

## *Chapter Nine*

# **Turkey's Policy in the Black Sea Region: Oscillating between Pragmatism and Opportunism**

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The Georgian-Russian war in August 2008 and the ensuing Russian recognition of South Ossetia and Abkhazia's independence, along with the Ukrainian crisis (since 2013) and Russian incorporation of Crimea have posed new challenges for European and American foreign policy in the Black Sea region. The conflicts have generated new sources of instability for the entire post-Soviet space, highlighting a new form of Russian revisionism. These developments have shown the limits of Western policies in perceived Russian spheres of influence. In the context of these dynamics, Turkey, with its close ties to major power-players in the region, is confronted with new challenges and opportunities: Challenges driven by foreign policy choices Ankara has to make in the face of Russian assertiveness, and opportunities generated by Turkey's potential role as a broker in providing energy security and conflict resolution within and beyond the region.

Since the early 1990s, Ankara has been an important strategic, economic, and political actor in the Black Sea region. Turkey's regional role has mainly taken the form of trade and cooperation in international energy projects. This was enhanced by linguistic, ethnic, and religious bonds tying Turkey to Azerbaijan. Ankara has attributed great importance to guaranteeing access to Caspian energy resources and creating secure transport routes for the distribution of oil products to the West. However, Turkey has also aimed to play a political role in the region, contributing to political change and economic development by strengthening its interdependence with countries of the region. Turkey is a member of the Black Sea Economic Cooperation (BSEC), which aims to develop regional cooperation among the states of the wider Black Sea area. This includes Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey, and Ukraine. On May 1, 2017, Turkey took over the Chairmanship of BSEC, claiming to make every effort to achieve a considerable degree of progress in all areas of cooperation. Moreover, Turkey

participates in the EU's Black Sea Synergy, an initiative aiming to foster regional cooperation through sectoral (rather than political) projects.

Turkey's regional role has developed in the context of its relations with major powers: The EU, the U.S., and Russia. Turkish foreign policy is based on its goals to join the EU, develop a strategic relationship with the U.S., but also on cultivating closer relations with Russia. Turkey's role in its neighborhood is also a means to enhance its global strategic relevance. Turkey provides a pivotal link for the EU and the U.S. to the South Caucasus and Central Asia. Along with this, Ankara has also been developing closer relations with Moscow in terms of trade and energy cooperation. Turkey's deepening ties with Russia can be attributed in part to the "cold showers" Ankara has received (or perceived to have received) from both the EU (in the context of the accession process) and the U.S. (in the context of the war in Iraq and the Kurdish question).

Bearing this in mind, this chapter examines Turkey's strategic objectives in the Black Sea region with particular attention to security, trade, and energy issues. The chapter focuses on Turkey's priorities in these fields and examines whether Ankara's policymaking has been driven by a strategic partnership with its neighboring countries, or rather by a pragmatism that is often perceived as opportunism. Does Turkey still have an interest in becoming a leader in the region? Is it interested in becoming an energy hub? Was/is there any pressure from Russia on Ankara to prevent additional non-Russian gas supplies to be transited through Turkey? How does Ankara perceive the competition between two geopolitical axes that have emerged? On the one side, NATO (and Turkey as a NATO member) develops military cooperation with two Black Sea countries (i.e., Ukraine and Georgia), while on the other side Turkey builds political partnership with Russia. The same issue emerges when it comes to the development of the Southern Gas Corridor on the one side (thus an alternative to Russian resources), and on the other side an increase in bilateral energy relations with Moscow. When it comes to territorial conflicts in the region (e.g., Crimea and Abkhazia), how are the relations balanced with Russia? How are relations with Georgia changing in a context where Ankara is actively engaged with Abkhazia? The leitmotif underpinning these questions is the prospect for conflict resolution and regional energy cooperation in the wider Black Sea region.

## **Politics and Conflicts in the Black Sea Region**

The end of the Soviet Union and the emergence of new independent states in the Black Sea and Caspian region caused a radical shift in the foreign political-economic policies of Ankara. Turkey's penetration in this region began with an offer for a free market economy and cooperation on international energy projects. Ankara was important in guaranteeing access to Caspian energy sources as well as create partnerships in the Black Sea basin in order to secure transport routes for distribution of oil products to the West. Turkey, as a member of BSEC, has participated in a number of initiatives; in trade and economic development, energy, transport, and environmental protection as well as customs, education, and tourism, among others. However, Ankara's foreign policy concept has never included a vision or strategy for the Black Sea region. The official website of the Turkish Foreign Ministry does not list "Black Sea" in its description of regional policy interests, and the Black Sea basin is not even mentioned under the section "Maritime issues." This clearly hints to the lack of perception of the Black Sea as a region.<sup>1</sup> At the same time, it also indicates that Ankara has no interest in becoming a leading actor of any regional project or organization (e.g., BSEC, Black Sea Naval Co-operation Task Group (BLACKSEAFOR)).<sup>2</sup>

Turkey's skepticism of BSEC could be justified when it comes to the decision-making process within the organization, as all decisions have to be taken unanimously, making it difficult to move forward on a number of issues. It is difficult to imagine that Russia and Georgia, for example, or Armenia and Azerbaijan, or Turkey and Armenia, could agree on issues related to security or energy diversification.<sup>3</sup> Therefore, Ankara has opted to develop bilateral relations with littoral Black Sea states.

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<sup>1</sup> Republic of Turkey - Ministry of Foreign Affairs, <http://www.mfa.gov.tr/synopsis-of-the-turkish-foreign-policy.en.mfa>.

<sup>2</sup> Mikhelidze, Nona et al., "The Moscow-Ankara Energy Axis and the Future of EU-Turkey Relations", Cologne, University of Cologne, September 2017, 18 p. (FEUTURE Online Papers ; 5), [http://www.feuture.uni-koeln.de/sites/feuture/pdf/D5.3\\_Online\\_Paper.pdf](http://www.feuture.uni-koeln.de/sites/feuture/pdf/D5.3_Online_Paper.pdf).

<sup>3</sup> Tanrisever, Oktay F. "Turkey and Russia in the Black Sea Region: Dynamics of Cooperation and Conflict." Center for Economic and Foreign Policy Studies (EDAM), Black Sea Discussion Paper Series - 2012/1.

## Bilateral Relations in the Black Sea Region

### *Ukraine and Georgia*

Ankara defines its relationship with Ukraine as strategic, and Turkey is the second-largest trade partner for Ukraine. The Ankara-Kiev partnership has been framed around security, the economy, and tourism. In particular, more than 280,000 Crimean Tatars living in Ukraine and predominantly in Crimea, now annexed by Russia, have been considered an important element in strengthening bilateral relations between Turkey and Ukraine. In the framework of humanitarian assistance, Ankara has financed a number of initiatives (worth more than 25 million dollars) related to housing projects in Crimea, and humanitarian assistance for IDPs (Internally Displaced Persons) from the Donbas region. According to Turkey's foreign ministry, Ankara and Kiev cooperate in several international and regional organizations, such as the UN, the Council of Europe, OSCE, and BSEC. Furthermore, cooperation takes place in the military sphere on a bilateral basis and within the context of the NATO-Ukraine Commission, BLACK-SEAFOR, and Operation Black Sea Harmony.<sup>4</sup> In 2017, Turkey and Ukraine signed a visa-free regime for its citizens, in order to facilitate human contact and further enhance their relationship. The countries also signed an agreement on a ferry connection, with 186 weekly rides between the two countries.

Similarly developed are the bilateral relations between Turkey and Georgia in terms of the economy, energy infrastructure, and security. Visa requirements have also been mutually abolished. Turkey has been (and remains) Georgia's single largest trade partner with a turnover worth more than 777.9 million dollars.<sup>5</sup> According to Eurasianet, even if the Georgian government does not release figures on the levels of Turkish investment in Adjara (an autonomous republic in Georgia bordering Turkey), it represents roughly 80-90 percent of all foreign investment in the region.<sup>6</sup> However, development of economic and trade relations between Turkey and Georgia goes hand in hand with the growing political dependence of

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<sup>4</sup> "Relations between Turkey and Ukraine." Republic of Turkey Ministry of Foreign Affairs. <http://www.mfa.gov.tr/reasons-between-turkey-and-ukraine.en.mfa>.

<sup>5</sup> "Real friends? Georgia-Turkey relations in the wake of the July 15 coup attempt." *The Central Asia-Caucasus Analyst*, August 10, 2016. <https://www.cacianalyst.org/publications/analytical-articles/item/13388-real-friends?-georgia-turkey-relations-in-the-wake-of-the-july-15-coup-attempt.html>.

<sup>6</sup> "Georgians Wary of Turkey's Rising Influence in Batumi." *Eurasianet.org.*, March 9, 2012. <http://www.eurasianet.org/node/82751>.

Tbilisi on Turkey. The Georgian government has been forced to close a number of Turkish schools in Georgia, allegedly run by the supporters of Fethullah Gülen.<sup>7</sup> The Georgian Prime Minister, Kvirikashvili, was the first leader to call and express solidarity to President Erdoğan soon after the failed military coup.

However, Turkey has preferred to build relationships with both Ukraine and Georgia through bilateral formats rather than engage with them in multilateral and regional fora. Ankara has assumed that certain disputes on territorial issues and energy security were the main hindrance to a strategic partnership within the region. Indeed, the unresolved status of regional conflicts (Crimea, Donbas region, Abkhazia, South Ossetia, and Nagorno-Karabakh), where Russia is seen as a supporter of secessionism, have been contentious issues between Ankara and Moscow. Officially, Turkey supports the territorial integrity of Ukraine and Georgia and does not recognize the annexation of Crimea by Russia or the *de facto* independence of Abkhazia and South Ossetia. Moreover, Ankara supports the Euro-Atlantic aspirations of Georgia and Ukraine. However, Turkey has adopted a cautious approach to the territorial conflicts in the region.

### *Russia*

Indeed, the deepening Ukrainian crisis puts Turkey in a difficult diplomatic position with Russia. At stake are on the one hand Ankara's commitments to its Western allies and its cultural kin, the Crimean Tatars, and on the other its economic and political relationship with Moscow. Turkey's dependence on imported resources limits the margin of its maneuvering in foreign policy, especially in its relations with Russia. This dependence amounts to nearly 74 percent of imported energy resources, and an expected increase of 4 percent of Turkish annual demand until 2020.<sup>8</sup>

Moreover, Russia has long been Turkey's second-largest trading partner. The two countries have claimed that their mutual trade volume is expected to grow and triple to some 100 billion dollars in years to come.<sup>9</sup> Alongside with the energy field, major Russian investments in Turkey are in the

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<sup>7</sup> President Erdoğan has accused Gülen of attempting to overthrow the Turkish government by orchestrating a military coup in 2016.

<sup>8</sup> Tuncay, Babali. "The Turkey, Russia, Iran Nexus: Economic and Energy Dimensions." Center for Strategic International Studies, Paper prepared for an international workshop: The Turkey, Russia, Iran Nexus: Economic and Energy Dimensions, March 29, 2012.

<sup>9</sup> "Turkey: Ankara and Moscow bury the Syria Hatchet (for now)," *Eurasianet.org*. December 7, 2012.

telecommunications and tourism sectors. Activities of Turkish construction firms in Russia are another pillar of economic relations.

That is why Ankara has remained passive to defend the rights of the Muslim Turkic Tatars, which have opposed the Russian annexation of Crimea. Furthermore, although Turkey has supported Ukraine's territorial integrity and sovereignty in all official declarations, statements regarding Crimea have been made without mentioning Russia. Indeed, Turkey has always avoided making geopolitical choices between Russia and the transatlantic community when related to Eastern Europe and the South Caucasus. During the Georgian-Russian war of 2008, Turkey tried to balance between the West and the Kremlin by preventing NATO's entering of the Black Sea basin, pointing to the 1935 Montreux Convention. This limited the access of non-littoral powers into the Black Sea through the Turkish Straits.<sup>10</sup>

"Turkey is taking a cautious approach," observed Turkish foreign policy specialist Sinan Ülgen, "On the one hand, it attaches importance to territorial integrity of nation states; it has a kinship with the Crimean Tatars and it is a NATO member [...] But on the other, there is a deep economic engagement with Russia and, on top of that, there is a personal relationship between Putin and Erdoğan."<sup>11,12,13</sup> That explains why Turkey did not go as far as the U.S. in imposing sanctions against Russia.<sup>14</sup> Indeed, in contrast also to the EU, Canada, Australia, Japan, Switzerland, and Norway, Turkey did not apply any bilateral sanctions against Russia. This certainly demonstrates an avoidance to confront Russia, one of its key energy suppliers, directly.<sup>15</sup>

Turkey buys around 58 percent of its natural gas and 12 percent of its oil from Russia.<sup>16</sup> Heating and electricity production in the entire Turkish territory is largely provided for by natural gas imports from Russia. Around

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<sup>10</sup> Mikhelidze, Nona et al., op. Cit.

<sup>11</sup> "Turkey-Russia relations: a very pragmatic affair." *Today's Zaman*, December 11, 2012.

<sup>12</sup> Balcer, Adam. "Dances with the Bear: Turkey and Russia After Crimea." *Global Turkey in Europe*, Working paper N8, July 9, 2014.

<sup>13</sup> Once, President Erdoğan claimed that he and President Putin spoke on the phone almost every day. Since 2003, President Erdoğan has met or spoke with President Putin around 35 times.

<sup>14</sup> Dorian Jones, "Ukraine Crisis Puts Strain on Turkey-Russia Ties", *EurasiaNet.org*. 7 May 2014, <http://www.eurasianet.org/node/68351>.

<sup>15</sup> "Turkey's Energy needs limit diplomatic efforts for Crimea." *Today's Zaman*, March 16, 2014.

<sup>16</sup> Ibid.

42 million cubic meters of daily Russian natural gas comes from Ukraine. In the case of an interruption, the Marmara region and Istanbul would face dire gas shortages, as the amount of gas lost cannot be imported from anywhere else.<sup>17</sup> There is neither enough storage capacity for natural gas nor reserve infrastructure for electricity generation in order to overcome a potential energy crisis. That is why “the risk of an energy shortage is such a major threat for Turkey that it could easily overshadow diplomatic maneuvers.”<sup>18</sup>

### *Abkhazia*

Ankara's policy has been ambiguous not only towards the annexation of Crimea and the ongoing war in Ukraine, but also towards the Georgian-Abkhaz conflict. Turkey has a large Abkhaz minority (ca. 500,000 people), descendants of the so-called Muhajirs, who left Abkhazia in the second half of the 18<sup>th</sup> century and emigrated to Turkey. Even though Ankara does not recognize the *de facto* independence of Abkhazia, it still maintains economic relations with the region, thus violating the law on occupation adopted by the Georgian Parliament soon after the August 2008 war with Russia.<sup>19</sup> In 2009-2010, more than 60 Turkish ships were captured by the Georgian authorities near Abkhazia. Despite these incidents, the volume of trade between Turkey and Abkhazia has kept growing, and in 2013 it constituted around 600 million dollars.<sup>20</sup> Moreover, several Turkish construction companies are present in Sokhumi and contribute to the development of the local economy.<sup>21</sup>

According to Abkhaz sources, about 60 percent of imports in Abkhazia come from Turkey while around 45 percent are exported from Turkey.

<sup>17</sup> “Energy minister says will ask Russia to lower gas prices.” *Today's Zaman*, June 19, 2014.

<sup>18</sup> “Turkey's Energy needs limit diplomatic efforts for Crimea.” *Today's Zaman*, March 16, 2014.

<sup>19</sup> Abkhazia has been under the economic blockade since 1996, although Moscow began lifting the sanctions in 2000. In 2008, it recognised Abkhazia's independence and paved the way to the full-fledged economic and military cooperation with the region. The cooperation that has nothing or little of partnership, but makes Abkhazia a vassal state to the Kremlin. During the Russian-Turkish dispute over war plane incident, the *de facto* Abkhaz authorities has been forced to join Russian sanctions against Turkey, causing huge damages to its economy, as 18 percent of its trade is with Turkey.

<sup>20</sup> These numbers cannot be found in official records. Instead, it stands for the foreign trade traffic taking place between Turkey and Russian through the Sochi port.

<sup>21</sup> “A new era in Turkey-Abkhazia relations, by Hasan Kanbolat.” *AW Abkhaz World*, September 2, 2017. <http://abkhazworld.com/aw/analysis/1256-a-new-era-in-turkey-abkhazia-relations-by-hasan-kanbolat>.

Relations stretch beyond the economy, as Ankara used to send its senior diplomats to Sokhumi. In 2014, it even organized the polling process in Istanbul for Abkhaz illegal presidential elections. However, Raul Khajinba, the *de facto* president of *Abkhazia*, once complained that Turkey has been rather opportunistic towards Abkhazia and used to exploit the region for cheap commodities. “Buy-sell is what we call that relationship. We cut down our forests and sell it to the Turks. They build other things out of it and sell [it] elsewhere. But, if we were building products with our own people and the help of Turkish investment then that would be an equal relationship, but right now they are just getting things from us, just taking.”<sup>22</sup>

### *Caucasus Stability and Cooperation Pact*

Even though Turkey has shown ambiguity towards territorial conflicts, it has tried to create some initiatives to resolve ethno/political disputes in the Black Sea region. In the aftermath of the Georgian-Russian war in August 2008, then-Turkish Prime Minister, Recep Tayyip Erdoğan launched a new proposal for a Caucasus Stability and Cooperation Pact (CSCP). The main goal of the pact was a conflict resolution in the South Caucasus through developed regional cooperation. Armenia has been cautiously enthusiastic about this initiative and declared its readiness to cooperate without any preconditions. Underlining that the resolution of the Nagorno-Karabakh conflict was possible only if Azerbaijan recognized the right of the people of Nagorno-Karabakh to self-determination and if Nagorno-Karabakh had a land border with Armenia. Baku, by contrast, greeted this proposal with skepticism, acknowledging that “Turkey wants to push Azerbaijan towards compromise and also make sure Armenia plays a more pragmatic role.”<sup>23</sup> Azerbaijan continues to reject any collaboration between Ankara and Yerevan, in a fear that Turkey would use this initiative as a pretext to open its borders with Armenia. Baku in fact uses the border issue as an instrument to exert pressure on Yerevan regarding Karabakh and the liberation of the adjacent occupied territories.

The Turkish-Armenian border was closed during the war in Nagorno Karabakh, and the relationship between the two countries has been tense because of the Armenian genocide claims (and Turkish denial of these

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<sup>22</sup> Clayton, Nick. “What is Turkey doing in Abkhazia?” Heinrich Boell Stiftung. January 16, 2014. <https://ge.boell.org/en/2014/01/16/what-turkey-doing-abkhazia>.

<sup>23</sup> Mir-Ismael, Alman. “Responding to Georgia Crisis, Turkey seeks new Caucasus Security Initiative.” *Eurasia Daily Monitor* (Volume: 5 Issue: 161, 2008). <https://jamestown.org/program/responding-to-georgia-crisis-turkey-seeks-new-caucasus-security-initiative/>.

claims). In short, Azerbaijan declared that it would not participate in the CSCP and rejected the inclusion of Armenia in regional projects unless the issue of Karabakh was resolved. The Nagorno-Karabakh conflict is also responsible for the failure to ratify signed historical documents: The “Protocol on the establishment of diplomatic relations” and the “Protocol on the development of bilateral relations” in 2009—by then-Turkish Foreign Minister Ahmet Davutoğlu and his Armenian counterpart Edward Nalbandian.

Another shortcoming of the Turkish-led CSCP platform is that its member states do not share a common objective and vision about resolving their problems. First and foremost, Russia has no interest in promoting any regional cooperation aimed at the economic development of the South Caucasian countries, which would in turn facilitate their integration into Euro-Atlantic institutions. Also, the involvement of the secessionist regions in this pact is unclear. Surely, they would like to participate on equal terms in this initiative, yet the metropolitan states are bound to reject the inclusion of the *de facto* republics in any type of talks on equal terms. Cooperation on a CSCP platform seems impossible also for Tbilisi and Moscow. Georgia considers Russia part of its conflicts and asserts that the Kremlin will maintain the *status quo*. Tbilisi affirms further that it will not collaborate with Moscow until Russian forces remain on Georgian territory.

It is hard to believe that Ankara has not taken these circumstances into consideration. It is more likely that Ankara is simply trying to maintain the *status quo* in order to avoid major complications in the region. The CSCP initiative is also a means to remain neutral in the conflict configurations, treading carefully with Moscow while not offending the external and regional partners in the Black Sea region. Indeed, Russia, along with Armenia, has been rather favorable to the Turkish proposal. Moscow does not expect Ankara's direct support in its “near abroad” policies and favors Ankara's neutrality in the region. Furthermore, this pact keeps Western actors at arm's length in the South Caucasus, as both the EU and the U.S. are excluded from this initiative.

### **Energy Security and Turkey's Limits of its Political Maneuvering with Russia**

The Black Sea region carries geopolitical importance for Turkey, therefore the inter-regional and international projects, such as the Baku-Tbilisi-Ceyhan (BTC), Baku-Tbilisi-Erzurum (BTE), Baku-Tbilisi-Kars

(BTK) railways and especially the Southern Gas Corridor (SGC) initiative have been strongly supported. The Southern Gas Corridor will provide the resources to Europe from the Caspian basin and the Middle East, and it will become a fourth major gas supply route to the EU, after those from Russia, Algeria, and Norway. Furthermore, the SCG is a way of bypassing Russia.

Turkish foreign policy in the Black Sea region is determined by its desire to be a hub for gas supply between Europe, the Caspian basin, Russia, and Middle East. Energy security has long been a vital priority for Ankara's foreign policy. Its relationship with regional producers has been determined by Turkey's goal to be a transit country between the Caspian Sea and Europe, serving as an alternative to Russian energy dominance in the region. Presently, Russia exports not only its own natural gas resources to Europe but re-exports those of Kazakhstan and Turkmenistan at very high price. This is one of the main motives behind the Turkish willingness to contribute, along with Caspian and Western players, to the creation of an alternative corridor.

In this context, Caspian producers, and in particular Azerbaijan, are of particular importance to Turkey. Azerbaijan is a supplier of Caspian resources for Turkey's internal market, and at the same time an enabler for transit projects.<sup>24</sup> In 2011, Azerbaijan's SOCAR began the construction of a large oil refinery in Izmir (which will decrease Turkey's dependence on imported petroleum) and purchased a 51 percent share of PETKIM, a giant petrochemical complex in Turkey. In coming years, Baku also plans to make a 21 billion dollar-investment in Turkey.<sup>25</sup>

The main pillars in Turkish-Azerbaijani energy relations are the BTC, BTE, and now Trans-Anatolia Natural Gas Pipeline (TANAP). Through BTE, Turkey receives 6.6. bcm of Azerbaijani natural gas deriving from the Shah Deniz I field. In 2011, the then-Prime Minister and now President Erdoğan, and Azerbaijani President Alyev signed two agreements defining the terms for Turkey in purchasing Shah Deniz II gas and for Azerbaijan to transport its gas over Turkish territory. The agreements strengthened Turkey's position as a regional hub. The Turkish Petroleum Corporation (TPAO) increased its share in the Shah Deniz II gas field. TPAO bought

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<sup>24</sup> Kardas, Saban. "The Turkey-Azerbaijan Energy Partnership in the Context of the Southern Corridor." IAI Working Paper 14104 March 2014.

<sup>25</sup> Aras, Bulent. "Turkish-Azerbaijani Energy Relations." *Global Turkey in Europe*, IAI Policy Brief 15, April 2014.

a 10 percent share from the French company TOTAL for 1.45 billion dollars. By doing so, Turkey became the second-largest majority shareholder of Shah Deniz, after BP. Thus, Turkey will now produce natural gas for the next 50 years from the 468-square-kilometer Shah Deniz field to meet its own needs and to sell gas to Europe. This is the largest international investment by a Turkish company to date.<sup>26</sup>

With TANAP, Azerbaijan will become the top provider of foreign direct investment (FDI) in Turkey, amounting to 21 billion dollars.<sup>27</sup> TANAP is an 1,841-kilometer-long pipeline and will carry 16 bcm of Azerbaijani gas to Europe crossing Georgia and Turkey, building a bridge between Caspian producers and Western consumers with Turkey as an energy exchange center.<sup>28</sup> Ankara will purchase 6 bcm and the rest will be directed to Europe through the Trans-Adriatic Pipeline (TAP). The construction started at the beginning of 2015 and is scheduled to be completed in 2017. Azerbaijan owns 70 percent of shares and Turkey owns the remaining 30 percent. Feasibility reports have been completed on 21 Turkish provinces where the pipeline will traverse. Reports on environmental and social effects have also been finalized. Turkey will meet its own needs from terminals planned to be constructed in Eskisehir and western Thrace.<sup>29</sup> TANAP keeps a possibility of expanding capacity by up to 24 bcm of additional gas volumes from Turkmenistan, Iran, and Northern Iraq.<sup>30</sup> By the 2020s, Baku plans to provide additional quantities of gas to Europe from Caspian offshore fields (Absheron, Umid, and ACG Deep).

The economic rationale for Turkey for these investment projects and energy initiatives is clear. As for the political dimension of Turkish involvement in the Southern Gas Corridor, some experts argue that by opting for TANAP (and TAP) and thereby discarding the Nabucco pipeline, Ankara attempts to balance its foreign policy between Russia and the

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<sup>26</sup> Cetingulec, Mehmet. "Looking to Europe, Turkey increases investment in Azeri gas," *Al Monitor*, <http://www.al-monitor.com/pulse/originals/2014/08/turkey-europe-azerbaijan-russia-tanap-natural-gas.html#>

<sup>27</sup> Kardas, Saban. "The Turkey-Azerbaijan Energy Partnership in the Context of the Southern Corridor." IAI Working Paper 14104 March 2014.

<sup>28</sup> "Regional Hub Turkey Becoming Energy Exchange Center." *Today's Zaman*, November 14, 2013.

<sup>29</sup> Cetingulec, Mehmet. "Looking to Europe, Turkey increases investment in Azeri gas," *Al Monitor*, <http://www.al-monitor.com/pulse/originals/2014/08/turkey-europe-azerbaijan-russia-tanap-natural-gas.html#>

<sup>30</sup> Schleifer, Yigal. "Turkey: In pipeline deal with Russia, did Ankara get a bargain it can't afford?" *EurasiaNet.org*, January 11, 2012.

West. Nabucco planned to deliver gas to the Eastern European countries that were supposed to receive gas from the Russian South Stream pipeline launched by Gazprom in response to Nabucco. From the beginning, Russia made several attempts to block Nabucco. Moscow even decided to pay more for gas purchasing in Central Asia in order to prevent the flow of the resources to the alternative routes. At a certain point, Turkey withdrew its support for Nabucco and began lobbying for TANAP and TAP<sup>31</sup> The latter pipeline will provide natural gas to Southern Europe rather than to states that are dependent on Russian resources. By promoting these two alternative projects, Ankara attempts to manage its competition with Russia.

Since the late 1990s, Turkey has tried to keep the dialogue open with both the Western and the Russian camps. In doing so, it contributed to the establishment of the Baku-Tbilisi-Ceyhan oil pipeline and South Caucasus Natural gas pipeline (Baku-Erzurum-Ceyhan). On the other hand, Turkey also agreed to construct Blue Stream gas pipeline with Russia in addition to the existing Western Russia-Turkey Natural Gas Pipeline and granted Moscow with the permission of creation of the South Stream. The agreement on the construction of the Blue Stream pipeline was signed in 1997 for a 25 year-period, guarantying 16 bcm of natural gas per year for Turkey.<sup>32</sup> Due to the highly profitable trade relations between Turkey and Russia, the Turkish private sector lobbied in favor of the project. With this, Turkey became the second-largest importer of Russian gas after Germany. "All these contracts, visits, agreements, and projects indicate that Turkey has a different rank now [...] At the center of the world's major energy projects, Turkey is drawing attention and praise from the world."<sup>33</sup> This is how Ankara interpreted the mutually excluding (from a geopolitical perspective) projects.

From the beginning, the Blue Stream project has been considered a rival to the pipelines coming from the Caspian basin, and particularly to the Trans-Caspian natural gas pipeline envisaged to bring energy resources from Turkmenistan to the Western market. Therefore, the Blue Stream was highly criticized by the U.S. and some regional actors in Central Asia

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<sup>31</sup> Erdogdu, Erkan. "Turkey's Energy Strategy and its Role in the EU's Southern Gas Corridor." Istituto Affari Internazionali, February 14, 2014.

<sup>32</sup> "Natural Gas Crisis Looms as Relations with Russia Worsen," *Today's Zaman*, September 3, 2008.

<sup>33</sup> "Opposition, Government Clash over Energy Deal with Russia," *Today's Zaman*, August 12, 2009.

and the Caucasus. The then-President of Turkmenistan, Sapar Murat Turkmenbashi, stated openly, "Turkey pays 114 U.S. dollars per a cubic meter of natural gas from Russia. Turkmen gas will cost just 79 U.S. dollars and Turkmenistan's 23 trillion cubic meter reserves are enough to meet Turkey's need for next 500 years. Turkey does not need the Blue Stream project. Turkey and Turkmenistan are one nation and two states. We have to speed up the Turkmen pipeline project. Russia does not want Turkmen gas to reach the world market and the Blue Stream project will only benefit Russia."<sup>34</sup> Critics of the project argued that it would only increase Russia's influence on Turkey and consequently cause a deterioration of Ankara's relations with Washington D.C.

However, the major challenge to access Turkmenistan's and Kazakhstan's resources is a legal and political dispute around the delineation of the Caspian Sea. Ankara has remained skeptical on the potential realization of the Trans-Caspian pipeline. As a result, it opted for the Blue Stream, a geopolitically problematic pipeline.<sup>35</sup>

In 2009, Turkey and Russia signed 20 protocols in a number of areas, followed by another agreement signed in 2010 on the construction of the Akkuyu Nuclear Power Plant. The Russian state-owned Rosatom began building Turkey's first nuclear power plant in the port of Mersin, to further increase Turkey's energy links with Russia. As President Erdoğan put it, the event marked the beginning of a "new era" in bilateral relations. Also in 2010, the High Level of Strategic Cooperation between Turkey and Russia (i.e., a common government meeting) was established, paving the way for intense bilateral meetings. In 2010, Turkey and Russia agreed to establish visa-free travel for trips up to thirty days.

Finally, in 2012, Ankara granted Russia permission to construct the South Stream pipeline through Turkey's Black Sea territorial waters. South Stream was supposed to bring some 63 bcm of Russian natural gas to Europe. In exchange, Ankara secured significant price concessions from Gazprom, as Moscow agreed to renegotiate long-term oil-indexed gas contracts. The decision to negotiate transit access for cheaper price was criticized by the EU. Turkey's decision was perceived as a fundamental

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<sup>34</sup> "Turkey's Foreign Policy towards the Russian Federation," *The Journal of Turkish Weekly*, October 25, 2004.

<sup>35</sup> Kardas, Saban. "Turkey-Russia Energy Relations: the limits of forging cooperation through economic interdependence." *International journal*, Vol. 67, No. 1, Winter 2011-2012.

risk for the feasibility of the Southern Gas Corridor initiative.<sup>36</sup> Because of controversy due to non-compliance with the European Union competition and energy legislation (such as the Third Energy Package which stipulates the separation of companies' generation and sale operations from their transmission networks), the South Stream pipeline project has been abandoned and substituted by Turkish Stream (TurkStream). This latter project is expected to bring Russian gas to Turkish coast by way of the Black Sea.

The realization of the project was uncertain, and relations between Turkey and Russia worsened after Russia's Su-24 jet took part in an anti-terrorism operation in Syria and was downed by the Turkish Air Force in November 2015. Russia quickly introduced sanctions against Turkey, banning the import of Turkish fruit and vegetables, the sale of charter holidays for Russian to Turkey, and construction projects with Turkish firms in Russia. The visa-free travel regime between Turkey and Russia had also been suspended. However, in late June 2016, Turkish President Erdoğan apologized for the incident and bilateral relations improved. In July 2016, following a reconciliation meeting in Moscow, President Putin and President Erdoğan signed a long-delayed deal to build the TurkStream pipeline. TurkStream would enable Russia bypass Ukraine as a main transit country for Russian gas towards the European markets, thus creating enormous problems for Ukraine's state revenues and more general to the country's economy.

## Conclusions and Recommendations

For many years, it was assumed that "Turkey was automatically going to follow the policy line that the U.S., Europe and NATO wanted; [this] is not the case anymore."<sup>37</sup> The country is highly dependent on imported energy resources and this dependence clearly limits Ankara's political maneuvering. Turkish foreign policy in the Black Sea region is based on two pragmatic considerations: (1) using energy issues as a leverage to foster regional economic cooperation; and (2) developing relations with Russia, Ukraine, Georgia, and Azerbaijan.

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<sup>36</sup> Koranyi, David and Sartori, Nicolò. "EU-Turkish Energy Relations in the Context of EU Accession Negotiations: Focus on Natural Gas," *Global Turkey in Europe*, IAI Working Paper 05, December 2013.

<sup>37</sup> "Energy on agenda as Turkish leader visits Russia," *Reuters*, January 11, 2010.

Turkish-Russian relations have always consisted of a complex set of geopolitical games, and energy issues have significantly decreased the possibility of a divergence between the two countries. Moreover, energy has transformed a historical rivalry into an enhanced bilateral partnership. When it comes to Russia, Turkey has always put its economic interests before its political strategy. The private sector has played a very important role in this approach. Turkey has the advantage of directly purchasing energy resources from all the main producers in the region. Thus, on the one hand, Turkey has tried to reduce its dependence on Russian gas by building TANAP, but on the other hand it has granted Moscow the possibility to increase its energy supply to the West through TurkStream. Consequently, Ankara has remained passive in protesting Kremlin's aggressive policies in the Black Sea region and has decided to pursue its own political goals pragmatically. Turkey has generally supported Western positions in the region, but at the same time, it does not want to alienate itself from Moscow. Turkey will most likely continue to balance between the East and the West, avoiding to take sides and calling for a peaceful solution of the crisis in Eastern Europe and the South Caucasus.

In this context of unresolved territorial conflicts, partnership-like relations between Turkey and the countries in the Black Sea region will most likely remain subordinate to the Ankara-Moscow relationship. Even if bilateral relations are developing between Turkey and Ukraine and Turkey and Georgia, these relations are not based on common values but rather on opportunism and economic reciprocity. It seems that these countries are moving in opposite directions when it comes to their foreign policy orientation. Turkey has tended to distance itself from the West, while the others have continued to steadily develop their relationships with Euro-Atlantic institutions.

As for Turkey's relations with Azerbaijan and Armenia, here the Nagorno-Karabakh conflict prevents cooperations with Armenia. The so-called rapprochement (with the signed document between Yerevan and Ankara) resulted in a complete failure. The same goes for the Caucasus Stability and Cooperation Pact (CSCP). Baku and Yerevan are unlikely to collaborate on such platforms in the short- and medium term. It is also doubtful that Ankara will succeed in improving its relations with Yerevan to such an extent that it is able to influence Armenia to make compromises that are acceptable for Azerbaijan. It is more likely that these initiatives will represent further steps in maintaining the *status quo* in a manner that is acceptable for Russia.

Bearing in mind that the full harmonization of Turkish policies in the Black Sea region with those of Russia are unlikely, it is highly unexpected that Ankara will develop a strategic vision for this region in the near future. It is even more unlikely that Turkey will harmonize its policies with its transatlantic partners. As was mentioned before, Ankara will not challenge Russia's positions in the region. Consequently, the region will witness a weakened presence and influence of transatlantic institutions. Realistically speaking, there is no basis to hope for a sudden development of multilateralism and regionalism in the Black Sea basin.

However, there is still room left for cooperation between the West and Turkey in this troubled region. Namely, the transatlantic community should opt to develop a strategy of thematic cooperation with select countries in the region. For example, the West could engage with Turkey on a conflict resolution process in the Black Sea region, as it is in both actors' interests to stabilize the region. To this end, the West should explore ways to use Ankara as a mediator in the Abkhaz-Georgian conflict. Turkey is a vital partner for Georgia and for Abkhazia with certain leverage to influence local policies. The West can engage with Turkey in Crimea-related issues as well. In order to maintain some contacts with the peninsula and contribute to the defense of human rights of Crimean Tatars, the EU could use Turkey's historical connections with the region. Moreover, the West should support further development of the Southern Gas Corridor and (in the framework of this project) help with the implementation of the TANAP pipeline. As for NATO's activities in the Black Sea region, it is unlikely that Ankara will revise the 1935 Montreux Convention. Therefore, NATO activities in the Black Sea will likely remain limited.