecentrale.gov.sy/reports/imf2006si.pdf

\textsuperscript{77} Interview with Ziad Haidar of As-Safir (A Lebanese Daily), Damascus, 5 December 2007 and interview with Dr. Marwan Al-Kabalan from Center for Strategic Studies and Damascus University, Damascus, 6 December 2007

\textsuperscript{78} Hinnebusch, “Globalization and Generational Change”, p. 198
strategic situation from the late Hafiz period, including an emerging Turkish-Israeli-Jordanian partnership threatening Syria. He neutralized this threat by mending fences with Turkey and Jordan. The loose alliance with Saudi Arabia and Egypt that Bashar inherited remained the main part of Syria’s regional strategy. Syria needed more than ever to be part of an Egyptian-Saudi triangle to protect itself from the US pressures. Syria, not satisfying with the relations with Egypt and Saudi Arabia, inclined to an opposing alignment with Iran and Iraq. It is argued that Syria was trying to position itself to manipulate two opposing regional alliance networks, the traditional pro-Western one that tied it to Cairo and Riyadh and a potential new anti-Western one with Iraq and Iran.\textsuperscript{79} Within this multiple alliance system, Syrian improving relations with Turkey have proved that this is the best choice in the sense that Turkey has the ability and the will to mediate between Syria and Israel and surprisingly she has not allowed Syria to be isolated despite the US pressures.

Regarding a peace agreement with Israel, the rise of Sharon to power in Israel in 2001 had removed a peace agreement from the agenda while his repression of the Palestinian intifada inflamed public opinion against Israel. As a result, Bashar’s policy became less accommodating toward Israel than that of his father in the late 1990s.\textsuperscript{80} Syria continued to support for Hezbollah operations against the disputed Sheba Farms, despite of Israeli withdrawal from Lebanon in May 2000. Syria sought to make certain that there would be no separate Israeli-Lebanese peace from Israeli-Syrian peace and Israel could not have peace without a settlement with Syria. Nevertheless, it was reported that Syria had secret contacts with Israel and participated in the last peace initiative in Annapolis. Although the Annapolis meeting was not successful in terms of peace process, it was a golden opportunity for Syria in the sense that it gave an opportunity to Syria to talk to the US directly and to improve relations with Saudi Arabia and Egypt.\textsuperscript{81}

The Iraq War and Syria

Among the bilateral relations with the region’s countries, the most challenging issue for Syria is the Iraq War. After September 11, the US initiated fight against terrorism. In this fight, the Middle East was given priority to be dealt with, since there were some rogue states to be corrected and there were essential interests of the US to be protected. Syria was one of the targets because of its support to Palestinian organizations and

\textsuperscript{79} Eyal Zisser, “Syria and the War in Iraq”, \textit{Middle East Review of International Affairs}, Vol. 7, No. 2, June 2003, p.44
\textsuperscript{80} Hinnebusch, “Globalization and Generational Change”, p. 199
\textsuperscript{81} Interview with Dr. Marwan Al-Kabalan from Center for Strategic Studies and Damascus University, Damascus, 6 December 2007
Hezbollah in Lebanon, identified by the US as terrorist organizations. To prevent a direct confrontation with Washington, Syria cooperated with the US in its struggle against al-Qaeda and gave useful intelligence about al-Qaeda’s cells in Syria and some European countries. Because of this cooperation, the US President George Bush left Syria out of axis of evil. Instead, he highlighted Syria’s regional role but forced it to make a choice with respect to any US operations against Iraq, Iran and Hezbollah. Bush warned Syria that it had to choose the right side in the war on terrorism by closing terrorist camps and expelling terrorist organizations. Syria closed the Damascus media offices of the Palestinian groups, but also Bashar told that closing the offices would not solve the problem.82

However, after the Iraq War began in March 2003, Syria became the leader of the anti-war camp. Bashar used pan-Arab rhetoric and compared this war with the Sykes-Picot agreement of 1916. Bashar said in the Arab League that “Baghdad should not face the same fate as it was invaded by Mongols at the Abbasid times and Arabs should unite against this threat.” Bashar was right in the sense that this war led to many losses rather than gains for Syria. The only gains for Syria were, regionally, its stronger position due to failed American administration in Iraq83 and, domestically, getting legitimacy from the war to freeze the needed reforms in the country.84

One of the consequences of the Iraq War is that the US as a neighbor became threat to national security of Syria.85 It is argued that the Iraq War had brought underlying the US-Syrian tensions to the front. Relations faced a shift from concentration on a peace process to terrorism and Iraq. The US policy has been reduced to demands and threats, while Syrian policy has been reduced to a wait-and-see approach. It was acknowledged that Syria was caught between the desire to balance against and the need to bandwagon with the US.86

However, although the borders with Iraq were closed, although Syria had not opposed the road map to Middle East peace that excluded it, and even though the Palestinian factions had closed their Damascus offices, Syria’s efforts to initiate a dialogue were collapsed.87 On December 12, 2003, President Bush signed into law the Syrian Accountability Act. Congress approved the act out of anger at Syria’s aid to foreign fighters during the

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82 International Crisis Group, Syria Under Bashar (I): Foreign Policy Challenges, ICG Middle East Report, No 23, 11 February 2004
83 Interview with Ziad Haidar of As-Safir (A Lebanese Daily), Damascus, 5 December 2007.
84 Interview with Ibrahim Hamidi of Al-Hayat, Damascus, 6 December 2007.
85 Interview with Dr. Marwan Al-Kabalan from Center for Strategic Studies and Damascus University, Damascus, 6 December 2007.
86 Hinnebusch, “Globalization and Generational Change”, p. 203
87 Hinnebusch, “Syria after the Iraq War”, p. 8
US-led invasion of Iraq. After nearly six months of internal debate, on May 2004, the Bush administration announced it would ban some trade with Syria, in part to punish it for its actions during the Iraq War. The US administration was determined to isolate Syria in the region.

Beside these direct sanctions against Syria, the US also dealt with Syria via Lebanon, over which Syrian influence has continued since 1976. In 3 September 2004, the UN Security Council adopted a resolution calling for the withdrawal of foreign forces from Lebanon and respect for its sovereignty, after deleting a reference to Syria in the text. UN Resolution 1559, proposed by France and the US, came as the Lebanese legislators prepared to vote on a constitutional change demanded by Syria that would allow pro-Damascus president Emile Lahoud, who set to leave office, to remain for an extra three years. Actually, the US was accepting Syrian presence, which had to end according to Taif agreement of 1989, because of the Syrian support for the US during the Gulf War. Now Syrian anti-war stand led to change in the US policy. After Rafik Hariri’s killing in February 2005, international pressure over Syria was intensified with the local protests as part of Cedar Revolution in Lebanon. As a result, Syria withdrew its troops from Lebanon in April 2005.

Another issue of the US pressure was weapons of mass destruction (WMD). While suspected Syrian WMD has been a long standing US concern, it gained public prominence in the aftermath of the Iraq War. It is argued that Syria’s chemically armed missile force has a defensive deterrence against nuclear-armed Israel. Syria argued that any effort to address this issue should be region-wide including Israel.

The Iraq War also prevented Syria to benefit from some opportunities, which have begun to flourish by the end of the 1990s. One of the strategic shifts in Syria’s policy under Bashar was the deepening rapprochement with Iraq, although this was already on the agenda under Hafiz al-Asad. With the failure of the peace process, Hafiz al-Asad had decided to set aside his enmity toward Saddam Hussein in order to confront the Israeli-Turkish cooperation, to send a message to the US that Syria had other options than peace with Israel, and to find solutions to Syria’s economic stagnation. The relation with Iraq was a matter of geo-economics. Its centerpiece was the reopening of the oil pipeline from Iraq to Syria’s Mediterranean port of

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88 The act directs President Bush to block the shipment of certain goods to Syria and urges him to adopt a variety of punitive measures ranging from a complete ban on exports to limiting the movement of Syrian diplomats in the United States and barring Syrian aircraft from operating in US space.
89 “US to impose sanctions on Syria; Iraq war actions a factor, USA Today, 12 May, 2004
90 http://www.middle-east-online.com/english/syria/?id=11154=11154&format=0
91 ICG Middle East Report (I), p. 21
Turkey’s Neighborhood

Banias closed during the Iran-Iraq War. The new alignment also had potential geo-political significance. This strategic alignment between Syria and Iraq together with the Syrian-Iranian alliance, held the potential to transform the region’s power balance. This possible strategic depth was lost with the war.

At the international and regional levels, security predicaments of Syria were intensified after the Iraq War. Domestic arena also does not immune from this intensification. After the Iraq War, Syrian expatriates in the West have started to take a more active role in encouraging the US and Europe to pressure the Syrian government. Another issue at the domestic level is the Kurdish issue. In March 2004, demonstrations broke out in the Kurdish regions of Syria. Analysts speculated about the causes of the clashes between Kurds and Syrian authorities and the consequences for future Syrian stability. However, the Kurds in Syria emphasized that their demands just were related to rights of citizenship rather than autonomy.

Facing different challenges, Bashar al-Asad tried to manage them. Bashar, facing the US threat, tries to diversify its regional relations. He had inherited an emerging Turkish-Israeli-Jordanian partnership threatening Syria. He disqualified it by mending fences with Turkey and Jordan. Egypt and Saudi Arabia were viewed as key partners. Its alliance with Iran is still on the agenda.

A major development in Syria’s policy was the strategic priority given to relations with Europe. The EU’s preference for economic integration and constructive engagement over Washington’s use of military force and unilateral sanctions was a lifeline to Damascus. It was argued that Syria had entered the Barcelona Process for mainly political reasons. Syria hoped that a more active Europe would balance US influence in the Middle East. The EU wants to assist Syria in meeting its economic, political and even security challenges, but always put the human rights as precondition. The EU, a soft power for Syria, announced that they differ with the US on ways to reach the establishment of democratization in Syria and Iran.

93 Interview with Ibrahim Hamidi of Al-Hayat, Damascus, 6 December 2007.
95 Ibid., p. 14
96 Ibid., p. 20
However, the Euro-Med agreement, for which negotiations had begun in 1998, had been obstructed by the European states acting on behalf of Washington’s agenda. After September 11, the EU disagreed with Syria’s insistence that national liberation against occupation did not confuse with terrorism and rejected Syrian support for the hard-line Palestinian organizations. The Association Agreement was initialed in October 2004 but has not been signed yet. The Agreement aimed to contribute to peace and security in the region and to stimulate trade and economic relations between Syria and the EU. The text stipulates that “Syria must implement all international non-proliferation accords, and that respect for human rights and democratic principles constitutes an essential element of the agreement.” When signed, the agreement will have to be ratified by the members of the EU, in addition to the European and Syrian parliaments. For the moment, however, the signing, let alone the ratification of such an agreement, is quite remote. There is ongoing debate that whether the agreement with Syria should be signed to accompany democratic changes or use it as a means to put pressure on the Damascus authorities so that they undertake reforms before going any further. New Syrian Foreign Minister Walid Moallem called on European states to take positions “less influenced” by the US and more in their own interest and the interest of Arab countries.

As a result, the US war against Iraq affected Syria by intensifying security problems of it, creating new challenges and preventing some opportunities. In the words of Syrian ex-Foreign Minister Faruk Sharaa and new vice president, “Syria’s environment has become neither friendlier nor easier to handle since the US became one of its neighbors.” Under the elder Asad, Syria had developed a significant ability to manage international pressure and regional crises. The situation following the Iraq War is different from former crises. Bashar al-Asad has to face a combination of unfavorable regional developments, a much more assertive US leadership, a difficult political-economic legacy and expectations of domestic reform. It is argued that the Iraq War, as well as changing the geopolitical environment, also influenced domestic politics in Syria. Hence, at a time when reform in Syria is needed much, but the president has yet to consolidate his power, the US invasion of Iraq much heightened the threat to the Syrian regime’s

100 Raphaeli, “The Syrian Economy Under Bashar al-Assad”
101 http://www.charlestannock.com/pressarticle.asp?ID=870
103 Perthes, “Syria Under Bashar Al-Asad, p. 62
very survival.\textsuperscript{104} Related to the Syrian position in the Iraq War, the Syrian regional politics, in particular her presence in Lebanon began to be questioned by the US.

**Syria and Lebanon**

The Lebanese politics are not immune from the Syrian influence. The years between 1976 and 2005 witnessed the Syrian intervention beyond influence. Syria had intervened to end the civil war in the country. Although the Syrian presence had to end according to Taif agreement in 1989, which declared the end of the civil war in Lebanon, Syria continued to stay in Lebanon and furthermore they signed Lebanon-Syria Treaty of Cooperation on 20 May 1991. A Syrian-Lebanese Defense Cooperation Treaty followed this agreement. As timing of these agreements followed Operation Desert Storm in the Gulf War, it was argued that these agreements got the US approval as a reward for Syrian cooperation during this war against Iraq.

During the last Iraq War, Syrian anti-war stand led to change in the US policy. After Rafik Hariri’s killing in February 2005, international pressure over Syria was intensified with the local protests as part of Cedar Revolution in Lebanon. As a result, Syria withdrew its troops from Lebanon in April 2005. However, the military withdrawal of Syria from Lebanon does not mean that the Syrian influence ended in Lebanon. Since then Syria have tried to show that Syria cannot be disregarded in the Lebanese politics, if the aim is to bring stability to Lebanon.

In that sense, the recent crisis in July 2006 in Lebanon was a good example. The conflict began when Hezbollah militants fired rockets at Israeli border towns and captured two Israeli soldiers. Israel responded with massive air strikes and artillery fire on targets in Lebanon, which damaged Lebanese civilian infrastructure, and with an air and naval blockade, and a ground invasion of southern Lebanon. Hezbollah then launched more rockets into northern Israel and engaged the Israel Defense Forces (IDF) in guerrilla warfare. During the crisis, Lebanese President Emile Lahoud declared his full support for Hezbollah, seen as complementary to the Lebanese army. Despite Lebanon's call for support for a ceasefire, the United States and the United Kingdom, hoping to have Hezbollah wiped out, hindered the ceasefire process. Outsider efforts to interfere with a ceasefire only ended when it became apparent Hezbollah would not be easily defeated.\textsuperscript{105}

On 11 August 2006, the United Nations Security Council unanimously approved UN Resolution 1701 in an effort to end the hostilities. The resolution, approved by both Lebanese and Israeli governments, called for

\textsuperscript{104} Hinnebusch, “Syria after the Iraq War”, p. 4
\textsuperscript{105} For more details see http://en.wikipedia.org/wiki/2006_Lebanon_War
disarmament of Hezbollah, withdrawal of Israel from Lebanon, and the deployment of Lebanese soldiers and an enlarged United Nations Interim Force in Lebanon (UNIFIL II) force in southern Lebanon.

Syria is one of the supporters of Hezbollah in the region alongside with Iran. It is asserted that there is a change in the relationship between the Syrian regime and Hezbollah that while Hafiz al-Asad had never left any doubt about who had the upper hand in the relationship, Bashar allowed it to move closer to an equal partnership, and the Syrian government has sought to benefit from Hezbollah's popularity.\footnote{Volker Perthes, “The Syrian Solution”, \textit{Foreign Affairs}, Vol. 85 Issue 6, Nov/Dec 2006} It seems that this support becomes more meaningful as the American pressure on Syria continued. Syria sees herself as a target of the US, so the Lebanese crisis was a showcase for Syria against the US in the sense that it had the capacity to prevent the American plans in the region. There were some accusations that Damascus wanted to divert international attention from the authoritarian regime of Bashar al-Asad, and so it sent its Lebanese proxy to start a war—with devastating consequences for Lebanon and for regional stability. However, there was no evidence that Syria planned this crisis. Nevertheless, such a crisis was an opportunity for Syria to show the international arena that she is very necessary to bring stability in the region, and Lebanon in particular. Volker Perthes argued that Damascus quickly realized that the ensuing regional crisis could work to its advantage. Although the Syrian government clearly had no interest in being drawn into the war, as the fighting erupted, it began to emphasize just how easily the entire Middle East could flare up if it remained isolated and the broader Arab-Israeli conflict was not solved. Simply by doing nothing and letting the conflict continue, the thinking went, Damascus could prove that its help would be necessary to bring stability and avert a larger conflagration.\footnote{Ibid.}

The recent chaos in Lebanon regarding the presidential election also shows that Syria proves itself to others that it is needed for the solutions to the problems in Lebanon. Since 23 November 2007 Lebanon is without a president. Although the Western backed-government and the pro-Syrian opposition agreed upon a candidate, Michel Suleiman, who is the Lebanese Armed Forces Chief Commander, the parliamentary session for election continues to be postponed. There is need for a constitutional amendment to allow military commanders on duty to move directly into the presidential office with a two-thirds majority at the parliament. Thus the real problem is not the necessary constitutional amendment, but the necessary two-thirds majority. The pro-Syrian opposition, which includes Hezbollah, Amal and Free Patriotic Movement led by Michel Aoun, demands the formation of a
national unity cabinet and warned that an election by simple majority may result in the formation of a shadow cabinet. At that point, Syria is the first country come to the minds as a possible facilitator in this problematic process. As a result, by the recent events in Lebanon, Syria got the opportunity to show that it is needed to bring stability to Lebanon.

Syria and Turkey in the Bashar al-Asad Period

Syrian-Turkish relations, which were on the brink of war at the end of the 1990s, have rapidly evolved following the Adana Agreement, ending the 1998 crisis. A direct telephone link between the two, special representatives in the diplomatic missions, regular meetings of the Joint Security Committee and the various diplomatic visits show that there has been a confidence-building process since the end of the 1990s and furthermore there is a deepening rapprochement between the two countries. Strategic partnership is one of the best identifications of the relations between Turkey and Syria. It becomes usual to see the reports in the newspapers regarding Syrian-Turkish cooperation efforts in the various fields of trade, investment, industrial, cultural, medical, tourism, customs, business and scientific. How Syrian-Turkish relations came to such a strategic depth from the brink of war?

Due to some turning points, Syrian-Turkish relations evolved into good neighborly relations. Visit of Turkish President Ahmet Necdet Sezer to Syria, Justice and Development Party’s (Adalet ve Kalkınma Partisi, AKP) coming to power in Turkey, Bashar al-Asad’s visit to Turkey and most importantly, Turkey’s disregarding US pressures to end up her close relations with Syria,108 and the Iraq War in the region and so changing regional environment109 were the main turning points in the evolving relations.

Turkish ex-President Sezer’s attendance to Hafiz al-Asad’s funeral in June 13, 2000 had an important positive effect on the relations. Although bilateral ties had already improved considerably before the ruling AKP came to power in November 2002, there is little doubt that the party has been particularly coherent in maintaining a better relationship with Damascus, not only on a political level but also in the economic sphere. Turkey’s rapprochement with Syria is part of the AKP’s foreign policy regarding Middle East, which aims at a more active engagement with the region.

108 Interview with Ziad Haidar of As-Safir (A Lebanese Daily), Damascus, 5 December 2007.
109 Interview with Dr. Marwan Al-Kabalan from Center for Strategic Studies and Damascus University, Damascus, 6 December 2007.
In 2002, the Syrian and Turkish chiefs of staff concluded a military-cooperation agreement that includes joint exercises. In July 2003, Turkey agreed to resume talks over Euphrates water.\footnote{Perthes, “Syria Under Bashar Al-Asad", p. 47} At least the water problem began to be seen as a technical issue rather than an issue related to threats and sovereignty.\footnote{Benli Altunışık and Tür, “From Distant Neighbors to Partners? Changing Syrian-Turkish Relations", p. 242.}

In December 2004, the official visit of Bashar al-Asad, who was the first Syrian leader visiting Turkey, proved the good level of relations and the political will to cooperate regarding economic, cultural and security issues. Several high Syrian delegations to Turkey forged a series of economic agreements; this reached its peak by the free trade agreement signed during the Turkish delegation’s visit to Syria in December 2004. This agreement aimed at the prevention of double taxing and increasing the investments between Turkey and Syria. Turkey will lift customs taxes on Syrian products as soon as the agreement comes into effect while Syria will do the same for Turkish goods in a 12-year transition period. As for agricultural products, the parties will make reciprocal tax reductions for a series of products. After the agreement takes affect, Syria will lift all bans and restrictions on imports from Turkey.\footnote{http://www.bilaterals.org/article.php3?id_article=6412} This agreement, came into force by 1 January 2007, is expected to contribute to increasing trade exchange in the near future to about $ two billion. Within this cooperative process, first border trade center and a Syrian General Consulate were opened in Gaziantep and a Turkish Consulate was opened in Lattakia.\footnote{“The Syrian-Turkish Relations are Witnessing Remarkable Development and Cooperation” October 29, 2006, from archives of Syrian News Agency (SANA), www.sana.org/eng}

Syria drew closer to Turkey after the trade and diplomatic ties reinforced by a certain shared interest with Turkey’s containing the US ambitions in Iraq and the Kurdish separatism. Syria and Turkey both oppose any Iraqi Kurdish attempt to break away from the central government in Baghdad, fearing that this could stimulate separatist ambitions among their own Kurds. In addition, the Iraq War left Syria isolated, except relations with Iran. Turkey’s extension of her hands to Syria was a building block in the relations.\footnote{Interview with Dr. Marwan Al-Kabalan from Center for Strategic Studies and Damascus University, Damascus, 6 December 2007.} In 2005, Sezer’s second visit was very important in the sense that the US was warning Turkey regarding its good relations with Syria. The US was not happy with Turkey’s standing since against the US pressures on Syria, the latter could overcome these pressures by aligning with some regional powers, including Turkey. Bashar al-Asad was thankful because of the initiative of Turkey despite the US pressures. At the end of 2006,
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Turkish PM, Erdoğan was visiting Syria and during his speech, he characterized Syria as a regionally important country with which Turkey has good relations. Another sign of evolving relations between Syria and Turkey was Syrian demand for Turkish mediation in its negotiations with Israel. Actually, there were secret negotiations, which were uncovered by Ha’aretz by a report on 4 February 2007. It was said that Syria and Israel held seven secret meetings in a European capital between September 2004 and July 2006. According to the reports, the last secret meeting was held during the Lebanese War on July 2006. Prior to these meetings, Alon Liel, representative of Israeli part in these negotiations and previous Israeli ambassador to Turkey, was involved in an effort to further secret talks between Syria and Israel with the Turkish mediation. This effort was following a request of Bashar al-Assad for assistance from Tayyip Erdoğan during Bashar’s visit to Turkey in 2004. This event shows that Syria trusts Turkey and believes in Turkey’s ability for such an important issue. From the point of Syria, Turkey is a good candidate for mediation between Israel and itself since Turkey, a regional power, has also good relations with Israel.

On 4 April 2007, the Syrian football team Al-Ittihad and the Turkish team Fenerbahçe played a soccer game in the opening ceremony of the Aleppo’s Olympic Stadium. According to the team members, this event was underlying the friendship between the two countries. According to Erdoğan, there is a wind of friendship between Turkey and Syria, which came to the brink of war in 1998; and a positive approach is enough to overcome the problems. Erdoğan’s trip to Syria for the opening ceremony was not merely a symbolic gesture whereby only bilateral relations between the two countries were discussed. The Israeli-Palestinian dispute, the latest events in Iraq and Lebanon, and the Kurdish issue were on their agenda. The two leaders did not limit their talks to security issues alone. Energy issues also were on their agenda. They discussed transporting Egyptian natural gas through Syria to Turkey, as well as the building of “a dam of friendship” on the Orontes River.

When Israel launched an air strike in the northeastern Syria near the border with Turkey against a target on 6 September, Turkey complained to Israel

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115 Radikal (a Turkish daily), 7 December 2006
118 “Halep’te sıcak karşılık” and “Esad ile bölge barışını görüşü”, Zaman (a Turkish daily), 4/4/2007
as the aircraft dropped fuel tanks on its territory during the incursion. Turkey also condemned this act and against the speculations that the Israeli planes had used the Turkish airspace, Turkey assured Syria that it would never allow its territory to be used for an attack against the country.

In mid-October 2007, when Bashar al-Assad came to Turkey, it was declared that Turkey and Syria had a common goal of ensuring stability in the region. At the time of the visit, on 17 October, the Turkish Parliament authorized troops to cross the mountainous border into northern Iraq to track down the rebels. President Asad backed Turkey’s tough stance over the Kurdish rebels operating out of northern Iraq. Bashar expressed support for Turkey's legitimate right to act in self-defense. Bashar later fine-tuned his position, calling on Ankara to give Baghdad a chance to tackle the rebels. He said “the problem cannot be resolved by being considered only as a military and security problem. Results cannot be obtained without the backing of political efforts”.

During this visit, a memorandum of understanding was signed by the foreign ministers of the two countries for cooperation in political, security, economic, energy and water issues. Accordingly, the two countries will cooperate and consult in regional issues, and also further increase the cooperation in the fight against terrorism. In economy area, countries will boost commerce within the scope of their free trade agreement. Turkish and Syrian companies will be promoted to make mutually more investments. Also the two countries will continue to launch initiatives to increase the number of border gates as well as modernize the existing ones. Under energy and water areas, the cooperation between Turkish Petroleum Corporation (TPAO) and Syrian Petroleum Company (SPC) will be increased as well as negotiations between Turkish and Syrian officials will be intensified to develop cooperation in the sustainable development of water in the Euphrates-Tigris basin.

It can be easily discerned that Syria and Turkey have already gone beyond the confidence-building process and through deepening rapprochement they are partners in many different fields including security, economy, trade and investment. Among many other reasons and turning points in the relations mentioned above, political will of the both sides to engage with the other in a constructive way is the most important reason behind the good level of relationship.

121 “Turkey and Syria sign a memorandum” http://www.worldbulletin.net/news_detail.php?id=12199
Conclusion

Syria has faced various internal and external challenges since the end of Cold War. By dealing with these challenges and converting some of them to some opportunities, Syria has proved that it is a regional power, which cannot be ignored; and it is an established state despite some reform needs. Hafiz al-Asad had identified the end of the Cold War as the most significant event for Syria since its independence. However, pragmatic Hafiz al-Asad had seized the opportunity of taking place within the American-led coalition in the Gulf War and of participating in the Middle East peace process and so showed that Syria would be part of the new world order. These policies of Syria had led to reopening of the subsidy channels from the Gulf States and getting aid from the West. These amounts of money had been a kind of remedy to the economic crisis in Syria. However, the real problem was the priority of political concerns over economic ones. Economy was seen from the prism of the regime survival. Therefore, in order to overcome the economic crisis, first of all, the logic of the regime survival had to be removed.

Bashar al-Asad, coming to power following his father's death in June 2000, had intended to deal with the economic problems without giving much priority to this logic of the regime survival and initiated “Damascus Spring”, which could also be a tool to integrate Syria into the global economy. However, in a short time, the old guard, who perceived themselves as losing party in this reform process, challenged Bashar. Bashar had understood that he had to consolidate his power and to constitute his own team first. Bashar got the idea that the economic concerns were not independent from the political ones.

While Bashar was trying to adjust himself to the Syrian domestic politics, he had to deal with external challenges, too. The most important challenge was the US demands and threats rather than constructive engagement of the 1990s. Since the September 11 attacks, the US has given priority to fight against terrorism, particularly in the Middle East. Syria was one of the targets of the US because of its support to some Palestinian organizations and Hezbollah in Lebanon. After the Iraq War began, the US pressures had intensified because of Syrian support to the Iraqi insurgency. The US aimed to isolate Syria in the regional and international politics. Therefore, Syria faced direct and indirect challenges by the US.

As a response, on the one hand, Bashar was using a harsh rhetoric against the US; on the other hand, he was aware of the power of the US, the sole hegemon. Therefore, Syria withdrew its armed forces from Lebanon in April 2005; however, the last Lebanese War and ongoing problematic presidential elections in Lebanon showed how much Syria is needed for the stability in the region. To balance against these threats, Syria, which holds close relations with Iran, is also advancing her relations with Egypt, Saudi
Arabia and the EU. Within this framework, Syrian evolving relations with Turkey is another opportunity for the country.

One of the questions in the minds when Bashar came to power was how much “the son” could rule Syria. Syria, which has been seen in a transition period since the death of Hafiz al-Asad, is slowly out of this period as Bashar maintained ability to overcome the domestic and external challenges and seize some opportunities. On the one hand, Bashar is opening up his country into the global economy without threatening the old guard; on the other hand, he tries to maintain the pivotal role of Syria in the regional order through advancing Syrian relations with Egypt, Saudi Arabia, Turkey as well as the EU and so proves that Syria is an important country for the stability of the Middle East.
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Part Two: European Perspectives
8. South Caucasus Political Issues – the EU and Turkish Perspective

Adam Szymański

Introduction

South Caucasus is not the first order priority for the European Union. However, it has some important interests in this region, growing as the time goes by. This claim is unquestionable especially at the beginning of the 21st century, when the EU is developing the European Neighborhood Policy. The goal of the first part of this article is to outline the EU’s interests in South Caucasus and problems with their accomplishment. It focuses on the political issues – both internal and external - as they have become more and more important in recent years. Moreover, the economic problems, concerning especially the energy sector are analyzed in another part of this book.

Turkey - one of the candidates for the EU membership - is a neighbor of the South Caucasian countries and as a state with strong ties with their peoples it has important interests in the region. In the second part of the article the author wants to pose the question how the EU’s interests and policy towards South Caucasus may affect Turkey’s relations with the EU. It is important first of all to answer the question if the growing political interests of the European Union in the region create the opportunity for Turkey to improve its position in the accession negotiations by proving that it can contribute to the Union’s policies towards Armenia, Azerbaijan and Georgia. It requires previously the analysis of factors that enable this contribution.

European Union

Evolution of EU’s Interests in South Caucasus – Towards the Political Involvement

It must be underlined that the EU’s interests in South Caucasus are not static and have evolved since the establishment of independent Armenia,

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Azerbaijan and Georgia. The EU’s economic interests dominated clearly during the 1990s, with the increasing role of the energy sector. The political dialogue did not materialize at that time. South Caucasus had always been distant enough, despite of the EU technical assistance and “the threats emerging from there were not perceived as immediate.”

However, the situation changed by the end of the 1990s. The EU’s political interests in the region started to be more and more important. Two groups of interests can be distinguished here – i.e. the security and normative interests.

After 11 September 2001 it became obvious that there was a strong connection between weak statehood and threats to international security. The European Security Strategy, adopted in December 2003, recognized the state failure as “an alarming phenomenon that undermines global governance and adds to regional instability.” It enumerated it among the key security threats, the other being terrorism, regional conflicts, organized crime and the proliferation of weapons of mass destruction. Besides, when you remember that the strategic goal of the Common Foreign and Security Policy (CFSP) is the establishment of the security zone around Europe, it is not surprising that the Council of the European Union stated in the Strategy: “we should now take a stronger and more active interest in the problems of the Southern Caucasus (…)”. It is in the Union’s interest to bring stability and security in this region. To be more concrete, the EU is interested in: 1) the peaceful settlement of the unresolved “frozen” regional conflicts in South Ossetia, Abkhazia and Nagorno-Karabakh, 2) the establishment of the good governance in the states with the unfinished processes of state-building, 3) saving the region from becoming a challenge in terms of international organized crime, drug trafficking from Central Asia and the pressure of illegal labor migration, 4) securing the states of South Caucasus against becoming unwilling hosts or conduit for international terrorist groups into the North Caucasus or around the Black Sea area, 5) prevention of the situation when the countries of the region are used for the sourcing or sale of materials needed to produce weapons of mass destruction. Energy security is another very important issue which is, however, not the subject of this article.

4 Ibid., p. 8.
After the EU enlargement in 2004 South Caucasus became closer to the Union’s borders. This fact as well as the earlier events in Georgia in November 2003 (“Rose Revolution”) increased the EU’s normative interests of promoting its liberal values in international relations. The EU recognized the need for help the countries of the region in democratic transformation. Especially the new member states from Central Europe are interested in more EU’s actions in this area. They can contribute then to CFSP sharing their experiences from the transition period.

**EU’s Interests vs. Initiatives**

The evolution of EU’s interests is reflected in initiatives taken by the EU since the beginning of the 90s. The humanitarian and technical assistance played a leading role at the beginning of the 90s. Although this assistance included also the political goals, among others support for the institutional and legal reforms within TACIS, it concentrated on the economic area. The same situation was with the Partnership and Cooperation Agreements (PCA), coming into force in 1999. In case of Georgia the titles of “political dialogue”, “legislative cooperation” and “cooperation on matters relating to the democracy and human rights” took up only one page of the PCA while the titles concerning economic issues about 27 pages of the agreement. The PCAs provided for political conditionality, but its implementation was not effective. The political dimension of the EU’s initiatives in South Caucasus received a much higher profile in 2003 – with the appointment of Heikki Talvitie as the Special Representative (EUSR) for South Caucasus (since 2006 - Peter Semneby), whose tasks were among others assisting the countries in the region in carrying out the political reforms, preventing and assisting in the resolution of conflicts (in the new EUSR mandate from February 2006 – contributing to the settlement of conflicts and facilitating the implementation with the UN and OSCE), promoting the return of refugees and internally displaced persons as well as supporting the intra-regional cooperation. After the Rose Revolution such EU’s initiatives as “Rapid Reaction Mechanism” supporting elections in Georgia or EUJUST THEMIS (the first rule of law ESDP mission) took place. The EU was also involved in the resolution of “the frozen conflicts”, but rather in the economic dimension. The instruments and mechanism of the European

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Neighborhood Policy (ENP), introduced in case of Armenia, Azerbaijan and Georgia in 2004, strengthened the political involvement of the EU in South Caucasus as well. In the Action Plans to the priorities belong: contribution to the peaceful solution of conflicts, strengthening the democratic structures (including the fair and transparent elections) and rule of law, human rights protection, regional cooperation, enhancement of the cooperation in the Field of Justice, Freedom and Security, including the border management and in case of Georgia – cooperation on Foreign and Security Policy.9

However, there are some deficits concerning the political initiatives of the EU in the region. The EU is led by events, i.e. there is still lack of the regional comprehensive strategy. Moreover, the member states are reluctant to be directly involved in the negotiation process aimed at the settlement of the „frozen conflicts“. The EU is able only to support of UN- and OSCE-led negotiations providing funds for confidence building or for reconstruction assistance. Furthermore, the promotion of democracy is not effective enough because of a lack of strong incentives such as the EU membership prospects.10

Constraints in Accomplishment of the EU’s Interests

All the above mentioned groups of the EU’s interests will grow in the nearest future as a result of many factors: among others the latest round of enlargement which brought the Union to the Greater Black Sea area (to which South Caucasus belongs), the need to diversify energy sources and supply routes, the start of membership negotiations with Turkey - a country that borders South Caucasus countries as well as development by the EU of the “Wider Europe” strategy involving the construction of a ‘Ring of Friends’.11

However, it will be difficult to accomplish these interests and to overcome the mentioned deficits of the EU’s initiatives. The example of the Union’s political interests shows this very clearly. The EU policy towards South Caucasus is deeply constrained – both by external and internal factors. The active engagement is complicated by the mutually impaired bilateral relations between the states of the regional powers. Azerbaijan for instance


has tense relations with Armenia as well as Iran. Another difficulties are connected with “the Russian factor”. This state seems to continue its strategy of keeping the influence in the former Soviet South. Thus, it is difficult for the EU to play a role of the “geopolitical player” in the region. It is more important for the member states to have Russia as a close partner. Another constraint for more active role of the EU in South Caucasus is the lack in the states of the region of the common framework to deal with regional and world powers or international organizations. It is an answer to the question why it is so difficult for the EU to prepare the strategy for the whole region. The distant location of South Caucasus is still an obstacle for more active EU involvement.

The need for the internal consolidation of the EU leaves little room for ambitious external actions. Moreover, the EU is „constrained by the way it acts in foreign policy.” Taking into account its rules and regulations it cannot act as e.g. the US. Furthermore, the Union is constrained by divisions between member states. There are countries that are clear supporters of the EU engagement in South Caucasus, i.e. Germany, Sweden and Finland as well as Poland and the Baltic states. On the other hand France or Great Britain are reluctant to support the strengthening of the EU’s role in this region.

EU’s Future Role in South Caucasus

Despite all these constraints it is possible for the EU to pursue its political interests in South Caucasus, assuming that it will solve its internal problems. The condition is the enhancement of its political role in the region which, among others, would give the opportunity to strengthen CFSP.

The author of this article shares the opinion of Pamela Jawad that the EU can stay by its soft power approach. It does not have to introduce new instruments, but use “the instruments at its disposal more coherently.”

The first area of action should be still the strengthening a state and support for the political transformation (democratization) of Armenia, Azerbaijan and Georgia. The individual approach, characteristic for the ENP must be combined with the effective implementation of the principle of

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16 Ibid., pp. 33-34.
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conditionality. EU’s initiatives in this area can help to solve other problems, because the dilemma of the weak state is intertwined with all other problems of the region, including “frozen conflicts” (e.g. stabilized and democratic Georgia can be more attractive for the breakaway regions).17

The second area should be the contribution to the settlement of “the frozen conflicts”. The EU cannot accept the status quo in the region. It should act as “honest broker” – a neutral actor and “facilitator” of the dialogue between the conflicting sides as well as the opening up the conflicting regions.18

The EU, taking initiatives in South Caucasus, should coordinate its actions with the USA and engage Russia. Moreover, it must cooperate and coordinate its actions with all actors having similar interests in the region. It concerns first of all Turkey.

Turkey

Assuming that the EU will stay by its soft power approach towards South Caucasus and use the existing instruments more effectively and coherently in order to help the states of the region in the processes of transformation and democratization as well as to contribute to the settlement of “the frozen conflicts”, Turkey may become a very useful partner to implement the EU’s goals, enjoying close political, economic, social and cultural ties with the peoples of South Caucasus.19 It can be argued that this country can facilitate closer interactions between the EU and countries of the region and help the Union implementing the ENP as well as searching the comprehensive strategy for South Caucasus. There are a few factors which would enable the possible cooperation between Turkey and the EU – among others similar political strategy as well as interests and actions of two sides in the region. The possible Turkish contribution to the EU’s policy towards South Caucasus can have a positive influence on the accession talks, strengthening the negotiating position of the candidate country.

Foreign Policy Strategy

If two different actors want to cooperate on the international arena, it is very important that they have similar (if not the same) general approach towards the subject of cooperation. It always helps to communicate and conduct an effective common policy. It seems that this condition is fulfilled in the analyzed case. The new strategy of the Turkish foreign policy stays in

17 Ibid., p. 34.
accordance with the soft power approach of the European Union towards South Caucasus. It concerns both the general indicators of the Turkish foreign policy as well as the policy towards the neighbors.

Kemal Kirişçi argues that Turkey has transformed its foreign policy at the beginning of the twenty first century. Using the terminology introduced by Ziya Öniş, it started to be more “a benign regional power” than “a post Cold War warrior”. It means that in Turkey a broad group of actors conducts now more constructive and proactive policy, promoting the developed network of economic and political relations. This new policy is based on a shift away from seeing the world from the “win-lose” to “win-win” games. Moreover, Turkey aspires to resolve bilateral problems preferring the use of soft, peaceful measures such as diplomacy and being more eager than before to look for compromise solutions. The same rules are respected by this country in reference to international attempts to resolve the regional disputes. Turkey tries to participate actively in these initiatives and adopts a balanced approach to conflicts.20 The majority of the above mentioned indicators are needed for the participation in any initiative to stabilize and democratize the countries of South Caucasus.

However, the decisive factor is here another element which is the central indicator of the new Turkish foreign policy. Ahmet Davutoğlu – an influential advisor to the Turkish prime minister Recep Tayyip Erdoğan, developed a concept of “normalization with the neighborhood”. It includes the active development of the closer relations with the neighboring countries and the peaceful resolution of all the bilateral conflicts or disputes between them and Turkey. Moreover, according to this concept the Turkish state should take all possible measures to stabilize the neighboring regions in order to provide security for itself.21 In South Caucasus it requires the help in the democratization process as well as in the resolution of “frozen conflicts” – the main areas of EU actions (now within the European Neighborhood Policy). As far as the first area is concerned, it must be added that Turkey aspires to play a role of the model of economic and political development for the countries of the region. According to the assurances of AKP politicians, Davutoğlu’s concept should be still valid after the parliamentary and presidential elections in 2007.22

21 See more: Ahmet Davutoğlu, Stratejik Derinlik, Türkiye’nin Uluslararası Konumu, Küre Yayınları, İstanbul, 2006; Suat Kırmızıoğlu, “The Anatomy of Turkish-Russian Relations”, Insight Turkey, Vol. 8, No. 2, April-June 2006, p. 82.
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**Political Interests in South Caucasus and Their Accomplishment**

The Turkish help for the EU in South Caucasus is possible also because of the strong interests of Turkey in the region as well as their accomplishment, i.e. actions – similar to the EU’s initiatives.

Turkey has developed strong ties with the South Caucasian countries. They are based first of all on the socio-economic cooperation. There is no place in this article to analyze in details the relations between Turkey and Armenia, Azerbaijan or Georgia (there are a few articles in this volume on this subject). However, it is important to emphasize their extensive nature. The analysis of these relations shows very clearly the two-dimensional character of the contacts. On the one hand there is the official economic, political or cultural cooperation between the states. When there are more than two countries taking part in initiatives (e.g. pipelines BTC and BTE or Baku-Tbilisi-Akhalkalaki-Kars railway project), this cooperation reaches the regional level. On the other hand there are strong ties between regions, local communities as well as civil society organizations and common citizens. It must be added that in Turkey there are ethnic communities of Armenians, Azerbaijani and Georgians. They are very often active in the Turkish civil society organizations which work on the development of relations between the peoples of Turkey and South Caucasian countries (e.g. Kaf-Der, Caucasus Foundation, Azerbaijan Friendship Association, etc.).

There is a clear connection between these areas of cooperation and the growing political interests of Turkey in the region. It has to help the South Caucasian countries - first of all in their stabilization - in order to secure the mentioned network of connections. Of course, the willingness to implement the strategy of the Turkish foreign policy (whose aim is among others the stabilization in the neighborhood) and to have the political influence on the region plays an important role as well. Thanks to the political activity it may become the real “benign regional power”. This is the reason why Turkey takes actions in the two mentioned areas, i.e.

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23 About these relations see more e.g.: Faruk Sönmezoglu, *II. Dünya Savaşı’ndan Günümüzüze*, pp. 708-728.

democratization and resolution of “the frozen conflicts” – also the fields of the EU’s initiatives, aspiring to the role of “a facilitator” in the region.

Turkey right after the collapse of the Soviet Union was rather cautious about the unilateral political involvement in South Caucasus. It concerned first of all regional disputes or confidence building measures. The position and aspiration of Russia played the decisive role here. However, Turkey already then tried to convince the Western states to more active involvement in its regional initiatives. The situation has changed after the 11 September 2001 when USA became more visible in the region (American troops started to be stationed in Azerbaijan and Georgia). \(^{25}\)

Turkey supports the states of South Caucasus in their efforts to consolidate its independence and statehood. It helps them to modernize and conduct important political reforms, sharing its own experience in the transformation and democratic consolidation. When it comes to the political system, for many years Turkey has been a model for some of these countries (for other former Soviet republics as well). It concerns first of all Azerbaijan. Turkey serves here as a model of the Muslim country, but at the same time a secular, democratic state. \(^{26}\) It should be added that this candidate country supports many reforms that embrace different institutions and structures of South Caucasus states. For instance, Turkey modernizes Azerbaijani and Georgian armies as well as trains their soldiers or policemen. \(^{27}\) The support for the educational system (also from the Turkish civil society) is also worth mentioning as it plays a very important role in the state modernization and democratization.

Moreover, Turkey tries to play a role of “mediator” of such countries as Azerbaijan or Georgia in their contacts with the West to be aimed among others at gaining support for reforms. It must be emphasized that these states which have the European aspirations accept the Turkish role as the best way to integrate with the West. It is very important in context of the possible cooperation between Turkey and the EU in the region. \(^{28}\)

Turkey is also active in the initiatives aimed at the resolution of “the frozen conflicts” in South Caucasus. As far as the conflict in Nagorno-Karabakh is concerned, this state is already involved in the initiative of OSCE, being a member of the Minsk Group. It also supports direct and indirect talks between Armenia and Azerbaijan. Moreover, Turkey initiated a trilateral process of dialogue among the Ministers of Foreign Affairs of Turkey,


\(^{26}\) Memmed Talibli, “Türkiye-Azərbaycan Siyasi İlişkileri”, p. 75.


\(^{28}\) Andrzej Ananicz, “Międzynarodowa rola Turcji”, pp. 18-19.
Armenia and Azerbaijan – the first meeting was held in Reykjavik in May 2002. The question is if Turkey can remain impartial in this conflict in order to be a real “facilitator”. It wants also to play a facilitating role in the resolution of disputes in Georgia, on condition that the sides of the conflicts want it.29

Turkey helps to resolve the regional disputes and stabilize South Caucasus by taking initiatives aimed at promotion of the confidence-building initiatives and cooperation among the states of the region. The examples to be mentioned here are: the active support for the participation of Armenia, Azerbaijan and Georgia in the Black Sea Economic Cooperation Organization or the concept of the Stabilization Pact for South Caucasus with the membership of Armenia, Azerbaijan, Russia, EU, United States and OSCE, presented by Turkey and Georgia.30

Of course, there are some constraints on the political actions of Turkey in the countries of South Caucasus, especially in reference to the resolution of the “frozen conflicts”. The first main issue is “the Russian factor”. Turkey still competes with this country (as well as with Iran) for the influence in the region. On the other hand it has developed in recent years good relations with Russia. In the past it led to the situation that Turkey was sometimes cautious about the direct involvement in the resolution of conflicts in Georgia as well as about the clear support for democratic changes in the region (e.g. Community of Democratic Choices or Rose Revolution).31

The second main issue concerns difficult relations with Armenia. There are no diplomatic relations between this state and Turkey and the border between these two countries is closed. The main problems in the bilateral relations are the historical dispute about the Armenian massacres mainly in 1915-1916, territorial disagreements and the situation created by the conflict in Nagorno-Karabakh.32 All these problems make the active political involvement of Turkey in South Caucasus more difficult. It is hardly possible to support, at least by the state institutions, the political

32 About the difficult Turkish-Armenian relations see more: Sedat Laçiner, Türkler ve Ermeniler. Bir Uluslararası İlişkiler Çalışması, USAK Yayınları, Ankara, 2005.
transformation of the country with which there are no official contacts (it is the reason why in this article there are no examples concerning the Turkish help to conduct reforms in Armenia). It is also very difficult for Turkey to take effective initiatives aimed at the resolution of the conflict in Nagorno-Karabakh. The role of “facilitator” in any dispute requires the impartiality. Turkey has problems with it, supporting rather the Azerbaijani position. The disputes between Armenia and Turkey complicate the situation. The author of this article shares the opinion of Yüksel Söylemez that “Ankara-Yerevan rapprochement and understanding may help Yerevan-Baku relations.”

**Impact on Relations with the EU**

Although there are some problems with the Turkish political involvement in South Caucasus, the above mentioned factors prove that this candidate country can be a useful partner for the EU in the region. This can help the EU-Turkey relations and have a positive influence on the accession talks.

The current situation in the EU-Turkey relations is not favorable for the candidate country. First, so-called “EU enlargement fatigue” still exists in the European Union states. It has a negative influence on the continuity of the whole process of enlargement. Second, the accession negotiations with Turkey are proceeding very slowly. They started on 3 October 2005. So far only one chapter has been opened and provisionally closed, i.e. Science and Research (12 June 2006). What is more, since Turkey did not open the harbors and airports for ships and planes belonging to the Republic of Cyprus, the European Council decided at the summit in December 2006 to suspend negotiations in 8 chapters connected with the customs union and ruled out the provisional closure of the rest of them until the fulfillment of the Turkish obligations under the protocol to the customs union agreement. There are some problems with the opening of the rest of chapters. Apart from the difficulties from the Turkish side, the reason for this situation is the position of some EU member states (e.g. France had objections concerning the economic and monetary policy).

Third, there were some internal and external events that have influenced


Turkey-EU relations negatively, e.g. the crisis connected with the presidential elections and other issues showing the problem with the political stability in Turkey\(^{37}\) as well as cancellation of the Association Council during the first half of 2007 or reluctance to formally join the European Energy Community and to continue to supply troops to the joint battle group under the European Security and Defense Policy.\(^{38}\)

The role Turkey can play in the EU’s political initiatives in South Caucasus can improve EU-Turkey relations and revive the accession negotiations mainly in two areas. The first one, indirectly linked with the membership talks, concerns the EU perception of Turkey. It can be seen very clearly that many current problems of Turkey in the process of negotiations are connected with the negative image of this country that influences the attitude and actions both of the European citizens and politicians. The view of Turkey that seems to dominate in Europe nowadays, to a large extent because of the European media coverage, highlights rather the alleged disadvantages of the Turkish membership (e.g. Islamist threat) than the possible positive consequences of the Turkey’s accession. It is important for Turkey to change this tendency. It can be done exactly by showing that this state can contribute significantly to the Common Foreign and Security Policy and the European Neighborhood Policy by the cooperation with the EU in South Caucasus and, for reasons mentioned above, this contribution is not only possible, but also advisable. The growing political interests of the European Union in the region create then the opportunity for Turkey to improve its image. This is the task both for the Turkish state institutions and civil society organizations. In the past they had problems with emphasizing the possible advantages of the Turkish accession. Of course, the supporters of Turkey within the EU (among others Poland) can help in this area, but Turkey itself must play the main role.

**Conclusion**

The contribution of Turkey to the EU’s policy towards South Caucasus can also help the accession negotiations directly. It can have similar (although not the same) importance and impact as for instance the change or erasing the “famous” art. 301 of the Turkish Penal Code (and other articles of this legal act). It should provide the European Commission with the argument against such steps as the suspension of talks in eight negotiation chapters or

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\(^{37}\) The parliamentary and presidential elections in July and August 2007 respectively, have changed the situation, not completely though. The main problem seems to be the unstable situation in the South Eastern part of Turkey, where there are clashes between PKK and the Turkish army.

at least give Turkey, in such situations as at the end of 2006, more time to take the actions required. When this contribution is accompanied by internal measures, first of all further reforms aimed at the fulfillment of the Copenhagen criteria and actions taken to fully stabilize the political situation in the country, the Turkish negotiation team chaired by Ali Babacan can argue that Turkey is able not only to democratize and stabilize itself, but also to help their neighbors in South Caucasus in a similar process. This help could also be treated as Turkish contribution to the implementation of the priorities of the European Neighborhood Policy. All these measures together would prove at the same time the readiness of Turkey to fulfill the requirements set in the Negotiating Framework. \footnote{Negotiating Framework for Turkey, www.europa.eu.int/comm/enlargement/docs/pdf/st20002_en05_TR_framedoc.pdf}
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9. The Euro-Mediterranean Partnership and Turkey

Beata Wojna

Introduction

The Mediterranean Basin has traditionally been an area of Turkey's interest and actions. Relations between integrating Europe and the states of the region also have a long tradition. Do both partners share interests in the Mediterranean Basin? What are their potential areas of co-operation? What impact does the Mediterranean policy, the framework of which is presently determined by the Euro-Mediterranean Partnership, have on Turkey, its neighbors and the situation in the region? What is the role of Turkey in this context?

These are questions that cannot be easily answered for two reasons. Firstly, for a long time the European Community failed to offer any particular role to Turkey in the Mediterranean policy the EU pursued, while Turkey showed little enthusiasm for this co-operation. The expectations of both partners differed and common areas of interest were absent. Secondly, as a result of deeper European integration in recent years, a substantial transformation of Euro-Mediterranean relations is in progress. Simultaneously, Turkey obtained the status of an EU candidate country in 1999, commencing its accession negotiations in 2004, which has opened up new opportunities for potential co-operation between both partners, also in the Mediterranean Basin.

The resulting picture of Euro-Mediterranean co-operation regarding Turkey is unclear, to put it mildly. From the European perspective, Turkey simultaneously plays three distinct roles: as one of the addressees of the European Mediterranean Policy, as a state that has had long-lasting membership aspirations, and a partner of major importance for regional security, whose interests reach far beyond the Mediterranean Basin. The problem is even more complex if we realize that there are still tendencies in some member states to treat Mediterranean co-operation, or its initiatives, as a potential alternative to Turkey's membership prospects in the integrating Europe.
The Early Stages of European Policy on the Mediterranean Basin

Since the establishment of the European Economic Community, its member states have supported the development of co-operation with states and territories that, owing to their colonial links, have enjoyed special relations with the former European colonial empires. This was reflected in the Treaty of Rome of 25 March 1957, under which the European Economic Community was formed. Article 3, section K of the document reads that “the activities of the Community shall include, as provided in this Treaty and in accordance with the timetable set out therein: the association of the overseas countries and territories in order to increase trade and promote jointly economic and social development”, while part four (art. 131-136) referred to “territories which have special relations with one of the Member States”. Provisions of the Treaty also covered the area of Algeria, a French overseas department (art. 227). Protocol 1.7 on goods originating in and coming from certain countries and enjoying special treatment when imported into a member state recognized the special relations of Morocco and Tunisia with France and of Libya with Italy.

This was the beginning of a phenomenon that over the years evolved into the European Mediterranean Policy. Before it was established, however, the early years of the Community witnessed the unhurried development of Mediterranean co-operation. Although a detailed convention signed together with the Treaty of Rome regulated trade relations and financial assistance out of the Community’s budget for those areas, this was primarily the time of managing the “inherited” links of European countries with their former colonies. This was also the time of France’s long war against Algeria. The war ended in 1962 and the resulting independence of Algeria created many more advantageous conditions for invigorated Euro-Mediterranean relations. In 1963, the Maghreb States offered an initiative to conclude preferential trade agreements with the European Economic Community, finally signed with Morocco and Tunisia in 1969. As evidenced by the initial years of the Community’s life, relations with the states of the western part of the Mediterranean Basin proved the most important for the EEC. Slowly, however, the legal framework for relations with states of its eastern section were also being established. In 1972, preferential trade agreements were signed with Egypt and Lebanon. The relations with Israel were marred by political issues, and therefore the agreement on trade relations, signed in 1970, was a trade agreement only.

The relations with Turkey developed in parallel, and the country, already a member of the North Atlantic Alliance at that time, occupied a special place in the Transatlantic security system. Moreover, the relations of integrating Europe with Turkey had an entirely different flavor than those with the rest of Mediterranean states, which today are addressees of the Euro-Mediterranean Partnership. In 1959, Turkey applied for membership in the EEC. The parties ultimately signed an association agreement in 1963 (the so-called Ankara Agreement), which took effect in December 1964. In 1970, it was amended by an additional protocol (effective from 1973). It provided for the establishment of the customs union between the EC and Turkey over the next 22 years.

Owing to its significant progress in relations with the EEC, Turkey was not covered by the global Mediterranean policy, emerging in the early 1970s in the context of changes within the Community (the early days of the European Political Co-operation, actions by France to balance out the accession of the United Kingdom) and efforts of the Maghreb States, unhappy with the so-called first-generation agreements, to negotiate better terms for their trade relations with the EEC. According to the report presented by the European Commission in September 1972, and adopted by the Council in October 1972, the global Mediterranean policy relied on two assumptions. Firstly, it was targeted at the states of the Mediterranean Basin, which for various reasons were not the EEC candidate countries. The list included the Maghreb States (Algeria, Morocco, Tunisia), the Mashrek States (Egypt, Jordan, Lebanon, Syria and the Sudan), Cyprus, Israel, Malta as well as Spain and Portugal, while the latter two, owing to their democratic transformations, soon became candidate countries. Secondly, efforts were made to treat all partners equally, irrespective of their political systems or level of economic development, which proved a formidable challenge. New agreements, signed in 1976-1978 with the majority of the Mediterranean states\(^\text{2}\), regulated in a comprehensive manner the trade in industrial and agricultural products, economic, technical and financial co-operation and the status of immigrants working in the member states. Financial clauses were also incorporated that stipulated the Community’s provision of financial assistance for the states of North Africa and the Middle East. In practice, however, these agreements also failed to significantly rekindle the co-operation. Addressing the status of its Mediterranean policy in 1985, the European Commission indicated “the loss of dynamics” in this respect.

\(^{2}\) The Sudan finally remained outside the Mediterranean co-operation.

\(^{3}\) The agreements were signed with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia.
The Euro-Mediterranean Partnership

In the context of the changes of the late 1980s and the first half of the 1990s, namely the shaping of a new international order following the end of the cold war and the emergence of the European Union, an attempt was made to reinvent the European policy on the Mediterranean Basin. Southern members, strengthened in 1986 by the accession of Spain and Portugal, sought to emphasize the significance of the Mediterranean dimension of the European foreign policy, in particular that the Community was increasingly more involved in the support for democratic transformations in Central and Eastern Europe, which, it was feared, could completely marginalize the Mediterranean Basin in European policymaking. For instance, the Spanish Prime Minister Felipe González, when referring to the transformation that started in the Soviet bloc in 1989, said that “it is evident […] that these changes keep the focus of the member states on the Central European area. In our opinion, this interest, that we share and wish to participate in, cannot distract us neither from the performance of the Community's obligations towards the regions that are of primary interest for Spain's foreign policy, as well as, I imagine, the policy of states making up the Community, namely the Mediterranean Basin, or Latin America. […] The efforts expended recently towards some states of the East, towards Hungary and Poland, are already more significant that the entire financial obligations [of the EC] towards the Mediterranean Basin”\(^4\). The period 1990-1995 witnessed the forging of a new concept for Euro-Mediterranean relations. The efforts started with the Council’s declaration of December 1990 on the new Mediterranean policy. European leaders declared their assistance for Arab states in the process of economic transformation, support for direct foreign investment, increased financial assistance, the conclusion of new agreements to secure access to European markets, the inclusion of the Mediterranean region in the common market of the Community, and the deepening of the political and economic regional dialogue. This was a preliminary step in the process of drafting a completely new formula for Euro-Mediterranean relations, continuing for another five years, and finally presented at the Barcelona Conference on 27 and 28 November 1995. The Euro-Mediterranean Partnership that was born there still determines the objectives, directions and the general framework of the European Union’s co-operation with the Mediterranean Basin\(^5\).

The complex general objective of the partnership was to turn the Mediterranean region into an area of dialogue, exchange and co-operation that guarantees peace, stability and well-being. The achievement of the

\(^4\) Diario de Sesiones del Congreso de los Diputados. No. 2, 4 December 1989, p. 23.

objective was to be supported by the establishment of a partnership for enhancing political dialogue, economic and financial co-operation, as well as social and cultural relations (human dimension). These were the so-called three baskets: political, economic and cultural, a reference the Helsinki Declaration of 1975.

Political and security partnership (basket one) refers to four groups of themes: the observance of human rights and democratization, this part of the declaration being addressed to the Mediterranean states; the observance of international law, the acknowledgment of territorial integrity and peaceful settlement of disputes; enhanced co-operation in preventing and combating terrorism and organized crime as well as drug trafficking; and regional security, notably international agreements on non-proliferation or weapons control.

The overriding objective of the economic and financial partnership (basket two) is to improve living standards and well-being, while its primary instrument is the Euro-Mediterranean free trade area, to be established by 2010 based on bilateral agreements concluded by the Mediterranean states with the European Union, and among themselves. The establishment of the well-being area should also be supported by economic co-operation, while funding of the growth should utilize internal savings on the one hand, and the incoming foreign investment on the other. Here, the crucial commitment of the European Union emerges, namely to increase its financial contribution, as a precondition for establishing the free trade area.

The third basket, comprising human resources development, a deeper understanding of the multicultural environment as well as greater intensity of exchange among civil societies, is the only one that fails to set any partnership objectives. Rather vague appeals were only formulated, e.g. to change the mutual perceptions of the societies, or to increase the importance of civil society. Among other issues addressed were those of paramount importance for the European Union, namely illegal immigration and combating terrorism and organized crime. The first problem was tackled most extensively and it was argued that Euro-Mediterranean co-operation should seek to reduce migration pressure, e.g. through vocational training programs and the creation of new jobs.

The agreement was signed by all members of the EU (fifteen at that time) on the one hand, and Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian Autonomy on the European Union enlargement of 2004 and 2007 added the Czech Republic, Estonia, Lithuania, Latvia, Poland, Slovakia, Slovenia, Hungary, Cyprus, Malta, Romania and Bulgaria to the list of members. At the 1999 Third Euro-Mediterranean Conference, the European Union decided to grant an observer status to Libya, previously denied participation in the Barcelona process.

6 The European Union enlargement of 2004 and 2007 added the Czech Republic, Estonia, Lithuania, Latvia, Poland, Slovakia, Slovenia, Hungary, Cyprus, Malta, Romania and Bulgaria to the list of members. At the 1999 Third Euro-Mediterranean Conference, the European Union decided to grant an observer status to Libya, previously denied participation in the Barcelona process.
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the other. Turkish authorities did not welcome the inclusion of Turkey in the group of states covered by the Barcelona Process, as Turkey applied for the status of a full member of the European Community already in 1987. The EU “partners” used the funds of the MEDA program, a financial instrument established for the Euro-Mediterranean Partnership, while Turkish aspirations reached far beyond that status. Moreover, the Euro-Mediterranean Partnership was based on the European perception of borders and problems of the region, which differed materially from the Turkish concept of what the Mediterranean Basin is. “In Turkish foreign and defense policy thinking, the concept of ‘the Mediterranean’ means mainly ‘eastern Mediterranean’. This is primarily because ‘eastern Mediterranean’ is full of problems and Turkey perceives important threats from the region directed against its territorial integrity and vital interests. The problems with Greece and Syria, the Cyprus problem, the Arab-Israeli conflict and its spillover effects in the region constitute the main preoccupations of the Turkish foreign policy elite in the Mediterranean region”.

The Euro-Mediterranean Partnership failed to incorporate any matters of key importance to Turkey, and therefore it has always been of negligible interest for the country. However, by participating in it, Turkey was able to observe its developments, since, provided that the objectives of the Euro-Mediterranean Partnership were achieved, this could entail a fundamental change in the political and economic situation of the region, which in turn would be of vital importance for the security in Turkey’s neighborhood. The scenario, however, has never come true.

The Outcomes of the 1995-2005 Co-operation

Over the ten years of the partnership’s life, the institutional foundations for co-operation of a bilateral and multilateral nature were established, allowing an intense dialogue among partners at all levels, from ministerial to parliamentary, expert and non-governmental. Under the association agreements between the EU and nearly all North Africa and Middle East

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The Euro-Mediterranean Partnership and Turkey

states, their signature alone being an undeniable credit to the Barcelona Process, the Association Council operates at the ministerial level along with the Association Committee (representatives of the EU Council, the Commission and the associated state) as well as expert sub-committees. The cohesion of the partnership, being multilateral regional co-operation, is ensured by annual Euro-Mediterranean conferences of foreign affairs ministers from all participating countries, the Euro-Mediterranean Committee for the Barcelona Process, comprising representatives of all states and the Community Troika (meetings held every three months), sectorial meetings at the ministerial level, and the various bilateral forums dealing with specific co-operation aspects (e.g. industry, intercultural dialogue). Since 2004, the Euro-Mediterranean Parliamentary Assembly has also been active. When assessing the institutional aspect of the Partnership, it could be argued that this is marked by visualization and consolidation of the European Union’s presence in the Mediterranean Basin, which has, however, failed to generate a long list of specific actions or accomplishments.

Despite a well-developed political dialogue, which was made possible by the extensive network of institutional links, the outcomes of the political and security partnership of the first basket are very limited, or even negligible, for a number of reasons. Firstly, the development of the co-operation is stalled, or even entirely frustrated, by unresolved regional conflicts, such as Israel vs. Palestine in the Middle East, as well as by a slightly less serious problem of Western Sahara, significantly affecting the relations in the western part of the Mediterranean Basin. In practice, to reach a consensus on primary issues among the often-feuding states proves unfeasible, as evidenced by the failure to sign, until today, the Euro-Mediterranean Charter for Peace and Stability. Secondly, the Euro-Mediterranean Partnership has no tools at its disposal to solve crisis situations in the region. The co-operation was from its inception independent of the Middle East peace process, both its weakness and its asset. Clearly, as long as there is no solution to the Middle East problem, there can be no significant progress in political partnership, although co-operation is still possible in the remaining baskets, irrespective of the crises marring the peace process. Thirdly, the European Security and Defense Policy, comprising the problems of the Mediterranean security, has only recently started to develop, which translates into the EU’s limited capabilities of involvement in its immediate neighborhood. As a result, security and defense affairs were included in the agenda of the first basket at the 2003 Euro-Mediterranean conference in Naples, which failed to bring any fundamental breakthrough to the practical operations of the political partnership, focusing on the establishment of the so-called partnership building measures. They are intended to improve the mutual perceptions and be a step towards potential co-operation in the future. These are primarily courses and training sessions organized under Maltese diplomatic seminars.
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for diplomats of the Barcelona process states, and the Disaster Management Program. In the latter case, joint training of the services responsible for security is also conducted.

Accomplishments in the area of economic partnership are also few and far between. It is true that the European Union is the main trade partner for many states of North Africa and the Middle East. In some cases, we can even speak of their dependence on the European market, e.g. with Algeria (57.5% of its trade exchange is with the EU), Morocco (60.8%), and Tunisia (76%)9. On the other hand, however, trade with the Mediterranean non-members accounts for 8.5% of the EU total trade figure, not to mention the fact that for some member states the figure is much higher. Goods from the region represent 14% of all goods imported to Spain, France, Portugal and Slovenia. Simultaneously, the sales to North African and the Middle East stakeholders of the Barcelona Process equal 19% of the exports of Greece, 18% of Spain, 15% of France and between 12% and 15% of Belgium, Italy, Cyprus and Luxembourg.

The establishment of the Euro-Mediterranean free trade area by 2010 appears rather unlikely, although it is the overriding objective set in 1995. In addition, the mutual trade liberalization, stipulated by the association agreements, applies to industrial products only. Even though the exports of the Community’s products to North Africa and the Middle East have risen by 61%, and the Community imports from the region by 109%, it is still not enough to represent a fundamental upswing for the economies of a vast majority of non-member Mediterranean states10. The key to upward economic trends appears to be employing several new instruments, including agricultural trade and service provision liberalization11. The Barcelona declaration, however, made the liberalization in the two areas dependent on the negotiations under the WTO. It was not until 2005 that the European Commission ordered a road map for the negotiations in both areas, together with the establishment of the Euro-Mediterranean free trade

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11 The share of the agricultural sector in the GDP of most states of the Mediterranean Basin accounts for 10% to 20% of the global figure. Agriculture employs 20% of the professionally active population. The services sector accounts for 57% of the GDP and, in most of the countries, is protected against competition.
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area\textsuperscript{12}. Subsequently, towards the end of 2005, the EU Council took a decision on the commencement of negotiations on service and investment liberalization with the states of the Mediterranean Basin.

It is not easy to evaluate the outcomes of the co-operation under the third basket. Deeper awareness of cultures and civilizations is undeniably supported by actions related to the protection of cultural heritage, undertakings in the area of arts, film and theatre joint productions, cooperation of media, etc. Among projects funded by the EU are Euromed Heritage, Euromed Audiovisual, Euromed Youth or the Euro-Mediterranean Civil Forum. The dialogue between cultures and civilizations was given new meaning by the guiding principles for the dialogue between cultures and civilizations and the decision to establish the Euro-Mediterranean Foundation on a Dialogue of Cultures\textsuperscript{13}, designed as a “network of networks”, under which each partner state nominates an institution in charge of the national network. However, it is difficult to assess whether, and to what extent, the mutual distrust has been overcome.

European Mediterranean Policy Redefined?

The outcomes achieved over the ten years of Euro-Mediterranean partnership are much below the expectations that accompanied the signing of the Barcelona declaration in 1995. Turning the Mediterranean region into an area of dialogue, exchange and co-operation that guarantees peace, stability and well-being has not been achieved. In its communication of April 2005 on the tenth anniversary of the establishment of the Barcelona process, the European Commission concludes: “Progress towards a number of the goals set out in the Barcelona Declaration has been slow, partly because Partners have at times not appeared wholly committed to implementing the principles to which they have signed up, partly also because of the difficulties caused by the continuing conflicts in the region, and because the search for consensus has sometimes acted as a brake on those wishing to move forward more rapidly.”\textsuperscript{14} Ministers of foreign affairs of stakeholders in the Barcelona process, gathering soon thereafter for the Seventh Euro-Mediterranean Conference, confirmed that diagnosis by concluding that “the result of this review process is a mixed picture. While


\textsuperscript{14} Tenth Anniversary of the Euro-Mediterranean Partnership: A work program to meet the challenges of the next five years, op. cit.
there are many positive achievements, much remains to be done in order to realize the full potential of the Barcelona Declaration”15.

The tenth anniversary of the Euro-Mediterranean Partnership was an opportunity to adopt guidelines for the next five years. While the previous structure and assumptions were retained, the adopted five-year plan indicates that the EU’s primary actions will focus on three areas: promotion of human rights and democracy, economic development and raising the level and availability of education in the Mediterranean states, without ruling out initiatives in the area of social reforms, migration, weapons of mass destruction and combating terrorism. Clearly, it is hard to say whether any tangible results can be achieved in this respect. Considering the first ten years of partnership, no breakthrough, or a fundamental change in its dynamics, should be expected. Thus far, it appears that the Euro-Mediterranean partnership, essentially consisting in adjusting this formula of co-operation to the new realities in the EU, is being slowly redefined.

2004 and 2007 saw waves of the EU enlargement with twelve new members. Along with the integration of Central and Eastern European states, the centre of EU gravity shifted to the east. In practical terms, the member states can be divided into those keenly interested in co-operation with the Mediterranean area and those for which the Union’s eastern partners remain a priority. Obviously, divergent views of member states on the focus of its policies have always been present, yet this time it is evident that they are very difficult to reconcile.

In the enlargement context, the concept of the European Neighborhood Policy (ENP) was worked out, whose objective is to act for stability, security and well-being in the neighborhood of the enlarged EU16. It is targeted at the states of Eastern Europe (Russia, Ukraine, Belarus, Moldova), Africa, the Middle Eastern states of the Mediterranean that are stakeholders in the Mediterranean Partnership (Morocco, Algeria, Tunisia, Libya, Egypt, Israel, Jordan, Lebanon, Syria and the Palestinian Autonomy), and the states of South Caucasus (Georgia, Azerbaijan and Armenia). The Mediterranean dimension of the European Neighborhood Policy significantly overlaps with the Euro-Mediterranean Partnership17, treated as a tool for the ENP implementation. Even though experts reiterate that the individual treatment of states, stipulated in the ENP, is an excellent addition to the multilateral approach that the Euro-Mediterranean

17 The European Neighborhood Policy does not cover Turkey.
Partnership rests on, it cannot be ruled out that the Barcelona process will dissolve entirely in the future, or the European Mediterranean Policy will be redefined again, in particular that the new European Neighborhood and Partnership Instrument is responsible for funding all ENP projects in the period 2007-2013, replacing the previous, independent MEDA and TACIS mechanisms.

**The Main Areas of Co-operation Between Turkey and the EU in the Mediterranean Basin. Energy and Migration**

The present environment of the Euro-Mediterranean Partnership is not conducive to the change in Turkey's relatively skeptical approach to this formula of co-operation. The web page of the Turkish National Defense Ministry reads: “Turkey believes that a comprehensive approach, which also includes political, economic and social dimensions, is necessitated for the strengthening of peace and stability in this region. Within this framework, Turkey expends efforts at both bilateral and multilateral levels for the intensification of economic relations and the development of joint projects”. This matches the approach of the Barcelona process. However, when it comes to details, Turkey primarily supports the Mediterranean Dialogue carried out by NATO, in particular that it enjoys full membership in the organization. Its participation in the Euro-Mediterranean Partnership is secondary in relation to the former\(^8\).

An additional source of negative sentiments in Turkey is the various projects that, based on the European Mediterranean Policy, attempt to offer alternatives to Turkey's membership in the EU, such as the proposal from the French President Sarkozy to establish the Mediterranean Union, comprising eight southern EU members and the Mediterranean EU non-members\(^9\).

This does not mean, however, that Turkey distances itself from co-operation with the EU in the Mediterranean Basin, even though it progresses outside the scope of the Euro-Mediterranean Partnership. Of vital importance is the Mediterranean dimension of energy links between both partners. Turkey, which is situated between the energy-rich countries of the Caspian Sea and Persian Gulf regions and net energy importing countries in continental Europe, is increasingly important for oil transit.

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Turkey has established or considered establishing a number of pipeline projects that would transport oil into Turkey without relying on the crowded Bosporus Straits: the Baku-Tbilisi-Ceyhan and Kirkuk-Ceyhan oil pipeline. Ceyhan is a port on the Mediterranean coast²⁰.

On top of that, southern EU members acknowledge Turkey’s importance as a transit state for gas coming from Central Asia. An extensive network of energy links spanning the both opposite coasts of the Mediterranean Sea has been established in recent years²¹. Algeria is now, after Russia and Norway, the third gas supplier to the EU providing 23% of EU gas import. The EU gas demand is growing very fast, approximately 3% every year, and it is very probable that in 25 years the gas import to the European countries will increase by some 80%²². In this context the role of the Mediterranean countries is increasing very significantly, especially if we take into account that Algerian gas resources amount to 2.5% (4.55 trillion m³) of world gas resources and there are also gas reserves in Egypt of 1% (1.85 trillion m³) and Libya 0.8% (1.49 trillion m³)²³.

However, at the same time the Mediterranean member states face the problem of excessive dependence on Algerian gas. Algerian gas – by pipeline or liquefied, is imported by Italy (25.7 billion m³, it amounts to 37.8% of the gas used in this country), Spain (14.1 billion m³, it is 57.4%), Portugal (2.25 billion m³, 82%), France (6.72 billion m³, it is 21.8%), Belgium (2.85 billion m³, it is 19.1%), and Greece (0.55 billion m³, it is 24.2%)²⁴. In some of these countries we can observe a strong and worrying reliance on Algerian supplies. Countries like Spain and Italy are expecting to diversify the gas providers.

From the perspective of the southern members of the EU, which depend on Algerian gas, it is very important the construction of the Turkey-Greece

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²⁴ Ibid.
Interconnector. Thanks to this project Greece will receive gas from Azerbaijan. There are also plans to build a Greece-Italy Interconnector for the same purpose. The Intergovernmental Agreement on the issue was signed in February 2003 and the Sale and Purchase Agreement between BOTAŞ and DEPA was concluded in December 2003. Prime Minister Erdoğan met with Greek Prime Minister Karamanlis on 3 July 2005 at Ipsala on the Turkish-Greek border for the groundbreaking ceremony of the joint natural gas pipeline construction project. It is expected that it will become operational by September 2007. The 285-kilometre pipeline, which will link up with Italy, has an annual capacity of around 12 billion cubic meters and will hook up to a southern European network supplying gas to countries in the region and contributing to the energy diversification in Southern Europe.

Rapprochement between Turkey and the EU on Mediterranean issues is also assisted by the change of terms on which the relations between the two entities are based, dating back to the granting of the candidate status to Turkey in 1999 and the commencement of the accession negotiations in 2005. Turkey ceased to be one of the many stakeholders in the Barcelona process that aspires for membership and that nobody knows what to do with. It evolved into a partner that co-operates, with full EU membership prospects in mind. Also, as a future EU member, Turkey must respond to certain requirements. It is this particular area, rather than the ineffective, multilateral Euro-Mediterranean Partnership, that is the fertile ground for the processes of the EU-Turkey rapprochement, also as regards the Mediterranean Basin. Co-operation necessitated by the requirement to accommodate the Community standards applies to many realms. From the perspective of the member states, however, notably those whose interests are linked with the Mediterranean Basin, combating illegal immigration appears to be of key importance.

Illegal immigrants enter the Community states by various means, i.e. by land, air, sea, although it appears that the Mediterranean Basin is one of the primary channels, if not the top one, through which the immigrants penetrate into the European Union. It is estimated that from 100,000 to 120,000 illegal immigrants cross the Mediterranean Basin annually, of whom approximately 55,000 are illegal immigrants coming from its southern and eastern regions, some 35,000 come from the Sub-Saharan area and approximately 30,000 from other regions, e.g. Asia.

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Over the last two years, migration pressure in the Mediterranean region has grown substantially. A formative moment was the summer of 2005, when, in a few days, hundreds of immigrants from Sub-Saharan Africa tried to force their way through the Moroccan/Spanish border in order to reach Ceuta and Melilla, a Spanish and therefore EU territory in North Africa. Under the circumstances, José Luis Zapatero’s government demanded EU assistance in solving the crisis situation that emerged on the Spanish/EU-Moroccan border. In response, at the informal meeting of the European Council held at Hampton Court on 27 October 2005, EU heads of states and governments called for a comprehensive approach to the problem of immigration. One month later, the European Commission put forward a list of priority actions intended to improve the general situation related to illegal immigration, with a special focus on the Mediterranean Basin and African states. This document represented the basis for the “Global approach to migration: priority actions focusing on Africa and the Mediterranean”.

Turkey occupies an important place in the Union’s strategy of combating illegal migration. As a country at the crossroads of Africa, Asia and Europe, over the last two decades Turkey has become one of the major transit stopovers for illegal immigrants from Asia (Afghanistan, Azerbaijan, Bangladesh, India, Nigeria, Pakistan, Palestine, Sri Lanka) and Africa (Algeria, Ghana), who, using the Turkey-Greece border, and, until recently, the Turkey-Bulgaria border, attempt to enter the European Union.


29 Martin Baldwin-Edwards, Migration in the Middle East and Mediterranean, Mediterranean Migration Observatory University Research Institute for Urban Environment and Human Resources, Panteion University Athens, Greece.
Already the first report on Turkey’s progress on its path to membership noted that “the Commission places particular emphasis on the need for active co-operation with Turkey on immigration”\(^{30}\). Actual progress in this respect was referred to only in 2002, when Turkey started to adjust its border and migration management system to the rules binding for the Schengen area. Among other developments, the border guards were upgraded and trained. In 2001, Turkey started to co-operate with the Centre for Information Discussion and Exchange on the Crossing of Frontiers and Immigration (CIREFI), and twinning projects were implemented jointly with member states (Austria, Denmark, Germany, and the United Kingdom).

As indicated by the report of 2006, a lot still remains to be done\(^ {31}\). The National Action Plan towards the implementation of Turkey's Integrated Border Management Strategy and the National Action Plan on Asylum and Migration have been implemented very slowly. The bone of contention in the relations with the EU remains to be the question of visas and asylum. Turkey allows nationals of 35 countries to apply for a visa at the borders, including citizens of 17 Member States and nationals of several Balkan states, Jordan, Armenia, Azerbaijan, Tajikistan, Turkmenistan and other former USSR states. The Commission considers that this practice needs to be progressively replaced and visas should be issued by diplomatic/consular authorities. Additionally, Turkey gives visa-free travel to several countries (Israel, Iran, Morocco, Tunisia, Kazakhstan and Kyrgyzstan). The easy entry into Turkey can affect the EU and lead to an increase of such phenomena like illegal employment, prostitution and trafficking. Moreover, negotiations to conclude a readmission agreement with the EC continued at a slow pace. Turkey’s adjustment to the Community requirements on migration will still require considerable effort. However, this is the only way to arrive at a successful conclusion of the negotiations in the area of justice, freedom and security.

**Conclusions**

An intricate network of links and connections currently holds together the states of the northern and southern regions of the Mediterranean Basin, with the parties’ consequent interdependence. The framework for co-

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operation between the European Union and non-member Mediterranean States is provided by the Euro-Mediterranean Partnership, which, however, has proved to be a rather ineffective EU mechanism in the region. Discrepancies among the stakeholders in the partnership obstruct cooperation, and the existing structures are not ready to find solutions to the region’s primary problems.

Turkey, a stakeholder in the Barcelona process, takes a reserved stance on this co-operation formula. The Euro-Mediterranean partnership is not the forum where notable rapprochement exists between the EU and Turkey. Sadly enough, Turkey is viewed by the EU member states as a state whose geopolitical location should be reflected by its important role in the region and as a country of Muslim roots and population that could act as a bridge between the European Union and non-member Mediterranean states.

Turkey’s lack of enthusiasm for the Partnership results not only from the ineffective operation of this co-operation formula. It is very likely that, as an EU member, Turkey would show much greater commitment to its development. Since it fails to do so at present, it appears that there are concerns in Turkey that the formula could be used by opponents of integration of the country into the EU as the case for establishing, for example, the Mediterranean Union, a project to replace full membership.

This does not mean, however, that Turkey distances itself from co-operation with the European Union in the Mediterranean Basin. The cooperation between the parties in the region takes place primarily outside the framework of the Euro-Mediterranean Partnership. The customs union, in place since 1995, regulates economic relations. Of paramount importance is the Mediterranean dimension of energy links between both partners. Rapprochement on the Mediterranean affairs exists also in the context of Turkey’s preparations for EU membership. The co-operation necessitated by the requirement to adjust to the Community standards applies to many areas. From the perspective of those member states, whose interests are linked with the Mediterranean Basin, the most important is clearly combating illegal immigration. It can be expected that with Turkey gradually approaching the European Union, the arrival at the agreement on Mediterranean affairs will also progress and Turkey, as a future member of the Union, will be more willing to participate actively in Euro-Mediterranean co-operation.
Bibliography


10. Security Challenges of Ukraine and Moldova: The EU Perception

Adam Eberhardt, Łukasz Kulesa

Introduction

The last two rounds of the European Union enlargement, of 2004 and 2007, dramatically changed the geopolitical situation of Ukraine and Moldova. The states are now immediate neighbors of the EU area. For Ukraine, the change overlapped with a deep transformation of its internal political situation, triggered by the so-called “Orange Revolution” of November 2004. Among the primary tasks to be accomplished by the two states was to develop relations with the European Union and its member states. The obvious evidence of a positive transformation and the rising living standards of their neighbors, countries that joined the European Union, attracted the society and the majority of political circles to the positive appeal of European integration concepts.

For the European Union, the problems of the states situated between the EU and Russia were gradually gaining significance. It was becoming clear that neither Ukraine nor Moldova could be treated as a gray zone on the periphery of Europe, whose standing had no impact on the development of the EU area. The necessity to formulate a new political strategy on the immediate neighbors to the east called for greater attention to security threats and challenges that the region can generate. It needed to be decided whether the popular views of the “wild fields” in the East, i.e. civilization and social backwardness and instability, which should be cordoned off, actually reflect the realities. It also had to be determined whether, and to what extent, the European Union could be involved in solving the security problems in the region and how it should develop co-operation in this respect with Moldova and Ukraine.

In the 1990s, primary security problems in the region under discussion revolved around political and military issues. When the European Union intensified its involvement in Eastern Europe, the problems of the so-called soft security, i.e. internal affairs, justice and enhancing the efficiency of state mechanisms, became equally important. The unresolved conflict in Transnistria, however, also necessitated EU involvement in the area of traditional “hard” security. Thus, the EU perception of the security level in the region covers a wide array of issues.
Historical Developments

Ukraine

Among the various formative effects of the collapse of the Soviet Union, regaining independence by Ukraine is of paramount importance, as it exerted enormous influence on the (geo)political situation in Europe. The key significance of Ukraine for the new European security architecture in statu nascendi resulted both from its sheer size (600,000 square kilometers, nearly 50 million residents), location, as Ukraine is where important transit corridors intersect, and the weaponry stored on its territory. The pivotal role of Ukraine was referred to at the beginning of the 1990s by an American political scientist of Polish descent, Zbigniew Brzezinski, who wrote “it cannot be stressed strongly enough that without Ukraine, Russia ceases to be an empire, but with Ukraine suborned and then subordinated, Russia automatically becomes an empire”. This reflection is still true today, notwithstanding the passage of years. The developments in Ukraine generate certain consequences, including those in the area of security, for the state itself and for its immediate neighbors in the region, such as Poland or Turkey, but they also affect the global situation. In the latter case, the impact is primarily indirect through its automatic effect on the decomposition of imperial Russia.

It has to be noted that the list of challenges for international security posed by Ukraine has changed over the past sixteen years, but, equally importantly, so has the perception of the country. Ukraine’s independence has consolidated over that time and no politician or international relations researcher can deny the concept of Ukraine’s independence (leaving aside some extremist and eccentric communities in Russia). This is contrary to what the American president George H.W. Bush sermonisingly said in Kyiv in 1991, referring to the threat of communism as being replaced by “local despotism” or “a suicidal nationalism based upon ethnic hatred”.

In the case of Ukraine, the worries proved unfounded. The challenges of the day, which were primarily related to developing new relations with Russia, were addressed successfully. Controversies and disputes over Crimea, control of the Black Sea Fleet, and post-Soviet weapons of mass destruction, acrimonious as they were at times, did not evolve into a genuine threat to the regional security. No prophecies of Ukraine’s territorial disintegration, as a result of the split into the pro-independence Western districts and pro-Russia east and south, have ever come true. In

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2 The speech, labelled by the media as the “Chicken Kyiv Speech”, met with an extremely negative reaction in Ukraine as an example of American ignorance of the region’s affairs. Three weeks later Ukraine declared its independence.
Primary threats for the regional security related to Ukraine emerged immediately after the country's declaration of independence in the early 1990s. Being faced with attempts by the Ukrainian political elites to break away from Moscow's influence, Russia began to question Ukraine's sovereignty over the Crimean Peninsula and the Black Sea Fleet stationed there. These claims were rooted in considering the decree of the Presidium of the USSR Supreme Council of 1954 as illegal, under which the peninsula, belonging to the Russian FSSR at that time, was transferred to the Soviet Ukraine. The decision was of an administrative nature only, and represented a symbolic gift on the 300th anniversary of subordinating the Cossack Land to Moscow. Following Ukraine's declaration of independence, Russia even lost an indirect possibility of controlling the peninsula and, by law, the Black Sea Fleet, with its headquarters in Sevastopol. Although the Navy there failed to meet the requirements of contemporary warfare, the port of Sevastopol, owing to its central location, helped to control the Black Sea. In addition, Crimea, whose population is primarily Russian (67%) was important for the Russian national identity, owing to the 1854-56 and World War II remembrance (Sevastopol's defense in both wars). All these turned the broadly understood Crimean issue into a point of contention in the relations between Moscow and Kyiv, which could potentially generate unpredictable threats to the regional security.

In the first half of the 1990s, Russia adopted the “I-want-it-all” attitude, notably in its declarative aspect, showing no readiness for compromises. This was fuelled by the actions of some Russian parliamentarians, who were much more eager to escalate the conflict than the governmental hierarchies and were much more pragmatic and preoccupied with internal political games. At the turn of 1992, the Russian Supreme Council joined the dispute between Kyiv and the authorities in Simferopol on Crimea’s autonomy. The MPs called on the president and the government to initiate actions to restore Russia's sovereignty over the peninsula and the Black Sea Fleet. The Russian parliament, unwilling to challenge the principle of the inviolability of borders (CSCE Final Act), began to advocate an argument that the transfer of the Crimean district over to Ukraine was essentially unlawful. A clear display to that effect targeted at Kyiv was the visits of Russian politicians to Crimea. They were intended to radicalize the sentiments and prevent any compromise between Kyiv and the authorities of Crimea. Russian MPs emphasized the Russian identity and indivisibility of the Black Sea Fleet, referring to Sevastopol (the primary marine base for the peninsula and the location of the command headquarters) in a special resolution as the Russian city and called on Kyiv to renegotiate its status.
By and large, Russia’s policy on the broadly understood Crimean issue was non-pragmatic in the first half of the 1990s. Moscow was focused more on capitalizing on the dispute in the propaganda dimension, and partial arrangements, signed every now and then between Russia and Ukraine on the future of the Fleet (Kyiv refused to discuss any revision to the status of the peninsula), did not bring the states any closer to a final resolution. In addition, the international community started to blame Moscow for the prolonged dispute, as its actions were widely perceived as a policy of challenge to the principle of the territorial integrity of states.

The agreement on the issue was also thwarted by an uncompromising stance of Ukraine. It was based on the concept, advocated by independence circles, that any concessions to the Russian authorities would consequently lead to the enfeeblement of the Ukrainian statehood. Moscow’s policy only corroborated those fears. It should be borne in mind that propaganda disputes with Russia offered an opportunity for Ukraine’s president Leonid Kravchuk and the majority of Ukrainian political elites, originating from communist hierarchies, to domestically display their patriotism and to refute accusations of servility toward the old hegemony holder. The compromise was further frustrated by Yeltsin’s personal dislike for Kravchuk. It is believed to have been rooted, next to conflicting political agendas, in the dubious and equivocal behavior of the Ukrainian leader during the August putsch of 1991.

It was not until the power in Kyiv was taken by pro-Russian Leonid Kuchma that the relations between the countries clearly improved. Although the new Ukrainian president was in fact a follower of his predecessor’s policy, his assumption of the office slightly calmed down the political dispute. In spring 1995, Kuchma managed to significantly limit Crimea’s autonomy and remove the separatist leaders from power. On 9 June 1995, he signed the Agreement on the Black Sea Fleet with Yeltsin in Sochi, which stipulated the division of the Fleet and entitled Russia to use the fleet support installations situated in Crimea. The governing document that settled the vexed issues is the agreement of 28 May 1997. Russia accepted a joint Russian and Ukrainian military base in Sevastopol used by Russians under a lease contract. In this way, Russian authorities authorized Ukraine’s sovereignty over the disputed city. What Russia received in exchange was the right to legally operate its military base in Crimea for at least 20 years, which was the state’s overriding objective.

The Black Sea Fleet compromise paved the way for a treaty between the states, which built a foundation for the relations between them. Previously, president Boris Yeltsin’s officials treated the document as a tool in the political game, a ready instrument to put pressure on Ukraine. The Russian-Ukrainian treaty on freedom, good neighborhood and co-operation was finally signed on 30 May 1997, confirming the inviolability of the
Ukrainian-Russian frontier which, following six years of the independent existence of the two states, increased the stability of their bilateral relations.

The conclusion of the treaty, which was of vital importance for alleviating the tension in their mutual relations, did not resolve all issues adversely affecting security in the region. In subsequent years, both states were still unable to agree on the final delimiting and demarcation of their shared border. A source of fierce controversy was the status of the Sea of Azov and the Kerch Strait, linking it with the Black Sea (in practice, it is the only exit from the river basin of key Russian rivers, such as the Volga and Don, to global oceans). Their inability to agree largely resulted from the conflict of their primary interests – Ukraine’s effort to delimit and demarcate their border with Russia was in line with the state’s policy of obliterating the links of the Soviet times and was related to their attempt to control the strategically important straits as well as use the resources of the Sea of Azov. The Russian strategy, in turn, was to continue to influence the post-Soviet states by minimizing the significance of the “internal” borders of the USSR and to have an active presence on its “external” borders. Notwithstanding the signature of the Agreement on the State Border between the presidents of Russia and Ukraine in January 2003, the demarcation process has continued until today. The failure to reach a compromise, although it sometimes leads to tensions in bilateral relations, has ceased to pose a threat to the region’s security.

The issue of control over post-Soviet nuclear weapons kept in Ukraine was equally challenging for the country in the area of international security in the early 1990s. By the presidential decree of 5 April 1992, the authorities in Kyiv subordinated all forces deployed in Ukraine, including strategic forces, to the state’s Ministry of Defense. In terms of nuclear weapons, Ukraine declared its “administrative control”, including supervising personnel, finance and logistics, simultaneously recognizing the right of the CIS command to exercise “operational control”, being the right to take decision on their deployment. Although formally accepting its future nuclear-free status, the country did not consider it as being equivalent to the transfer of its nuclear weaponry deployed in the country to Russia. Ukraine signed the Lisbon Protocol only conditionally, demanding financial compensation in exchange and hard security assurances from Western states.

Counteracting the acquisition by Ukraine of nuclear weapons was important both for Russia (specifically, its hegemony over the post-Soviet region) and the states of the West, including the United States, which were

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concerned about the adverse effects of nuclear weapons proliferation on international security.

Ukraine’s policy managed to bring the nuclear weapons issue to international attention. The image-building effects were twofold: on the one hand, independent Ukraine gave an international display of a sovereign state able to defend its national interest, while on the other hand, however, the fact that the conflict related to the sensitive issue of nuclear weapons contributed to negative image-building in the Western countries. In terms of more tangible effects, at the CSCE/OSCE summit in Budapest held on 5 December 1994, Ukraine received security assurances from the US, Russia and the United Kingdom in exchange for its accession to the NPT. It also managed to secure some financial benefits by signing, on 14 January 1994, a trilateral agreement with the US and Russia, granting financial compensation and fuel for its nuclear power plants in exchange for complete nuclear disarmament.

Moldova

Ukraine’s independence, contrary to the concerns of the time, failed to generate serious threats to the region’s security, but only some controversies typical for the transition period, mainly in terms of its relations with Russia. A source of greater instability with more serious and lasting consequences for security turned out to be Moldova, which is a significantly smaller country and Ukraine’s neighbor to the west.

Moldova’s struggle for independence was accompanied by separatist tendencies on the left (eastern) bank of the Dniester. The region, referred to as Transnistria, for years remained part of the Russian empire, unlike the rest of the country (historically called Bessarabia), forming part of Romania. As a result of different historical experiences, as well as strenuous industrialization in the Soviet period, Transnistria is mainly inhabited by a Slavic population, culturally Sovietised, using mainly Russian (according to the population census of 1989, Ukrainians accounted for 28%, Russians for 25%, and Bulgarians for 4% of Transnistria’s population, compared to approximately 40% of Moldovans). The unification of the two provinces under the former Moldovan SSR, taking place after World War II, was a deliberate step by Moscow intended to counteract potential pro-Romanian tendencies in the titular nation of the republic.

5 Memorandum on Security Assurances in Connection with Ukraine’s Accession to the Treaty on the Non-Proliferation of Nuclear Weapons, 5.12.1994.
6 Some experts argue that the financial assistance that Ukraine managed to negotiate could not compensate for the losses, including financial, that Kyiv suffered as a result of the two-year dispute over nuclear weapons. Cf. Steven E. Miller, “Ukraine’s Flawed Nuclear Diplomacy”, in The Nonproliferation Review, Spring-Summer 1994, pp. 47-53.
Under the circumstances of the USSR's collapse, the Transnistrian nomenklatura, clustered around the managing staff of huge industrial facilities there, took actions to consolidate their power. In September 1990, the establishment of independent Transnistria was declared, as part of the Soviet Union (rather than the Moldovan SSR), while in August 1991 the independence of the Transnistrian Moldovan Republic was proclaimed, in response to the Republic of Moldova's declaration of independence. To justify that decision, the province's elites kindled fears of progressing Romanisation among the Russian-speaking residents, emphasizing the limitation of rights related to the Russian language and formulation of the concept of reintegration with Romania by the opposition. Separatist rhetoric of the region's authorities was corroborated by economic arguments, which were of primary importance for the population. Transnistria is the main industrial region of the republic, where living standards at that time were markedly higher than elsewhere in the country. Thus, unlike other unresolved disputes in the post-Soviet area (Abkhazia, Ossetia, Karabakh), the Transnistrian conflict was not of an ethnic, but rather of a political nature. Ethnic tensions between the Moldovan population and Slavic nations were skillfully exploited by political and business elites of Transnistria to secure their goals.

Rising separatist tendencies in Transnistria were accompanied by more frequent military incidents. These incidents turned into an open conflict in March 1992, when Moldovan forces unsuccessfully attempted to regain control over the province. The most intense fighting broke out in the town of Bendery, located on the right bank of the Dniester, but loyal to Transnistria.

Moldovan authorities failed to restore control over the territory controlled by separatists, mainly because the aspirations of Transnistrian elites to break away from Chisinau met with the exceptionally warm welcome of Russia. The support for the Moldovan territorial integrity, officially announced by the Russian MFA, proved to be verbiage only, which failed to be reflected by practical actions. The resolutions of the Russian parliament were much more honest, which supported the separatists, and declarations to that effect by prominent members of the executive.

The key factor of support for Transnistrian separatists was the Russia-commanded 14th Army, deployed on the left bank of the Dniester.

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8 Following the dissolution of the USSR, the unit was formally under the collective command of the Commonwealth of Independent States; in reality, however, it was controlled by Russia. By decree of April 1992, president Boris Yeltsin assumed control over those units.
Turkey’s Neighborhood

Contrary to Moscow’s declarations, the unit failed to maintain neutrality, but rather had a visible impact on the course of the conflict. When the military conflict reached its climax, Russian units were directly involved in the fighting backing the separatists, among other cases during the fighting at Bendery, as well by artillery fire targeted at Moldovan units. In addition, many soldiers of the Russian Army joined the warfare as AOLs from the army by tacit consent of their commanders. The contributing factor here was the state of anarchy in the units (notably during the early stages of the conflict) and the fact that the majority of their head count, including the officers, consisted of members of the local population. Separatists, uninterrupted by the Russian authorities, were also supported by volunteers from Russia, motivated mainly by the Cossack tradition.

The actions of the Russian party escalated the conflict and turned the scales in favor of Transnistria. With this objective accomplished, they managed to force Moldova, primarily through General Alexander Lebed, the commander of the Russian forces, to sign a truce in July 1992. The threat was targeted at Moldovan authorities and implied that if they do not stop the offensive, the general, together with his forces “are going to have his next lunch in Chisinau and dinner in Bucharest”. It proved to be effective. Approximately one thousand soldiers died in the conflict but, as it was not an ethnic strife, the number of refugees was insignificant, and the links between the populations on both banks of the Dniester were soon back to normal.

A joint Moldova-Russia-Transnistria peacekeeping force was formed. Moldovan authorities also temporarily accepted an extended stay of the 14th Army in the region (soon transformed into the Operational Group of Russian Forces), although they knew that the Russian force would act as a shield for the separatists to grow stronger. Owing to Moscow’s “no”, Moldova did not manage to obtain a multinational peacekeeping force under the banner of the UN or OSCE.

Every month the presence of the Russian force aroused increasingly more controversies. A compromise solution, providing that the forces would be pulled out over a period of time, was approved at the Istanbul OSCE summit in November 1999. Nevertheless, Russian authorities (at Transnistria’s prompting) delayed their performance of obligations in this respect. Currently, Russian weaponry is kept in the conflict zone, supervised by support units stationed there.

Despite the passage of 16 years already, none of the various plans to resolve the conflict have been implemented, and the gap between the positions of Chisinau and Tiraspol is only growing wider. Actions by

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9 For more on Moldova’s policy on the issue, see Mihai Gribineca, “Rejecting a New Role for the Former Russian 14th Army”, in Transitions, vol. 2, No. 6, 22 March 1996.

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Moldovan authorities intended to enforce concessions from Transnistria, e.g. by means of a customs war that has continued with various levels of intensity since 2001, have proved highly ineffective.

**Security Problems of Ukraine and Moldova from the Perspective of Enlarged EU.**

The European Union’s role in the events of the 1990s was negligible. The main reason was not so much its weakness, but rather a conservative attitude toward Eastern policymaking, typical of the European Union prior to the last two enlargement rounds. The policy of that time was under a significant influence of France and Germany, looking at the region primarily from the perspective of their relations with Russia. It was argued that for historical, ethnic and social reasons, as well as because of Russia’s dominant position within the CIS, its special role in the area should be acknowledged and, consequently, Russia has a right to secure its interests in the region. This translated into, for example, reluctance towards further enlargement of NATO to the east (Ukraine, Georgia), recognition that the involvement of the European Union’s security instruments in Ukraine or Moldova is only possible if it did not challenge Russia, and finally the acknowledgment of Russia’s leading role in local problem solving (e.g. in Transnistria). Also, an argument was accepted implicitly that the scope of Russia’s interference in internal affairs (i.e. politics and economy) of the states specified as “post-Soviet” could be much broader than in states recognized as “European”.

Based upon this line of thinking, the European Union was to be involved only in those areas where the security of its residents could be directly jeopardized by threats originating in the East: illegal immigration and organized crime (including trafficking in human beings and drugs). Since the co-operation of local authorities was required to fight those threats, it was considered reasonable to establish close relations and provide Ukraine and Moldova with financial and expert support in this regard. This did not, however, mean that the EU was ready to treat both states as independent subjects rather than objects of the European Union’s policy.

Three formative factors are responsible for the evolution of the European Union’s attitude toward Ukraine and Moldova. Firstly, it was the policy of new member states, notably Poland as well as Lithuania, Latvia and Estonia, which was sharply critical of the strategy of the privileged treatment of Russia in the CIS region. Even before the accession to the European Union, Poland put forward a proposal to establish an autonomous “Eastern Dimension” of the EU, i.e. to draft a coherent, multidimensional strategy of strengthened relations with Ukraine, Moldova and (provided that the state’s internal transformations so allowed) with
Turkey’s Neighborhood

Belarus\textsuperscript{10}. Gradual rapprochement between those states and the European Union was to rely on the membership prospects. Relations with Russia, a state that does not consider EU membership as an option, should be developed as a continuation of the previous, partner relations.

The Eastern dimension concept has not been implemented. Relations with Eastern European partners are covered by the European Neighborhood Policy (ENP), announced in 2004. It provides the framework for the EU’s relations both with Eastern European states (Ukraine, Belarus, Moldova) and the states of the southern coast of the Mediterranean Sea and South Caucasus. Although it provided for enhanced co-operation with the EU neighbours, up to their broad access to the Common Market, the ENP made no reference to EU membership aspirations, declared, for example, by Ukraine.

Another factor influencing the perception of Ukraine’s and Moldova’s security problems were the changes within the European Union. The awareness of the EU’s potential and the position it could achieve in world politics, prompted increased interest in external policy affairs, reaching beyond economic issues. The European Foreign and Security Policy was developing quickly, including the crisis response component. One reflection of the higher aspirations of the European Union was the announcement of the European Security Strategy towards the end of 2003, with “building security in our neighborhood”\textsuperscript{11} as one of the Union’s strategic objectives. Thus, favorable conditions were established for the involvement in Eastern Europe, also where “hard” (i.e. political and military) security challenges existed.

Simultaneously, negative factors emerged inside the EU, namely the enlargement fatigue that was present in many member states, and the crisis of the citizens’ confidence in the European Union, exemplified by the rejection of the Constitutional Treaty in referenda in France and the Netherlands. This resulted in, for example, the postponement of the enlargement until further notice (perhaps except Croatia), as a project that faces serious resistance in some EU countries. This clearly limited the framework of policymaking on Ukraine and Moldova, which had to be conducted without promising or offering membership prospects.

The third important factor of change in the Community’s Eastern Policy was Russia’s growing assertiveness in foreign policymaking, as well as its worrying internal developments. As already indicated, the leading role of


Russia in the post-Soviet area was taken for granted for a long time, and the European Union was expected to acknowledge that. However, while Russia’s position consolidated as a result of increasing prices of oil and natural gas, its policies became more confrontational. This applies both to the internal transformation (where both the erosion of freedom and civil rights and restricted economic liberties provoked concerns of Western states) and its foreign policy (aggressive rhetoric in relations with the West, energy policy, and pressure on Ukraine, Poland and the Baltic States). While the concerns of the EU states in connection with Russia’s policy grew, the need to reinvent the bloc’s policy on Russia and consequently the entire Eastern policy, was being raised increasingly more often.

Ukraine

Prior to the Orange Revolution of 2004, Ukraine was of fringe interest to the European Union. While NATO appreciated the geopolitical significance of the state and the need to maintain its independence from Russia, the EU welcomed the limited role it played in the “multi-vector” policy of President Leonid Kuchma. In relation to the European Union, the strategy of “multiple directions” on the one hand entailed setting the objective of EU membership as a foreign policy aim and, on the other hand, meant the reluctance to embark on political and economic reforms required for a genuine rapprochement between Ukraine and the EU.

In security affairs, the European Union focused on soft security threats related to the negative consequences of the flow of people and goods from Ukraine. The Action Plan on Justice and Home Affairs, adopted in 2001, designated a migration and asylum policy, border management and readmission, combating organized crime and terrorism, as well as justice and the rule of law, as areas of co-operation. The EU’s support primarily meant co-operation and expert assistance in strengthening the Ukrainian legal system and public order apparatus, along with its border infrastructure. In parallel to the technical co-operation, work was launched on the readmission agreement between the EU and Ukraine, under which Ukraine agreed to readmit its own citizens and citizens of third countries who illegally crossed the border with the EU area. Along with this agreement, the terms of an agreement on visa concessions were subject to negotiations. Both were signed in June 2007.

Security in the military and political aspect, including, for example, the problem of Crimea and relations with Russia, was considered as NATO’s area of responsibility. The EU-Ukraine action plan, drafted in 2004, mirrored the Union’s reserved attitude towards Ukraine and the prioritized treatment of border control affairs and improvement of internal security.

Undoubtedly, the European Union did not plan to be involved in supporting Ukrainian democratic transformations or solving fundamental security problems, related, for example, to specifying the framework for future relations with Russia. From the viewpoint of the European Union, the main threat related to Ukraine’s problems was the lack of internal stability. This was self-evident during the protest against election fraud in the presidential elections of November 2004. Although societies of most member states, along with non-governmental organizations enthusiastically supported the Orange Revolution, the involvement of the European Union and its High Representative Javier Solana in the crisis was somewhat enforced by a group of member states, headed by Poland and Lithuania, as well as by the European Parliament. Many commentators emphasized that the EU’s primary security interest was in preventing the divide into the pro-Russian and pro-Western parts, while gloomy scenarios of its disintegration were also presented. The involvement of Russia in the crisis-solving actions, or even forcing the “Orange” camp to find a compromise with the ruling apparatus, was seen as prerequisite for keeping internal stability. Although the crisis of 2004 ended in a success for the democratic camp, subsequent political turmoil in Ukraine proved the case for many European observers that internal instability was the greatest threat for this state.

Another area where the European Union was forced to commit itself in Ukraine was the state’s energy security. Ukraine’s potential as a transit country with a well-developed pipeline system is sizeable. Approximately 40% of natural gas consumed by the EU countries and 10% of their crude oil is supplied through Ukrainian networks. Thus far, these energy resources have been imported from Russia, or through Russia (e.g. from Central Asia), but Ukraine’s potential enables it to be a party to projects pursued without Russia’s involvement. This aspect is consistently being emphasized by Poland, which is promoting a crude oil supply corridor utilizing the pipeline Odessa-Brody-Plock.

The relations between Russia and Ukraine in the energy dimension directly affect the state of the European Union’s energy security. This became apparent following the gas crisis of January 2006, when Russia stopped its deliveries to Ukraine, justifying it by the lack of agreement on the adjustment of gas prices to market conditions. Gas deliveries to, for example, Austria, Hungary, Slovakia, Poland and Germany were reduced to a trickle, and the states of the European Union could observe the practical use of the “energy weapon”. The firm position of the EU, critical of

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Russia, represented an important factor that facilitated a compromise solution of the crisis. It became evident that the situation in transit countries, such as Ukraine, had to be reckoned with as an additional factor in the EU energy security strategy. Therefore, the European Union must be ready to provide support to Ukraine in future energy conflicts with Russia, as the latter’s control over transit routes in Ukraine directly translates into a monopolist position as energy supplier in its relations with the entire European Union.

Yuschenko’s rise to presidency also invigorated Ukraine’s foreign policy on Transnistria. Notwithstanding the scale of the problems posed by the presence of this enclave for Ukraine (e.g. organized crime, smuggling), involvement in solving this particular case sends a message to the European Union that Ukraine can be a valuable partner in the EU’s Eastern policymaking. The first message on the shift in Ukraine’s attitude was “the Yuschenko Plan”, announced in April 2005. Subsequently, Ukraine agreed to extensive co-operation with the EU and the establishment of the Border Assistance Mission in its territory. Although tightening the border will not automatically bring a breakthrough regarding Transnistria, Ukraine’s co-operative position was noticed and welcomed by the EU.

Despite closer co-operation in internal affairs and justice, as well opening new co-operation areas between Ukraine and the EU on security, different perceptions by both partners are clearly still present. Notwithstanding the effort of Poland and other Central European states, the majority of EU members look at Ukraine from the perspective of their reluctance to further enlargement. They argue that EU security (political and social) may be threatened by creating conditions for Ukraine to apply for membership. In the other side, Ukraine has tried to prove that it is not only able to solve its own security problems speedily, assisted by the EU, but it also can contribute to increasing the level of European security.

Moldova

As viewed by the European Union, Moldova in many aspects has become the symbol of Europe’s “gray zone”, where poverty and a dormant internal conflict lead to the export of such negative phenomena as organized crime, human trafficking or smuggling. This means that Moldova’s importance for the EU has always been significant, and that the EU’s was ready to commit itself to improving the security situation there, also before the last two rounds of enlargement.

The accession of Romania in January 2007, which turned Moldova into an immediate neighbor of the EU, differed in terms of its significance from the accession of Ukraine’s neighbors to the EU 15. On the one hand,

Romania is focused on improving its internal situation and strengthening its relations with Western states, and therefore it does not intend to act as Moldova’s “ambassador” to the EU. On the other hand, however, Romanian legislation offers an opportunity to any person whose parents or grandparents resided in Romania in 1940 to apply for citizenship. This means that some residents of Moldova may be granted Romanian citizenship which, following the country’s accession to the EU, will entail greater freedom of movement and work inside the EU’s borders. This arouses Chisinau’s concerns, as they fear accelerated growing trends of emigration figures, especially among skilled workforce.

Similar to Ukraine, the support for Moldova’s economic development, combating crime, money laundering, corruption and illegal migration, as well as strengthened border management, represent an important aspect of the state security investment for the European Union.

The European Union’s readiness to become involved more actively in solving the conflict in Transnistria overlapped with the abandonment of hopes by President Voronin’s administration for a favorable solution to the problem with the help of Russia. Russian initiatives, the climax of which was the so-called Kozak memorandum of 2003, were intended to preserve the de facto separatist status of Transnistria (it envisaged Moldova as a federation with weak central powers) and the continuation of the Russian military presence in the country. These proposals were rather unattractive for Moldova’s authorities, because they would prefer to restore not only the formal, but also the actual control of Chisinau of whole of the country’s territory. A political turn towards the European Union could bring many more benefits for the state, considering its growing interests in Eastern policymaking and assistance funds that the Union was ready to commit for the development of Moldova.

The European Union stepped in to solve the problem at the diplomatic level, obtaining the status of an observer (together with the US) in a five-lateral format, held with Moldova, Transnistria’s representative, as well as Russia, Ukraine and the OSCE. In February 2005, the European Union also appointed a Special Representative for Moldova, a Dutch diplomat Adriaan Jacobovits de Szeged. The EU could offer a significant contribution to the successful conclusion of the final agreement both as a guarantor of its fulfillment and an organizer of the stabilization mission in Transnistria, following the example of its activities in Bosnia or Macedonia. Any progress in negotiations in the “5+2” formula was, however, frustrated by the inflexible position of Transnistria, supported by Russia.

The second, practical dimension of the involvement in regulating the status of Transnistria is the establishment of the Border Assistance Mission...
(BAM), launched in December 2005. It was designed to support Ukraine and Moldova with enhancing the border and customs clearance and training the responsible bodies of both states: the EU BAM has no entitlement to operate independently. At the beginning of 2007, it comprised approximately 100 experts from several European Union countries. The co-operation of Ukraine and Moldova is to attain a state where Transnistria is no longer a center of smuggling and other customs crimes. An additional benefit from the presence of BAM experts is their on-site monitoring, used, for example, for verifying reports on gun and drug trafficking using the Transnistrian territory. Soon after the work of BAM commenced, Ukraine and Moldova introduced a new customs regime in March 2006, under which enterprises with their registered offices in Transnistria had to be registered in Moldova in order to be allowed to export their products. Despite reports from the Russian media on the “blockade” on Transnistria, tightened border checks failed to send Transnistria’s economy into a tailspin, as it enjoyed significant support from Russia.

Although much was hoped for in relation to the European Union’s inclusion in solving the problem, the peculiarities of the situation in and around Transnistria thwart the resolution of the present stalemate. The solution to the crisis that would allow Smirnov’s group to maintain their influences in Transnistria is unacceptable for Moldova and the European Union. Russia, in turn, will only accept those solutions that will allow it to retain influence on the region and declare a propaganda victory. Regardless of the above, it is not known to what extent Russia is able to influence Tiraspol’s position. The grip of the local administration on Transnistria’s residents remains strong, which makes the scenario of deposing Smirnov’s group as a result of internal processes unlikely.

Conclusions

The European perception of security problems in Ukraine and Moldova has changed dramatically. In the 1990s, two attitudes toward the issue of security in this part of Europe were prevalent. One set of topics comprised political and military problems: independence, internal conflicts and, in the case of Ukraine, also the nuclear weapons issue. The involvement of the EU in solving these issues was primarily shown by the diplomatic services of the European Union member states. Soft security issues, where the EU could contribute significantly owing to its civil and economic potential, were treated separately.

Following the last round of enlargement, both agendas, previously virtually unrelated, were merged by the European Union. Along with shifting the center of gravity to the east, the EU had to work out an independent strategy not only for assistance programs, or visa regimes, but also regarding energy security or solving the conflict in Transnistria. The
European Union is still at the stage of adjusting to the situation where Ukraine, Moldova and the new EU members demand it to act resolutely, addressing a wide array of security problems in Eastern Europe.

Under the new EU agenda, it is necessary to analyze the potential for co-operation in the region with external actors under joint initiatives. Turkey may become a partner for, for example, drafting the EU Black Sea strategy, although it is rather unlikely that the Union will establish a separate “Black Sea Dimension”. Both Turkey and the European Union are interested in the region’s stability and growth in trade exchange, using the historical tradition of the Black Sea trade. Ukraine may become an important partner for co-operation of this type, which should positively affect the situation, for example, in the Crimean Peninsula. The situation in the Gagastia-Yeri region in Moldova has been attracting Turkey’s attention for a long time. In this connection, the European Union could use the Turkish experience in preparing its own projects in the country. Long-term co-operation planning may be facilitated by the awareness that the involvement of the European Union in both states will definitely develop further in the future.
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11. EU External Energy Policy and Turkey

Ernest Wyciszkievicz

Introduction

The European Union has not developed a cohesive common external energy policy yet. The process was initiated two years ago in 2005, but it is too early to predict its outcome. So far it is still the governments that have a say in energy relationships with third parties, not the Community institutions. Member states experience difficulties in defining common interests towards exporters and importers of resources. The largest ones usually endeavor to achieve energy security, while selecting activities which are not always consistent with the interests of other partners from the EU. However, for some time now a growing determination among member states to reach a consensus can be noticed. This determination stems from a better understanding of the strategic significance of energy co-operation and a need to jointly face upcoming challenges. The divided and fragmented Union will not be able neither to ensure energy security nor effectively compete on the global market with other actors, who these days consciously use their energy policy as an inherent element of foreign and security policy. Energy security should be thus understood in a dynamic way, always taking into account changes within the Union, as well as evolving international environment.

From the point of view of the Union, establishing a Community mechanism ensuring protection against potential external threats is of major importance. Since a potential source of energy threats is located today outside the EU, inward activities would not clearly be sufficient. The EU started to develop the European Security and Defence Policy and thus, it seems justified to supplement the political and military element with an energy one, in particular taking into account the fact that a split between these areas, considering the evolution of the “security” concept, is difficult to defend. Additionally, the single energy market, strengthened by the coordination of the EU states policies could support global aspirations of the Union as a political structure.

One of the priorities of the EU energy policy, as outlined by the European Commission, is to “speak with one voice” not only to major producers and consumers of resources, but also to transit countries. In this context, Ukraine and Turkey are of profound importance to the EU. These two
countries link the European market, hungry for resources, with resource-rich producers, such as Russia, Azerbaijan, Iran and Iraq. Ukraine serves as the largest transmission route for Russian gas and to lesser degree oil, while Turkey has just emerged as a transit power. Yet there are many factors indicating that its importance would grow significantly in terms of gas and oil transport. Consequently, it is obvious that the Union is starting to perceive Turkey as an integral part of the future European energy security system.

**EU External Energy Policy in the Making**

As already mentioned, the European Union only recently started to develop a consistent external energy policy. It sounds paradoxical, taking into account the fact that the integration process was set in motion by establishment of closer co-operation in the area of coal or nuclear energy. Oil crises of the 1970s did not contribute to greater unity and consistency regarding relationships with major resource producers. At the same time, energy uncertainty brought about major changes on the internal market leading to increased investment in nuclear power generation, development of renewable energy sources, and energy efficiency and conservation. Relatively stable situation on energy markets in the 1990s, intense competition between producers and diminishing role of OPEC, as well as emergence of new reservoirs of resources in former Soviet Union, slightly dulled the vigilance of European consumers. While enjoying a growth in supply, they were surprised by the turbulences in the global demand. Meanwhile, since the mid 1990s, self-sufficient until then China started to gain significance as an oil importer. Today China is the second largest consumer of oil after the United States. The rapid growth in demand in PRC, India, and the USA along with slow increase in supply resulted in skyrocketing prices¹. This trend was additionally strengthened by the unstable political situation in regions important for production (Iraq, Iran, Venezuela, Nigeria). Assuming that these trends continue, competition between major consumers (United States, European Union, China, Japan, India) for access to limited resources concentrated in few unstable or potentially unstable countries, will inevitably intensify². Obviously this

¹ In accordance with International Energy Outlook 2005 report drawn up by the Energy Information Administration, the institution subordinated to the US Department of Energy, in the years 2002-2025 global energy consumption would increase by 57%, out of which a majority will refer to developing economies, in particular China. http://www.eia.doe.gov/oiaf/ieo/pdf/0484(2005).pdf.

² Almost 2/3 of global oil resources are located in the Middle East; in case of natural gas, also 2/3 of all confirmed resources are located in Russia (26%), Caspian Sea region and in the Middle East (mainly Iran – 18%, remaining states almost do not exploit gas deposits).
situation does not need to result in exacerbation of political tensions between consumers. Much will depend on the strategy that major actors choose in the future. To put it simply, two extreme scenarios can be identified: a co-operative one, in which expanding bilateral and multilateral co-operation will be the key instrument to ensure security (the approach preferred by the EU) or a competitive (confrontational) one limited to aggressive competition for resources.

The European Union increasingly often aspires to develop its global political and economic standing to respond properly to ensuing challenges. At the same time the EU attempts to take into account the interests of all member states and the whole Community. This task will become more difficult due to existing principal differences in the approach to the energy sector between major consumers and producers, without any signs indicating the chances for their elimination. As the United States, the European Union implements a liberal model, in which the market is to be the main mechanism allowing for the capital accumulation, production and innovation growth and infrastructure development. The Union attempts to “export” its own principles of internal organization and win over others to resulting benefits. However, almost all producers important from the European perspective (except for Norway belonging to the European Economic Area), such as the Russian Federation or OPEC members, follow a policy based on the dominant role of the state, fully controlling the resource market or the fuel and energy industry or actively intervening in production, transport or export. The growth of importance of China as an importer additionally makes it more and more thorny and problematic for the EU to pursue the external energy policy on market principles. The European Union often experiences difficulties in relationships with parties operating on the basis of a different logic. Consequently, a collision of these different philosophies – liberal and state-centered – on the international level results in justified doubts about the real ability of the EU to influence the energy landscape using available instruments.

At the same time, the development of a relevant energy security policy by the EU requires considering internal conditions, in particular changes

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3 The example of this last activity is the Third liberalization package proposed by the EC on 19 September 2007, in which the Commission requests non-EU entities, which would like to enjoy privileges of the Community free market, to adjust to EU rules and open their markets in accordance with the principle of reciprocity. See. “The EU Electricity & Gas markets: third legislative package”, September 2007, http://ec.europa.eu/energy/electricity/package_2007/index_en.htm.

4 Limited effects of so-called energy dialogue EU-RF can be given as an example, considering urging the RF to market liberalisation, harmonisation of regulations and establishment of more transparent legal environment, as well as ratification of the Energy Charter Treaty.
resulting from two simultaneous processes – deepening of integration and enlargement. In principle, since 2000 in the EU there was no comprehensive debate on the energy policy\(^5\). This issue was obviously included in the agenda during oil crises, but common actions have been purely of a routine character, and related mainly to tax policy, internal market or environmental protection (the only important step was to force member states to obtain more energy from renewable sources). The Community policy was aimed at establishing a market self-regulation mechanism by liberalization of the internal market as an optimal method to increase competitiveness and security. This trend should be evaluated as a positive one, taking into account the internal development and cohesion of the Union. However these changes are relatively slow, taking into account resistance of individual states, which is regularly criticized by the European Commission\(^6\). Difficulties with liberalization are related, inter alia, to reluctance of the states to transfer to the supranational level competences in the sector considered vital from the point of view of the national security. This also shows that insufficient consideration at the Community level of the growing political importance of the energy sector was the weakness of the approach applied until now. This is because oil and natural gas – basic sources of primary energy in the EU - are products of strategic importance, taking into account stability of the social and economic development, as well as security in the traditional meaning. However, it is necessary to note that the position of the European Commission changes and the strategic dimension starts to be taken into account in legislative proposition.

The Commission paid attention to the external risks and threats in the Green Paper of 2000 „Towards a European Strategy for the Security of

\(^5\) The work of the Directorate General for Transport and Energy (DG TREN) has started not before the beginning of 2000. Additionally, it is worthwhile to emphasise that energy policy is not separated in the Treaties and its individual elements are subject to regulations regarding the common market, trade, free competition or environmental protection. Energy issues were a subject of a separate section in the failed Constitutional Treaty in form of Art. III – 256. Paragraph 1 included three principal objectives of the Community energy policy (functioning market, security of supply and increase in energy effectiveness, as well as utilisation of renewable resources). Paragraph 2 defined legal framework of their achievement, as well as guaranteed member states’ intact rights to exploitation of own deposits, selection of the direction and structure of supply. Consequently, these provisions were not revolutionary and approved the status quo. *Official Journal of the EU*, 2004/C310/01, v. 47, 16 December 2004, http://europa.eu.int/eur-lex/lex/JOHtml.do?uri=OJ:C:2004:310:SOM:PL:HTML.

During the next 10 to 20 years, a growing share of resources imported from outside Europe in the overall energy balance will be of major importance for energy security of the EU, taking into account the depletion of own deposits (the UK), economic growth resulting in higher demand (until 2030 the demand for oil and gas is to growth by 0.7% and 0.9% per year respectively), gradual replacement of solid and liquid fuels by natural gas as more environment-friendly and effective energy source. With "business as usual" scenario the EU’s energy import dependence will jump from 50% of total EU energy consumption today to 65% in 2030. Reliance on imports of gas is expected to increase from 57% to 84% by 2030, of oil from 82% to 93%.

In the 2000 Green Paper the Commission found it necessary to take joint actions to address the situation. It noticed the EU’s structural weakness resulting from its internal heterogeneity and divergent interests. Addressing its external dimension, the Commission made a rather obvious conclusion that: “The European Union must use its political and economic influence to ensure flexible and reliable external supply conditions”

Key statements were formulated in a very general manner. Firstly, it was about developing relations with producer countries to make the Community’s voice heard. Secondly, the EU called for strengthening the supply networks through the construction of new oil and gas pipelines, to enhance oil and gas import capabilities from the Caspian Sea basin and the southern Mediterranean, thereby improving security of supply by diversifying sources. In this context, particular attention was supposed to be paid to the transit states such as Turkey, Ukraine and Georgia. The Commission explicitly stated that, irrespective of the states’ membership prospects, the Commission would consider the scope of the support to be provided for Turkey, Bulgaria and Romania in order to expand transit routes for the Caspian Sea resources. It also emphasized the importance of the gas interconnector project, linking Turkey with Greece, to ensure the EU’s access to new natural gas deposits. Thus, already at that time the significance of Turkey and other transit countries was acknowledged. However, the proper declarations of intent were not backed up with actions. Member states were unable to propose a consistent strategy based on the Commission’s remarks. The Green Paper provided an accurate diagnosis of the problems, and offered reasonable solutions, yet without reference to necessary tools. The Commission did not implement any of its recommendations due to

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insufficient powers, while the states showed negligible interest in the transfer to the supranational level of the rights they enjoyed.

In 2002, the European Commission raised the problem of growing imports of energy resources again, by publishing the document “Energy: Let Us Overcome Our Dependence”. Once more it noted that geopolitical considerations were beginning to prevail over the economic ones, thus increasing the political risk of energy delivery disruptions. Conclusions of the authors as to the Union’s response capabilities were not optimistic: “We suffer from a singular lack of means for negotiation and pressure. Our margin of maneuver is limited, whether the crisis be acute or long-term” 10. At that time again the work on the common EU strategy failed to make any progress.

An important shortcoming of the Community documents turned out to be insufficient consideration of internal differentiation of the Union, taking into account the level of dependency on external suppliers, in particular after the enlargement which included countries almost totally dependant on Russia. Differences can be found on three levels, in respect to the Union as a whole and individual states: primary energy mix, share of imports in consumption and diversification of supply sources (see Table 1).

### Table 1. Primary energy mixes of the selected EU member states and the EU as a whole (2004).

<table>
<thead>
<tr>
<th></th>
<th>Oil</th>
<th>Natural Gas</th>
<th>Coal</th>
<th>Nuclear</th>
<th>Other</th>
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<td>15%</td>
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<td>5%</td>
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<td>-</td>
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<td>13%</td>
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</tbody>
</table>

11. EU External Energy Policy and Turkey

* - share below 0,05%

Source: BP Statistical Review of World Energy 2005

Differences in primary energy mixes overlap with a various levels of import dependency from outside the EU and diverse diversification strategies. The Union embraces states with relatively good diversified sources of supply sources, which provides a basis for more flexible and economically rational energy policy (for instance Germany obtaining gas from own sources, North Sea, Russia and Arab countries), as well as states importing resources from one direction (for instance Austria and Central Europe countries, importing gas almost only from Russia) and thus more exposed to external threats. Due to difficulties in serving competing interests of all member states (and energy corporations), the European Commission until now pursued a policy of a lowest common denominator, subordinated to Community ratios, in practice disregarding significant internal differences and their potential consequences.

This approach, almost exclusively including technical and economic aspects, appears to be insufficient, taking into account new challenges. Considering political and strategic issues together with the international environment seems increasingly more important in the field of energy. Development of political instruments becomes a must for the EU. However, in no case this means suspending internal reforms, including market liberalization, which is favorable for all parties (excluding monopolists). At the same time, the process of transfer of powers from the national to the Community level should be accompanied by providing the EU as a whole with relevant instruments ensuring consistent and joint external energy policy.

The concept of incorporating the energy dimension into the foreign and security policy has been reflected by the work of the Community institutions since the end of 2005.11 At the meeting of the European Council in Hampton Court on the initiative of London, the Council called on the European Commission to draft proposals regarding the future European energy policy. Already the outset of activities witnessed a revealing event. As a result of Russia-Ukraine price dispute, gas deliveries to some European states (e.g. Poland, Slovakia, Austria and Italy) were temporarily reduced. The issue shed new light on the need for the common EU energy policy. A potential threat turned out to be a tangible one, even if not too acute on that particular occasion.

The European Commission responded to the Council’s requirements in March 2006, producing another Green Paper (i.e. a document discussing general objectives without detailed proposals), where it stated that international conditions (growing global demand and shrinking deposits), volatile oil prices, concentration of resources in politically unpredictable regions, as well as a climatic change threat caused by human activities necessitated a truly common EU energy policy, not only in its internal, but also external dimension. As regards the latter, three objectives were specified as key ones: diversification, solidarity, and the establishment of external energy policy, so that the EU could speak with one voice in its relations with third states. According to the EC: “The energy challenges facing Europe need a coherent external policy, to enable Europe to play a more effective international role in tackling common problems with energy partners worldwide. A coherent external policy is essential to deliver sustainable, competitive and secure energy. It would be a break from the past, and it would show the Member States’ commitment to common solutions of shared problems. The first step is to agree at the Community level on the aims of an External Energy Policy, and on the actions needed at both the Community and national level to achieve it. The effectiveness and coherence of the EU’s external energy policy is dependent upon the progress with internal policies and, in particular, the creation of the internal market for energy”. Similar conclusions on the need for coherent internal actions were reached by the EU Council at its meeting of March 2006, where it adopted very general description of “A New Energy Policy for Europe”.

From the perspective of external relations, an important initiative was that of the European Commission and the Secretary-General of the EU Council/High Representative for the Common Foreign and Security Policy, who put forward at the European Council meeting of June 2006 their joint document entitled “An External Policy to Serve Europe’s Energy Interests – Facing External Energy Risks”. They provided a rationale for the need for a Community approach as follows: “Increasing dependence on imports from unstable regions and suppliers presents a serious risk. Some major producers and consumers have been using energy as a political lever. Other risks include the effects on the EU internal energy market of external actors not playing by the same market rules, nor being subject to the same competitive pressures domestically”. The authors called for genuine

diversification of supply routes and sources, by upgrading and expanding
the present transport infrastructure, and establishment of new transport
routes, for instance from the Caspian Sea region. They also noted that
without an integrated and properly functioning energy market in the EU,
and without promoting the European regulations in the EU’s immediate
neighborhood, the actions would be ineffective externally. In their opinion,
the external energy policy of the EU “must be coherent (backed up by all
Union policies, the Member States and industry), strategic (fully recognizing
the geopolitical dimensions of energy-related security issues) and focused
(geared towards initiatives where the Union-level action can have a clear
impact in furthering its interests). It must also be consistent with the EU’s
broader foreign policy objectives, such as conflict prevention and
resolution, non-proliferation and promoting human rights”\textsuperscript{15}.

The provisional crowning of the European Union actions was the delivery
of the so-called “Energy Package” in January 2007, in which the
Commission tackled in detail the areas referred to previously. Although the
focus was on the sustainable development, reduction of greenhouse gas
emissions and energy conservation, it also discussed the external energy
policy. In this area, the EU should first and foremost:

\begin{itemize}
\item become crucial actor in designing international agreements and
  regimes concerning energy and climate;
\item deepen energy relations with its neighbors on the basis of the rules
  stemming from the EU energy policy;
\item enhance relations with external energy suppliers and consumers\textsuperscript{16}.
\end{itemize}

The Council of the European Union accepted the Commission’s proposals,
therefore we should expect that they will be gradually implemented in the
coming years. It is too early now, however, for far-reaching forecasts. Thus
far, the main priorities have been established, that still await specific
proposals. Time will tell how effective the Commission is with overcoming
divergent interests of the member states, and implementing a truly coherent
external energy policy. In any case, the process itself has been launched,
and will have an undeniable impact on the EU policy on external partners,
thus requiring the partners to define their positions on the European
actions. The final outcome of those actions will also be the key to the
future of the energy relations between the Union and Turkey, the latter
having an important role to play in European efforts to ensure energy
security. Therefore, against the background of the evolving EU energy
policy, it is reasonable to discuss the role that Turkey can play in the
Community’s energy plans.

\textsuperscript{15} Ibidem, p. 3.
EU towards Turkey – two-track policy

Each of the Community documents discussed above refers to Turkey as a vital partner in energy cooperation. The Green Paper of 2000 recognizes Turkey as a state that deserves special attention for its potential role in enhancing the EU security of supply. Turkey is important as a transit route for energy from the Caspian Sea region. It represents a natural route for the Azeri and Central-Asian oil and gas, all the more important for the EU, as it enables diversification of not only energy resources, but also delivery routes. Currently, the tycoon of overland oil and gas transport to the EU area is the Russian Federation, the largest supplier of those energy carriers. Russia controls the transport of resources from Central-Asian deposits, blocking the entry of other parties. The transit control in fact means the control over deliveries to Europe. Therefore, greater diversification of transit routes and directions, including direct access to gas deposits in Turkmenistan or Kazakhstan, would be of vital importance for the enhanced EU energy security. Turkey’s strategic geographical location makes it a desirable, or even indispensable, partner. Until 2006, however, this obvious conclusion failed to translate into any significant actions. Caught up by its internal limitations, the European Commission was not able to act as an autonomous entity and necessarily had to turn to internal policy instruments. The Commission started to use the EU membership negotiations with Turkey to persuade Ankara into introducing changes to the energy market that would meet the Community regulations, while the implementation of infrastructural projects, important for security, was discussed at the intergovernmental, or corporate level. This two-track approach has largely prevailed until today, although the second aspect has received increased support from the Commission. Firstly, the EU wants to cover Turkey by the rules of the internal market, turning the country into an integral element of the European market. Close legislative and legal links would enhance energy cooperation, with the European Commission as a rule-setter. Second, the Union attempts to incorporate Turkey in its diversification plans.

Extending common regulatory framework

As a country aspiring for the membership in the European Union, Turkey agreed to a gradual implementation of the acquis communautaire. In respect of energy issues, the EU seeks to establish compatibility between the Turkish energy sector and the rules of the Community’s internal market. The Union stresses the importance of the law harmonization process, and of the opening to foreign investment.

The 1999 EC Report emphasized that the general objectives of Turkish energy policy were largely compatible with those of the EU, namely, with respect to security and diversification of sources of supply, introducing the
market principles and environmental standards. Yet, much remains to be done in this area, as has been constantly mentioned in annual Reports from 2000 to 2006. The progress with aligning Turkish energy legislation to make the internal energy market more competitive was noted, but deemed insufficient\textsuperscript{17}. Although there are still problems as regards the implementation of the Community standards by Turkey, new windows of opportunity have opened up, namely in the form of regional mechanisms. Aware of its weakness in the traditionally understood foreign policy, the European Commission attempts to reinforce its influence, by employing the instruments of internal market in the regional context.

The goal is obvious. The Union will be more secure and able to enjoy greater reliability of deliveries if it manages to convince the states in its immediate neighborhood of the need to act on the same principles. The EU and the nine countries of South-East Europe (Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Romania, Serbia and the United Nations Interim Administration Mission on behalf of Kosovo) signed in October 2005 the Energy Community Treaty (in force since July 2006)\textsuperscript{18}. This initiative is aimed at creating an integrated market in natural gas and electricity. To be more specific, the Treaty is to create a stable regulatory and market framework capable of attracting investment in gas networks, power generation and transmission networks, so that all parties have access to a stable gas and electricity supply that is essential for economic development and social stability. Thus far, Turkey has been an observer only within that structure. The Community attempts to persuade Ankara into joining this initiative, with a long term-prospect being the establishment of the pan-European Energy Community, to cover the EU territory and its immediate surroundings, creating world's largest market based on homogeneous and transparent rules. Extending the integration process to embrace neighboring countries is a tool of safeguarding present-day interests, and a way to raise the international status of the entire Union. The Community would welcome Turkey as a full member of the Energy Community, and leaves the door open for the Turkish authorities. Ankara supports the so-called Athens process, which led to institutionalized energy cooperation in the region in the form of ECT, but, before acceding, it would like to see the link between the Treaty and the EU accession schedule. In other words, Turkey would like to see that its accession to the Energy Community, and consent to bringing the two energy systems together entails concrete steps by the Union in terms of Turkey's membership in the EU.

\textsuperscript{18} For more details concerning objectives, legislation and activities see Energy Community web-site: http://www.energy-community.org.
In 2004, a regional forum for cooperation with participation of the EU and Turkey came into being – the so-called Baku Initiative. This initiative was launched within the framework of a Ministerial Conference in November 2004 in Baku, involving the EU and Azerbaijan, Armenia, Bulgaria, Georgia, Iran (observer), Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation (observer), Romania, Tajikistan, Turkey, Ukraine and Uzbekistan, as well as the Commission, and is aimed at the gradual integration of the Black Sea and Caspian Sea region energy markets with the EU energy market. For the EU, the main objective of this initiative is to facilitate the transportation of the Caspian oil and gas resources to Europe, be it through Russia, or via other routes such as Iran and Turkey, as well as to facilitate a progressive integration of the energy markets of this region into the EU market.

On top of the above, in April 2007, the European Commission decided to enhance the Black Sea dimension of its policy and issued a paper entitled ‘Black Sea Synergy’\(^\text{19}\) with a strong emphasis on transport, energy and environment. Naturally, Turkey became a part of this approach, which is to enhance the cooperation and to speed up the realization of the projects of common regional interests\(^\text{20}\).

**Turkey as a transit corridor**

Underdeveloped external dimension of the EU energy policy was a major obstacle to the development of an effective European policy in the field of oil and gas transit through Turkey. In the 90s there was no clear and cohesive European strategy, neither towards the Caspian region, nor Turkey. It was definitely the United States that turned out to be the most active outside power involved in energy games in the region (apart from Russia, which is more of an insider). In practice, only due to the American political and diplomatic backing the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum projects were finalized, despite numerous barriers, seemingly impossible to overcome\(^\text{21}\). The EU as a whole was absent, only a few governments were active, by proxies rather than directly, i.e. through their oil and gas companies, such as the British BP, Dutch/British RoyalDutch/Shell, or Italian ENI. They were the major European actors in


the field, rather than the European Union. As already mentioned, the European Commission was fully aware of the weaknesses of that approach, but there was no sufficient external stimulus to change the status quo. Both the governments and the industry were reluctant to introduce any changes, happy with current inertia. It was not until the structural change in the international energy landscape, that Brussels started to think more strategically.

In 2005, at the dawn of the ongoing process of establishing the European Energy Policy, the EU finally recognized the potential of Turkey to become an important country for oil and gas transit from Russia, the Caspian Sea region and the Persian Gulf. It noted the strategic importance of Turkey to the EU, not only as a transit country, but also an important political actor in the Mediterranean, and as a “interconnector” between the EU and Middle East. It turned out that political-strategic considerations would undoubtedly play an important role in discussions about Turkey’s potential EU membership. And the recent energy initiatives are set to confirm this claim.

In its “Energy Package” of January 2007, the European Commission put Turkey at the heart of European diversification plans, particularly in the field of gas. The priority project is the Nabucco pipeline, which is supposed to cross Turkey, Bulgaria, Romania, Hungary and Austria, and make it possible to transport gas from the Caspian region, Iran and the Middle East to the European market with a capacity of up to 31 Bcm by 2020. It is a prelude to the construction of the Trans-Caspian gas pipeline, which would offer direct access to gas from central Asia via Southern Caucasus or Iran and Turkey to the EU, Western Balkans and other countries. The EU plans to invest in the expansion of the transit capacity in the Southern Caucasus, to cater for additional Caspian natural gas transportation, which would have direct impact to Turkey. Another project is the trans-Mashrek gas pipeline that would bring Egyptian, Syrian and Iraqi gas to Turkey and to the EU, through the future Nabucco pipeline. Finally, there is a plan to extend the Turkey – Greece interconnection, which is under way, to Italy, that would enhance the supplies from Southern and Eastern sources to the EU and the Balkans. Thus, it is evident, that the EU tries to deliver on its promises that it will “help Turkey to make full use of its potential to become a major energy transit hub and in particular, promote its rapid integration into the

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Energy Community Treaty. This claim embodies the two-track approach: integration with the EU market and enhancing the transit potential.

To be more precise, it must be mentioned that Turkey is perceived by the EU mainly as a future gas transit actor. Oil is important but for different reasons. First of all, Turkey has already become a significant oil transit country. Thousands of tankers cross the Turkish straits every year, transporting some two million barrels of oil a day. In 2006, the Baku-Tbilisi-Ceyhan pipeline was launched, to carry 1-1.5 million of barrels a day to the world markets. If we consider the Samsun-Ceyhan pipeline project, initiated in 2007, and the existing links with Iraqi deposits, Turkey emerges as a vital oil hub of growing importance for the consumers around the world. Why then cooperation in respect of oil transport is not prioritized by the EU? Firstly, it results from the peculiarities of the oil market, truly global, where it is relatively easy to buy oil from various suppliers. Therefore, The Union’s aim is not to have oil for Europe flow through Turkey, but rather for it to flow uninterruptedly to the world markets in as large volumes as possible, because this decelerates the growing importance of OPEC and suppliers from the Persian Gulf, and may act as a decisive stabilizer for the oil prices. Americans, world’s largest oil receivers, think the same way. There is one more important aspect for the Union, namely the environmental protection. In this particular case, it is minimizing the risk of a disaster in the narrow Bosporus and Dardanelle. On the one hand, this approach is in line with the policy of authorities in Ankara, who have their worries about the risk of an accident. On the other, however, the European recipes, that is the support for pipelines that bypass the straits, such as Burgas-Alexandroupoli, Konstanța-Trieste, or Brody-Gdansk, are not welcomed by Ankara, as they stiffen the competition among transport routes, and are likely to diminish Turkey’s transit role. The Samsun-Ceyhan project referred to above is Ankara’s direct answer to the Union’s plans. Irrespective of these contradictions, it should be argued that there are clearly more issues that act as stimuli for the cooperation, than discrepancies that carry the risk of competition.

Gas cooperation is more important owing to the transport characteristics of this energy carrier, as consumers still need to be permanently hooked up to the resources of producer countries by means of pipelines. Although the developments in the LNG market are likely to change this state of affairs, it will not take place in the short-term. Therefore, Turkey emerges as a natural transit corridor that allows a potential access to rich Iranian, Turkmen and Azeri deposits. Turkey would be crossed by a fourth overland gas transit ‘artery’ (supplementing those run from Russia, Norway and Algeria), one that leads to new deposits, thus being of vital strategic importance. Apart from that it would become a part of South European

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23 See: “An External Policy to Serve Europe’s Energy Interests”.
Gas Grid, which combines both legal and infrastructural integration with the EU\textsuperscript{24}.

**Turkey as a regional political actor**

Energy relations do not occur in a vacuum, but in a complex political environment. As the issue of resources has been growing in strategic importance for several years now, it does not take an expert to say that international political considerations will also be of vital importance for the future EU-Turkey relations, similarly to the market integration and pipelines constructions.

Turkey is trying to make proper use of its favorable geographical location, to improve its international and regional standing. Turkey is in close proximity of above 70\% of world’s proven oil and natural gas reserves. Yet it is a demanding and troublesome undertaking for the rather stable country located in an unstable region. The majority of its more or less predictable neighbors have major stakes in the energy sector, from Russia, Turkmenistan, Azerbaijan, Iraq and Iran’s huge production interests, to Georgia, Bulgaria and Romania’s roles in oil and gas transits. Turkey’s ambition is clear – to become an “energy hub” of global significance in terms of oil, and Europe’s fourth energy supply “artery” in terms of natural gas.

It should be emphasized that Turkey lacks its own resources, and its demand for imported oil and gas is going to rise steadily in the coming years. The fact of being sandwiched between Russia and Iran may be recognized as both its curse, and a blessing. The risk of excessive dependence on those two neighbors is mixed with the chance to become a transport corridor for part of their energy carriers to Europe and other markets. Turkey’s energy policy is based on three elements. The first one is to ensure that Turkey is not absolutely dependent on a single supplier for more than 35-40 percent of its needs. The second is to ensure a sustainable and cheap energy supply. Finally, the third is to function as an energy bridge by maintaining the country’s geopolitical opportunities\textsuperscript{25}.

Turkey has been pushing for a significant diversification of its sources of gas imports. Currently, it buys gas mainly from Russia, directly via the Blue Stream pipeline and overland via Romania and Bulgaria. It also imports LNG from Algeria and Nigeria. Imports by the pipeline from Iran are expected to grow substantially (a pipeline became operational in 2001, but


\textsuperscript{25} M. Faruk Demir, “Dangerous curves on Turkey’s energy policy: Jammed between Russia and Iran, Saturday”, The Journal of Turkish Weekly, 13 August 2005.
only small volumes have so far been delivered, and technical problems arise regularly). In addition, the first gas delivery from the Shah-Deniz field in Azerbaijan through the Baku-Tbilisi-Erzurum pipeline was received in 2007. Besides, Iraq and Turkmenistan could emerge as major additional suppliers to the Turkish market in the longer term.

It transpires that Turkey is not a passive player, but one that does react to external circumstances, attempting to co-shape the energy environment in the region. It is also a factor that enhances Turkey's position towards the Union, and makes Ankara an even more attractive partner for Brussels. Long on the sidelines of global energy politics, the European Union could use Turkish support and assets to develop the access routes to the Caspian region suppliers. Similarly, increased instability in the region, caused by the situation in Iraq, as well as international tension over Iran, raises Turkey's status as a stabilizer of the political situation.

In terms of resources Turkey pursues a diversified policy and does not rely solely on its potentially deeper relations with the Union, concerned that it might not receive too much in exchange for providing its transit assets. In recent years, the Turkish government has run a pragmatic policy focusing, on the one hand, on relations with Russia as the main gas supplier, whose significance is increasingly growing, having in mind the uncertainty concerning relations with Iran. On the other hand, Ankara is looking forward to the Union's support to realize its transit aspirations. Turkey's policy is also undeniably affected by an increasingly more critical approach to the American policy in the Middle East. Justifiably, Ankara fears spill-over effects of instability migrating to their own territory. Therefore turning to Russia is a tool in their policy towards Washington. Its purpose is to show that Turkey does have a choice and is able to act independently. This testifies to the high complexity of the situation in the region, where interests, often conflicting, of many actors co-exist. Due to their strategic importance for all parties, energy issues are now the focus of attention. It is difficult to trace the mark Europe left in this political and strategic struggle. If in specific infrastructural projects, such as the Nabucco pipeline, Brussels is doing what it is able to do, in matters calling for more political effort (e.g. working out a position on the United States’ strong objection against the development of gas cooperation with Iran), the Union remains meaningfully silent. Diversification policy and access to new deposits, as well as deeper relations with transit states, these areas still rely more on individual member states’ determination to pursue that particular agenda. The will of the European Commission, much as it is important, is not a sufficient condition.

26 Yet there are still a number of uncertainties concerning this project, including the adequacy of supplies and even the level of energy demand in consuming markets in Europe, given long-term agreements signed by several countries with Russia.
Conclusion

Both parties, the EU and Turkey, are perfectly aware of each other’s importance for their energy security and recognize the need for enhanced bilateral cooperation. It was confirmed once again in June 2007, when the High Level Conference in Istanbul was held27. The EU and Turkey reaffirmed that mutual strategic cooperation would reinforce security of both of them, emphasizing their willingness to realize energy projects, such as Nabucco, Turkey-Greece-Italy Interconnector, as well as recently revived Trans-Caspian Natural Gas Project. In joint conference statement the EU and Turkey have agreed upon a framework for cooperation on the geo-strategic challenges in their common neighborhood of the Black Sea, the Caspian, Central Asia and the Middle East, and coordination of their energy market policies. Economic and technical dimension has finally been supplemented with strategic one. It seems natural, because energy issues due to so profound convergence of interests provide almost an ideal ground for real deepening of cooperation in all these areas. Yet, despite the destination point and objectives have been identified, introducing this agenda into life will be a complex, time-demanding process, primarily because both sides are in the period of internal transformation and adaptation to dynamic external environment.

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12. Strategic and Security Issues in the Middle East: The Polish-European Perspective

Jan Bury

Introduction

Currently both the United States and the European Union are aiming to spread accountable and representative government in the Middle East, the rule of law and respect for human rights as enshrined in the Universal Declaration of Human Rights. Free and fair elections are deemed central to democracy. The reason for such policies not only is caused by the tragic events of 9/11, but by the lack of changes in the Arab World in the 20th Century, particularly in the political realm. While several countries of the region are believed to have been successfully reformed, like Morocco or Bahrain, they are in fact modernized autocracies, but with liberal outsides. The common quality of current Arab regimes can be described by their political stagnation deepened by insufficient economies by today’s standards. And without a stout turn in the current political structures, the Arab World cannot become democratic. Such a move from inside is deemed impossible, and is believed it can only be imposed by external pressure.

The United States has applied the ‘military framework’ with its engagement in the Broader Middle East, particularly in Iraq, and in parallel, it has launched various democratization and modernization projects in the region, which are unfortunately blurred by the armed activities and limited funding.\(^1\) To gain control over the Middle East energy sources, the US was employing the ‘military’ model in its foreign policy in the Arab World for over half of century. This model was even more exactly named the ‘CIA-

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\(^1\) The most important projects were the ‘Common Future’ with the Broader Middle East and North Africa, as well as MEPI (Middle East Partnership Initiative). See: Jan Bury, ‘Notes on the Perspectives of the US-EU Cooperation in the Broader Middle East and North Africa’, in: Sławomir Dębksi (Ed.), Transatlantic Perspectives on Security Imperatives, Munster: LIT Verlag. 2007, p. 171-179.
military model' by Professor Elias Abu-Saba. To counter react the negative image of the US in the region, several assistance and development project commenced recently. The Middle East Partnership Initiative (MEPI), unveiled in December 2002, is the US Department of State program launched to support democratic reformers, and to promote democratic reforms in the Muslim World. It is also committed to helping increase access and quality of education in the Middle East.

The Broader Middle East and North Africa Initiative (BMENA) was launched in June 2004 at the G8 Summit with the Common Future Initiative as there was a consensus among Western states that continued political stagnation in the countries of the Middle East threatens the peace and stability in that region and the security of Western States. The risk of radicalization and state failure must be avoided in the region, as this threatens the rest of the World. Javier Solana has said that ‘BMENA was born of the tragedy of September 11th.’ The main goals of the Initiative were: peace and stability through democracy, constant political adaptations and economic development.

However, the Islamic resurgence in the Middle East over the past 30 years and the exportation of Arab ideology and religion practices to the non-Arab Muslim world have increased support for fundamentalism, which can be seen as a response to the above mentioned policies. At the same time the Al-Jazeera TV station, influenced by the former Iraqi regime, has provided powerful means to reinforce anti-Western stereotype and narratives of Arab victimization that play into radicals’ agenda. However, we must also bear in mind that the Arab (and Muslim) World is highly diverse: politically, culturally and religiously; there are voices of militancy but also voices of modernization, voices of tolerance and for intolerance.

Place of Europe and Its Interests in the Middle East

The Middle East is important to the West, particularly because it borders with Southern Europe through the Mediterranean. The main goals of the West in the region revolve around combating terrorism and the
proliferation of WMD, promoting Middle East peace and stability, ensuring a reliable flow of oil and curtailing Islamic extremism. However, according to the European points of view, the Palestinian-Israeli conflict must be given a priority, as it is a key driver of terrorism, Islamic extremism and political unrest among the European Muslims. However, according to the US Administration, terrorism and weapons proliferation comprise primary threats. Peace can prevail in the region only when these two threats are mitigated.

The enlargement of the EU in 2004, including Poland’s accession, saw a relocation of the funds to the new members at the expense of the Mediterranean Arab States. The new member states manufacture the same commodities, like agricultural ones, as the Mediterranean Arab states (except the ‘sweet’ crude oil), so these Arab exports to the EU will be subject of great pressure (maybe except oil and certain agricultural products, like dates, olive oil, etc.). This situation has been used by the US pursuing its own interests in the region.

Nevertheless, the EU can play a major part in the reform process as it is closer to the Arab World than the US. Moreover, it has strong economic and trade relations, and security interests in the region. The Arabs believe the attitude of the EU toward BMENA (Broader Middle East and North Africa) region is more balanced than of the US. The Arabs have faith that European understanding of their problems may be more appropriate. In parallel, Turkey’s role in the Middle East must not be omitted for it comprises a bridge between Europe and the Arab Middle East. It has also strong military and security ties with the West as a member of NATO. Furthermore, it has power and tools to influence the situation in the region and since social and legal reforms are being implemented, it is on the right path to the EU membership.

The security issues are undoubtedly the cornerstone of the Western policy in the region. As far as the WMD issues are concerned, Iran and its nuclear programs constitute a serious problem for both the EU and the US. This however shall be a field of cooperation between the US and the EU to mitigate the possible threat.

Europe undoubtedly has economic interests in the region for it is an important consumer of Middle Eastern petroleum and gas and it exports industrial goods, including weapons and related military paraphernalia for which the Middle East constitutes a profitable market. At the same time, the Southern European states are concerned about the impact of instability in the area and in North Africa as a source of political unrest and economic

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failure could cause emigration waves across the Mediterranean. Other European Union member states, including France or Germany have an ambition of playing a major role in the international relations. They either support, balance or challenge what is often seen as American hegemony in international relations after the end of Cold War. Events in the Middle East and the Arab-Israeli peace process influence the international arena in which Europe would like to participate as a major power broker.6

In order to address such interests, the European-Mediterranean Project was formally launched at Barcelona in November 1995 and the following states were invited to participate: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and subsequently the Palestinian Authority. The project revolves around three areas of activity: i) political and security issues, ii) economic and financial cooperation, and iii) social and cultural basket.7 The Euro-Med program attempted to address the Mediterranean as a single region in terms of economics and security. However, it came out such an approach was rather a failure. The reason was apparently the broad spectrum of tasks, particularly in the security and political cooperation, which were much too difficult to accomplish, and the wide area with diverse counties and societies. This has only succeeded in the economic terms. Perhaps the more appropriate approach would be to deal with the Middle East and North Africa separately in the political spectrum. The worsening item was the inclusion of the Israeli-Palestinian relations to the agenda and the fact that Europe is known for its pro-Palestinian and anti-Israeli bias, which limited the scope of activities and potential success.

The Iraqi Nightmare

The Iraqi problem unfortunately has shackled the EU’s credibility over security issues in the Middle East for the Union lacks a coherent policy on Iraq. As Gerald M. Steinberg has argued, ‘security in the [Middle East] region is closely interconnected, and weakness in one area is reflected in other sectors.’8 The affair caused serious disputes among the member states, which shook the entire EU. To make matters worse, unstable Iraq with its militancy poses a threat to the entire region as it is approaching the possible collapse of the state. The current efforts to crack the armed Sunni and Shia armed groups and organized crime organizations continue with limited effect. It is estimated that the war in Iraq may continue for the next several

7 Ibid. See also: Geoffrey Kemp, ‘Europe’s Middle East Challenges’, The Washington Quarterly, 27(1), p. 163-177.
8 Ibid.
years unless a drastic change occurs in US policy, which would cause an imminent US troops withdrawal.

Turkey laying between Europe and the Arab Middle East is particularly concerned with the Kurdish issue and the PKK’s terrorism unleashed in the 1980s. Their past military activities in Iraq in the early 1990s did not however crack down on Kurdish militancy. As of late 2007 Turkey threatens with possible incursions into Kurdish-controlled zones in North Iraq to onslaught their radical movements. However, while the Turks have the right to defend themselves against terrorism, their inclination for military action in northern Iraq lacks permanent solution to the problem. Furthermore, the capture of PKK’s leader Abdullah Ocalan was eventually unused by Turkey to show that in fact the majority of Kurds were interested in peaceful living.

However, as long as the US Iraqi military operation continues, there is no direct threat to Turkey resulting from deepening destabilization of Iraq. The Administration in Washington hailed the ongoing military operation (as of mid-2007) to crack down Iraq’s militancy and sectarian violence, as well as Nuri al Maliki’s plan of reconciliation announced in August 2007. It was considered as the second step towards rebuilding Iraq’s political transformation after the 2003 regime change. Time will show whether the events bring stabilization or deepen chaos and undermine transatlantic cooperation.

**EU versus the Region**

Out of four main issues important to the EU, perhaps the security ones come to the foreground. The EU policy paper A Secure Europe in a Better World: European Security Strategy of 2003 identifies five key threats to European security: terrorism, proliferation of weapons of mass destruction (WMD), regional conflict, state failure, and organized crime, all of which can be found in the Broader Middle East. The March 11, 2004, terrorist attacks in Madrid, in which two hundred lives have perished, have only heightened concerns about the terrorist threat. While conventional threats could be dealt with military means, the new asymmetric threats demand multiple instruments, including political and economic ones. The security issues and combating terrorism are tightly connected with the migration from North Africa and the Middle East to Europe as the instability in the Arab World, particularly the unsolved Arab-Israeli conflict, may project unrest among European Muslims, which Europe struggles to avoid.

Furthermore, the European Union is dependent on oil imports from North Africa and Persian Gulf, which constitute half of its energy supplies. It is

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also the largest trading partner for every country in the wider Middle East, which renders up any voices to reduce engagement.

As far as Iran is concerned, the EU tends not to isolate, but rather engage this country into political dialog from the late 1990s. It was however suppressed by the tensions between the Iranian government and the International Atomic Energy Agency (IAEA) over nuclear proliferation and its future remains questionable because of the continuing Iranian enrichment program.

**Strategic Issues**

The main strategy of Europe is to encircle its neighborhood into a chain of fully democratic and well-governed states. To achieve this, Europe promotes reform with its ‘trade with aid’ principle. The goals are also pushed with respect to the Arab World. The report Strengthening the EU’s Partnership with the Arab World of December 2003 defined the main objectives as promoting political, economic and social reform within the Barcelona Process. Development assistance and unemployment control play significant roles in the concept, as well as the need to strengthen political dialogue and promote respect for human rights and the rule of law. An important issue revolves around mitigating the Arab-Israeli conflict, which constitutes a major challenge to the international community.

However, the Arab governments do not show their willingness to pursue real reforms. The ongoing war on terror has prevented the regimes of the region to go on with serious change. As a response, the war was rather used as an excuse to further limit and abuse human rights. Such policies only contributed to the increase of Arab distrust and dissatisfaction with their rulers and the prevailing social and political conditions. As a remedy, the West has unveiled a number of democratization and transformation projects, like the US MEPI, the BMENA, or the EuroMed, which have in many occasions been perceived as Trojan horses implemented in the Arab and Islamic World.

Another issue is Islamic fundamentalism, which is considered a serious threat to democracy and the Western values. The West links the emergence of such movements in the BMENA region with political stagnation and the lack of political representation, which reflect the dire situation in the Islamic World. In particular, the growing jihadist movements, following radical thoughts of Sayyid Qutb (1906-1966), pose an immediate threat.

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11 Strengthening the EU’s Partnership with the Arab World, Council of the European Union, December 2003.
Qutbism comprises the mainstream ideology of Al Qa'idah and associated organizations, and is spreading in troublesome regions of the Arab and Muslim World.

**Old and New Europe**

The former US Secretary of Defense Donald Rumsfeld pointed out the division within the European Union in his 2003 speech:12

Now, you’re thinking of Europe as Germany and France. I don’t. I think that’s old Europe. If you look at the entire NATO Europe today, the center of gravity is shifting to the east.

However, this approach may be confusing, as there is hardly any difference between old and new EU member states in terms of general goals of European Middle East policy except the Iraqi case, which divided Europe. As stated above, Europe endorses peace, reconciliation between former enemies, and respect for human rights. It is also wary of the nuclear weapons proliferation and terrorism.

Compared to old Europe, new member states, including Poland, are more eager to play active role in peace process. Furthermore, because of their tragic 20th Century’s history, particularly World War II, new Europeans have stronger ties with Israel, which can balance pro-Arab attitude of old Europeans in the peace process. New Europeans are in favor of a joint initiative which would include both Europeans and the US for the reconciliation between Israel and Palestinians. It must be also underlined, that in case of Poland, during the 20th Century it was independent only between 1918 and 1939, and subsequently lost sovereignty after World War II. It felt therefore betrayed by their former allies, which affected their current seek for strategic partner, who can give the sense of security. The alliance with the US seemed a favorable strategic option for Poland.13

**Conclusions**

Undoubtedly EU has strong economic and trade relations with the region. Also, its geographic proximity plays the role. Furthermore it pursued less aggressive and more Arab-sensitive policies in times of an acute crisis. The central focus was an aid to the Middle East to limit the illiteracy, to improve

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13 The alliance, sometimes claimed to be cemented by the purchase of the US made weaponry, particularly the F-16 multi-role aircraft by Poland, gives an opportunity to tighten cooperation with Turkey as a NATO member state in the area of military aircrew training.
Turkey’s Neighborhood

education and to liberalize trade. EU has invested in European Neighborhood Policy (since 2003), and the Middle East Peace Process (with the Quartet), which has the two state solution in mind, as well as in the reconstruction of Iraq. The resolution of the Palestinian-Israeli conflict must be EU’s priority, because it will be the test for the West and its policies in the Middle East.\(^\text{14}\) However, before any stable peace plan can be adopted, three issues must be addressed in the Middle East as Benita Ferrero-Waldner has argued: ‘a freedom deficit in political and civil liberties, a knowledge deficit in terms of education and access to information, and a gender deficit, as Arab women are clearly at a disadvantage in their societies’.\(^\text{15}\)

The EU has encountered many obstacles in its pursues. As noted before, a variety of social, political, and military options can be employed in the Middle East democratization process.\(^\text{16}\) First, the Arabs need an equivalent of the OSCE (Organization for Security and Cooperation in Europe) like the Organization for Security and Cooperation in the Middle East. The League of Arab States tended to fill the gap, but without a significant success in the past, which contributed to instability in the region.

Second, the Islamists have to be engaged in normal politics as the inclusion of such groups in open democratic institutions may encourage moderation in the long run. There is however a possibility that an Islamist party, once in power, may move against democratic freedoms. Such a rhetoric is used to suspend the inclusion of Islamist political groups into the democratization process by the Arab rulers. The commitment to nonviolence and democratic processes should be therefore a premise for their inclusion, like in case of the Egyptian Muslim Brotherhood.

Third, the West should promote the creation of moderate networks to counter radical messages, while the radical networks need to be disrupted. This will help moderate Muslims to emerge.

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\(^{15}\) Benita Ferrero-Waldner, The EU, the Mediterranean and the Middle East: A Partnership for Reform, The German World Bank Forum “Middle East & Germany: Change and Opportunities”, Hamburg, 2 June 2006.

Fourth, the Islamic teaching institutions, the madrasas, need to be reformed so that they offered a broad, modern education and marketable skills. This must be done in parallel to the higher education reform in the Middle East.

Fifth, since the radicals exploited the social and economic problems of the masses, which played into their political agenda, the provision of alternative social services in many places could help to undercut the appeal of the extremists. The EU and the West must therefore focus on initiatives that improve the prospects of the young and social support. Programs that promote economic expansion and self-sufficiency can help reduce the opportunities for extremists to exploit economic hardship and the perception that the US has merely military interests in the Arab and Muslim world.

Sixth, the actions undertaken by the US in the region must be careful so that they did not play into radicals’ agenda, who would portrait them as an attack on Islam. As this essay has shown, the term ‘democratization’ with respect to the Middle East is sensitive and must be used with awareness. But this democratization may not be dictated from abroad: it must come from the people of the Middle East. Also, introducing democracy in a Western way in the Middle East may lead into further anti-Western sentiments among the Arabs and the Islamists can win elections, as this has happened for example in Palestine.

Finally, the Arab regimes were afraid of the US military interventions in Afghanistan and Iraq as pretexts for the slow implementation of structural economic and liberalization programs. Unfortunately, they are now preoccupied with regime protection and consolidating their domestic position. We must however bear in mind that Arab economic systems are insufficient nowadays. Therefore, radical economic reforms are priorities now.

Turkey’s role in the above process could be of assistance. Firstly, as an Arabs’ neighbor, it possesses vast experience in relations with the Middle East, which can be beneficial to Europe’s agenda. This can also contribute to improving Euro-Turkish relations. Secondly, Turkey is able to project power in the region, e.g. as witnessed by the policy of the early 1990s, when Turkish military incursions into Iraq were aimed to deter PKK’s violence. In parallel, Europe has proved its limited abilities to project power, like during the Balkan conflict of the 1990s. Finally, Turkey must demonstrate sensitivity in the process of rapprochement to Europe in order to avoid the possible cooling of relations with its other neighbors.17

Conclusion

Reşat Arım

The majority of Turkey’s neighbors are included in the Neighborhood Policy of the European Union (EU). Azerbaijan, Georgia Ukraine in the Northern Tier and Syria in the Southern Tier are all in this category. Bulgaria as a member of EU, and Iraq and Iran are in a different position. The correlation between Turkey’s march towards full membership in the EU and the relations between Turkey and her neighbors is obvious. The closer Turkey gets to full membership, the more effective she will become in assisting the stability of the countries in her neighborhood. The European Security Strategy particularly mentions the Southern Caucasus as one of the troubled areas; it also refers to the Middle East when speaking of the Arab-Israeli conflict. Both the Northern and Southern Tiers are afflicted with conflicts. Cognizant of this fact, Turkey has been using its soft-power in both regions. Trade is one of the components. Transportation and communication is another. The construction of the railway to link Baku in Azerbaijan, Tbilisi in Georgia, and Kars in Turkey, with a capacity to ship five million tons of cargo a year is one example. Turkish Union of Chambers of Commerce and Industry will build a joint industrial park in Syria.

In the North, Azerbaijan, Georgia and Ukraine can be taken together as far as their relationship with Turkey is concerned; Bulgaria can be dealt with separately. The first three countries have certain common characteristics. They form a geopolitical entity: History made them very much intermingled. Their life under the Soviet rule also left an imprint. They all gained independence following the Cold War. Turkey recognized the independence of Azerbaijan, Georgia and Ukraine in 1991. Unfortunately, conflicts prevent peace and cooperation to be firmly established in this region and that also makes the area prone to competition between the United States and Russia. It would not be wrong to say that the region could not extricate itself from the spell of the Cold War. We have seen this in the Nagorno Karabakh war, in Abkhazia and South Ossetia.

The chapters written by the Turkish academics on the individual countries in the Northern Tier highlight the important place these countries occupy in the foreign policy considerations of Turkey. From these chapters it emerges that the conflicts cannot be resolved in the short term. Karabakh
conflict is a tragedy where aggression and occupation is involved. It is to be hoped that Abkhazia and South Ossetia conflicts do not flare up.

The chapters also indicate the important role energy plays for the future development of these countries. Today the region forms a conduit for the oil and gas richness of the Caspian. The three countries are, one way or another, involved in the energy equation. In this context we have to remember that it was ten years ago that the phrase “New Great Game” was coined to describe the politics of energy in the Caspian. Baku-Tbilisi-Ceyhan (BTC) oil pipeline is the first major energy project realized in 2006. The Shah Deniz-Erzurum natural gas pipeline came to life in 2007. These two pipelines constitute the infrastructure for oil and gas in Turkey that may also help Europe diversify its energy needs. Turkey is determined to become Europe’s fourth natural gas artery after Norway, Russia and North Africa, and thus to become integrated into European energy network.

The chapters of the experts from the Polish Institute of International Affairs look to South Caucasus from the perspective of EU as well as Turkey. One of the chapters draws the conclusion that EU is interested and should be involved in the area; also Turkey having the soft-power approach may be the useful partner in the implementation of the EU’s Neighborhood Policy. That the chapter makes use of several different adjectives such as “facilitator”, “mediator”, “model” to describe the various functions Turkey can fulfill in the region, is an indication of the many tools at the disposal of Turkey to deal with the problems in the region.

Security Challenges of Ukraine and Moldova as far as EU is concerned is dealt with in another chapter, probably because Poland, even before joining the EU, had a particular idea of “Eastern Dimension of EU” concerning the area including these two countries. The analysis shows that the EU is still at the stage of adjusting to the situation where Ukraine, Moldova and the new EU members demand it to act resolutely, addressing a wide array of security problems in Eastern Europe”. Turkey may become a partner in this endeavor.

The chapter on EU’s external energy policy comprises a thorough analysis of the EU documents and shows that each one of them refers to Turkey as a vital partner in energy cooperation and predicts that the EU strategy adopted in 2007 when implemented will also be the key to the future of the energy relations between the Union and Turkey. The chapter indicates that the European Commission uses the membership negotiations to persuade Turkey to introducing changes to the energy market that would meet the EU regulations. EU wants Turkey to sign the Energy Community Treaty of which Turkey is presently an observer; also, the EU perceives Turkey mainly as a future gas transit actor. The chapter can be taken as a good testimony to the fact that there is a convergence between the energy policies of Turkey and the EU.
The chapter on “The Euro-Mediterranean Partnership and Turkey” explains why Turkish authorities did not welcome Turkey’s inclusion in the Barcelona Process, as Turkey already in 1987 applied for full membership in the EU. However this would not distance Turkey from cooperation with the EU in the Mediterranean basin, since the Mediterranean dimension of energy links between the two partners was important. But, the idea of a Mediterranean Union should not be taken as a project to replace full membership option of Turkey.

The chapter on ‘The Strategic and Security Issues in the Middle East’ illustrates the role that Turkey can play in the area, and how this can contribute to EU-Turkish relations.

When we come to Bulgaria, during and after the Cold War this country presented Turkey with totally different outlooks. In 1990’s the Turkish minority in that country became an element to bring the two countries closer. In the new period Turkey and Bulgaria cooperated closely and could use their full potential in the economic field. Bulgaria’s NATO membership was supported by Turkey. Its EU membership was a welcome development.

The chapters of Turkish academics on Iraq, Syria and Iran clearly show that the area is in a flux and that Turkey makes a big effort so that the many changes these countries have been going through comes to a good conclusion. In this region we see the effects of September 11 very openly. Iraq has certainly been the focus of attention. The developments in that country also had tremendous repercussions both in Syria and Iran. Turkey played an important role in the region by using her soft power: that makes Turkey important for the European Union. Some people said that in case Turkey became full member, the EU would have Syria and Iraq as her neighbors and that would not be good for the security of the EU. But the fact is that EU is already so close to Syria and Iraq. The presence of Turkey can only constitute an added value.

After it had fallen under dictatorship, Iraq became a security problem for Turkey. Attacking Iran in 1980, it made the areas neighboring the South and the East of Turkish borders a danger zone during eight years. The same happened when Iraq attacked Kuwait in 1990. This time the economic relations with the Gulf countries and Saudi Arabia were also disrupted causing great material loss to Turkey. The “no-fly zones” in Iraq and the sanctions also affected Turkey whose primary concern has always been Iraq’s unity. The War that started in 2003 was of concern to Turkey for the same reason. Also, the fate of the Turkmen population was a source of anxiety. Furthermore, the PKK found a safe-haven from where it could carry its terrorist attacks against Turkey. In the face of that dangerous situation developing in Iraq, Turkey has tried her best to help stability in that country, also by bringing together the neighbors. The daily material needs of the Iraqi citizen were also brought in from Turkey.
Syria was one of the countries most affected by the end of the Cold War. She joined the American-led coalition against Iraq in the Gulf War and later engaged in negotiations with Israel over the Golan Heights. Because Syria harbored the leader of the PKK which was perpetrating terrorists actions against Turkey, the relations between the two countries soured until 1998 when Syrian government, under the Turkish threat, expelled him from the country. Bashar Assad’s assumption of power in 2000 opened a new and different chapter both at home and vis-à-vis Turkey. Relations between the two countries improved and high level visits permitted the signature of many cooperation agreements.

Iran’s foreign relations have been deeply influenced by the nature of its regime. The Iran–Iraq war had a destabilizing effect in the neighborhood. The Gulf war and later the Iraq war gave Iran the opportunity to exert its influence in the region. All this time, the relations between Turkey and Iran followed their normal course, including energy cooperation. But when Iran started to put into practice her nuclear ambitions, Turkey was greatly disturbed and openly advised Iran to comply with the norms of IAEA.

The relationship of Turkey with these three countries in the Southern Tier also makes it a valuable asset for the European Union’s Foreign and Security Policy.