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Turkey's Role in Energy Diplomacy from Competition to Cooperation: Theoretical and Factual Projections

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ABSTRACT: This study aims to build up a conceptual framework for energy diplomacy together with examining the development of this concept in world politics. By using these, it attempts to analyse Turkey's energy diplomacy practice. The study argues that energy diplomacy is an amalgamation of diplomatic methods for utilizing energy (reserves or transfer routes) for maximizing national energy interests in bilateral, multilateral, regional and global relations of energy demand and supply. In this respect, the variables for the formation and the implementation of energy diplomacy are analysed in worldwide historical basis and then with a particular focus on Turkey. Finally, the research focuses on the conditions that Turkey can utilize its energy diplomacy for collaboration, cooperation, and stability rather than struggle, confrontation or conflict.

Keywords: Energy diplomacy; energy politics; energy competition
JEL Classifications: F53; F55; N40; Q48

1. Conceptual Framework

Relationship between Diplomacy and Energy

Diplomacy could be defined as the assets that governments utilize for protecting and developing their interests within the framework of their complex economic, political and cultural relations with other governments or international organizations. Here diplomacy, which is one of the most comprehensive/broad terms of international relations, is defined by its means. This study aims to link the concept of energy with the concept of diplomacy by using this definition.

The diplomacy practice depending on the evolution of the international system has gone through changes in various levels particularly in terms of its means or aspects it utilizes. During the Cold War the major aspects were the military capabilities, maintaining a smooth relationship pattern with the bloc leaders and during the post-Cold War these aspects became interdependence, influence on international NGOs, environmental politics and the concept of individual. Yet regardless of the changes in the international system and the above-mentioned aspects of diplomacy, the significance of energy has never gone out, in contrast it always followed an upward sloping curve.

Even if there is a diversification of energy in today's world, i.e. the sun, bio, wind, and nuclear, the fossil energy still precedes. This study focuses on fossil energy resources, basically petrol and the natural gas, as diplomatic assets. What turns these resources into diplomatic assets is mainly the amount of their reserves and the international rivalry caused by it. Such rivalry is mostly on the maximum utilization, healthy transfer and trade of fossil energy resources. Diplomacy fits in this framework in a way to help governments to protect and develop their positions in this rivalry. These positions and therefore the diplomatic efforts change according to the demand and the supply side of the international energy market.

The differentiation between Energy Policy and Energy Diplomacy

Energy policy, in a sense, is not different from trade policy since both focuses on the fulfilment and maximisation of national economic interests. Although they focus on different national and international factors at the end of the day they attempt interest maximization. Energy diplomacy is more like a sub-element of energy policy that helps policy makers via different methods to achieve these ends.

Another differentiation between energy policy and energy diplomacy is about the new actors/factors linking onto. For energy policy, new factors and actors bring new opportunities but for energy diplomacy they bring complications to the sharing and distribution of fossil energy resources. For surviving within these complications, energy diplomacy methods differ depending on different governments' position in the international energy market. Some utilize their reserves as an international or regional pressure element and others use their positioning on the energy transfer routes as an international bargain asset. Both methods work for maximizing national interests of energy policy.

Relying on these, energy diplomacy could be defined as the diplomatic methods for utilizing energy (reserves or transfer routes) for maximizing national energy interests in bilateral, multilateral, regional and global relations of energy demand and supply. In this respect, energy diplomacy is responsible for a healthy energy flow, stable international energy market and efficient and environmental usage of energy.

Energy diplomacy is also a set of means that the actors of international arena utilize to avoid possible risks in the interaction within the energy market. Naturally, these means are also different for each actor. The energy importers use these means to access cheap and continuous energy inflow, secure the energy supply, and maintain the variety of energy resources, efficiency, and stability of international energy market. The energy exporters focus, on the other hand, on the development and more efficient utilization of the reserves, investing on new reserves, maximization of revenues from the energy exports. Energy diplomacy helps governments to follow each other's policies carefully, particularly via negotiation and bargaining processes (Demir, 2010), which would diminish the possibility of an open conflict or risks.

Energy Diplomacy in terms of International Energy Regime

International energy regime is broadly the legal and institutional arrangements between the energy importer and exporter countries. It regulates the rules and the mechanisms of international energy trade and transfer. This regime also aims to maintain the equilibrium in the rivalry between various interests of governments and international energy organizations. Such regime does not operate as an organic entity while maintaining this equilibrium rather it manoeuvres via coexisting interests of major powers, i.e. the United States, the Russian Federation, China, Japan, India and the European Union countries. Yet this does not preclude the other countries to have a say in this regime. Energy diplomacy steps in at this stage to utilize energy related aspects of national values for strengthening countries' bargaining power in international energy regime.

Within this regime, energy diplomacy maintains an effective usage of dialogue and reconciliation among various strategic alliances. Dialogue and reconciliation is also important for newcomers' adaptation to the international energy regime and the continuation of major powers' dominant position, which ironically maintains the equilibrium by maintaining the status quo. This status quo is necessary for a healthy flow of energy to satisfy various actors' energy demand particularly during the times of armed conflict, natural disasters and international financial crises.

However energy diplomacy does not always follow such positive route. Particularly for maintaining the status quo, major powers apply suppressive and non-transparent diplomacy practices on the newcomers or weak or fallen states.

Differences in Energy Diplomacy Practices

That would not be wrong to say that there is no positive or negative stance of energy diplomacy since each government's energy diplomacy practice has a subjective value. Since each government aims to maximise their national energy policy interests there is no good or bad energy diplomacy as well as any positive or negative, but there are differences in practice.

These differences usually triggered by the amount of fossil energy resources that a government commands. That means it is not only the amount of fossil resources a country has but also

its command on the transfer routes. For the first case the Russian Federation, China and the United States are three significant examples, and for the second Turkey could be good one.

Energy for the Russian Federation is not only a significant aspect of its national power but also a very strong element of its diplomatic practice. Its vast natural gas resources, in terms of international influence, overweighted its conventional warfare arsenal. These resources helped Moscow to regain most of its influence that was lost at the end of the Cold War. Yet Moscow does not always utilize its energy diplomacy in a peaceful manner. Pressure and threat are also used in its diplomatic practice to maintain this influence (Newnham, 2011; Stegen, 2011). This diplomatic practice could easily been seen in the recent developments at the Black Sea and the Caucasian regions. Russia has been utilizing every possible diplomatic move to keep these regions under its control, i.e. 2008 Russia-Georgia struggle (Çelikpala, 2012).

For China, energy is a demand issue as opposite of the Russian Federation. In the International Energy Agency's reports since 2010, China has the second biggest energy demand. Such a huge demand calibrates Beijing's energy diplomacy more on energy security. Such tendency also makes China to follow a more reconciliatory, collaborationist approach in its energy diplomacy (Cornelius and Story, 2007; Leung, 2011). China gets 40-50 % of its energy imports from the Middle East but 75% of this is being transferred from a very delicate spot; the Strait of Malacca, which reiterates the importance of a secure inflow of energy for China. For achieving a more security energy inflow, Beijing shifted his focus more on the Central Asia. China's energy diplomacy in this sense uses the Shanghai Cooperation Organization as a platform and carries out the it's deals via a reconciliatory, collaborationist approach (Shen, 2011).

In the global energy rivalry major powers implement their energy diplomacy means according to their economic, military and political capabilities. Within this framework, that would not wrong to say that the United States is the most prominent actor. The United States on the one hand utilizes its energy reserves as efficient as possible and on the other hand implements very effective energy diplomacy to meet its energy needs.

Washington's energy diplomacy has several segments (Demir, 2010). The first segment is to maintain an uninterrupted and cheap energy inflow. For this Washington constantly recalibrates its foreign policy to keep its influence stable on the major energy basins. It does this by supporting or manipulating regimes of these energy reserve areas. The second one is to maintain the stability of its energy supply and the security of the global energy market. The third one is to utilize the global energy rivalry for development of its global influence. One example for this policy is the attempts to destabilize the energy rivalry in the Asia-Pacific to the detriment of the Asian countries so that it could maintain its influence. The fourth one is the means utilized to maintain its leadership in the global energy trade. And the final segment is to reframe the interaction between the energy industry and market in terms of global climate change and environmental security. Washington, in this sense, tries to increase its share in fossil energy resources but ironically on the other hand attempts to create an energy economy that relies less on fossil energy.

The United States implements its energy diplomacy via its multi national corporations, military and political networks. While the corporations focus on the international profit, military and political networks maintain a pragmatic reality of the United States leadership and dominance of the global energy market. It is also important to say that the future of these means depends on the growing potential of the other major powers of today's multilateral international energy networks.

These differences among various energy diplomacies should not be evaluated as a source for a constant problem in international energy regime, since governments build up groups, alliances, and blocs to minimize the effects of this differentiation on their energy policies. These are examined in the next section of this study.

In the next section these developments were examined on a historical span, under four segments. The first segment examines the foundations of the oil industry; the second segment deals with hegemony of the oil cartels during the First and the Second World War; the third one is the maturity period of the energy diplomacy and the fourth is apex of the energy diplomacy in the post-Cold War period. These segments evaluate both the command of the supply side of the fossil fuels (particularly oil) and the reactions and adoptions of the demand side.

In addition to the command on the demand and the supply side of energy, there are also governments command on the energy transfer routes which gives them a serious advantage. Turkey is a good example for this. The study examines Turkey's energy diplomacy practices as the final section. Turkey's energy diplomacy practices are examined in terms of both domestic and international interactions.

2. Energy Diplomacy in Historical Span

Energy has started to be used as a diplomatic asset with the 19th century by the monopolist American and British petroleum firms. At that stage diplomacy practices were run more by the firms via partnership agreements, most favorable nation arrangements, formation of cartels. The formation and the development of energy diplomacy on oil and natural gas, as mentioned above could be chronologically categorized under four segments.

First Segment: Formation of the Oil Industry and Oil Economy:

This segment examines the period from the 19th century to the First World War, when oil gradually became the major energy element. The main characteristics of this period are:

- Internal combustion engine has just started to be used, which means at this stage coal was still the main energy element. The usage of petroleum / oil was newly known and the natural gas was not even being used.
- Classical "monopolist capitalism" created a raw material - market based imperialist scheme. Governments' main concern was to keep these energy resources under their disposal and prevent other countries to get their hands on them. In order to minimize these concerns, governments had begun to use several instruments such as intelligence, diplomacy, and military methods. At this stage we cannot really talk about a comprehensive concept of energy diplomacy. The individual entrepreneurs and major capital groups had the initiative for international interactions for energy; governments only give them necessary official support.
- At this stage the largest energy producing basins were the Mexican Gulf, Venezuela, Baku, and Romania. Particularly in Baku, where the oil has been produced since 1840 (Swietochowski, 1988), between 1898 and 1901 the production was even larger than the one in the United States. Until 1917 Bolshevik Revolution, France, Britain, and Russia had the rights on the oil exploration in the Caucasus region. They enjoyed their rights via Nobel Brothers, Rothschild family, and Royal Dutch-Shell. With the Revolution, the European influence on this basin was ended (Suny, 1990).

Romania was also a large oil production site since the beginning of the 1860s. In this basin, from the end of the 19th century to the beginning of the 20th century, there was a rivalry between British and German governments but more specifically between these two countries' firms. Until the end of the First World War, Germany had the right to administer the oil fields in this region. After the war, Germany's rights were transferred to the victors, Britain, France, Romania, Italy, and the United States. Germany re-gained its rights on the region during the Second World War, when Romania was with Germany and lost them again with the USSR dominance in the region at the Cold War (Karadağ, 1990).

- In terms of the Middle East, there had been explorations for oil since the end of the 19th century. In Iran, the oil production was started with the British William Knox D'Arcy in 1909. For Iraq, oil production was started with the Turkish Petroleum Company (TPC), which managed to bring a consensus between the competing German and British capital (Ayhan, 2009).
- Another important development of this stage was the privileges given to the foreign firms by oil producing governments. British and Russians got privileges on Iran, and the British and the Germans on the Northern Iraq.

The Second Segment: The Eras of the First and the Second World Wars and the Hegemony of the Oil Cartels:

The characteristics of this segment can be listed as follows:

- The victors of the First World War competed to build up their hegemony on the oil fields of the ex-Ottoman land; the Arabian Peninsula and the Persian Gulf. The most significant actor of this competition was Britain via Anglo-Persian Oil Company, which will later become the British Petroleum (BP). This competition had an important role in the formulation of secret agreements of the

First World War, such as 1916 Skyes-Picot Agreement and 1920 San Remo Conference. This shows that the plans about the disintegration of the Ottoman Empire coincided with question of the Middle Eastern oil. With this, oil begun to be one of the most important aspects of modern diplomacy.

- Yet it is still early to talk about a substantive energy diplomacy practice. Governments, at this stage, were still at the background and in the forefront there were the production and distribution firms. These firms dealt with the arrangements about privileges, production and distribution of oil together with its financial and trade aspects. The significance of the United States' help in the First World War enabled Washington to carve a substantial portion from the oil shares in the Middle East. With the agreement on the 31 July 1928 between the American and British firms, 1/3 of the British share in the region was transferred to the American Near East Development Corporation under the name of the Iraq Petroleum Company (Baysal, 1982). The biggest shareholders of the Iraq Petroleum Company, Royal Dutch-Shell, Anglo-Iranian Oil Company and Standard Oil of New Jersey, came together and decided to build up a worldwide oil cartel for sake of maximizing their profit margins. That shows the building of a confidence and commercial consensus between British-American and French firms but such a non-official arrangement cannot be defined as a practice of energy diplomacy.
- Even though there is not a continuous and sustainable substantive energy diplomacy there was diplomatic moves to facilitate and protect these non-official arrangements. One example for that were the Sevres Treaty, the mandate system and the Permanent Court of International Justice of the League of Nations decisions on Turkey to push the Turkish administration to leave all its sovereignty rights on Mosul, which was legalized with the 1926 Ankara Treaty.
- After the Ankara Treaty, huge reserves were found at Mosul Baba Gurgur region and also in Saudi Arabia. Especially for the latter reserves, the American firms concluded privilege agreements with the Saudi Arabian royalty in 1933 (Bondarevsky, 1981). The partnership formed with these agreements became fully functional in oil production in 1939. In 1944 these arrangements were re-named as the Arab-American Oil Company (ARAMCO). Kuwait, as another huge oil reserve area, which became a new state under the British protectorate in 1914, was also a subject of the British-American partnership and the oil production was started in 1937 by these two.
- Another important stage of these diplomatic moves on oil was in Iran. In Iran, the main issue was the D'Arcy privileges. They became particularly more disturbing for the Iranian public opinion after the 1906 Constitutional Revolution. With the revolution for any type of privileges, such as on oil, the approval of the new parliament was necessary in addition to the Shah's. After the 1921 Coup of Reza Pahlavi a new oil privilege agreement was requested by the new Iranian administration. New agreement was concluded in 1932, which increased the new Shah's share from 16% to 21% and changed the company's name to Anglo-Iranian Oil Company. Yet the Second World War brought disequilibrium to this scheme, when the Shah moved closer to the Germans and gave them oil exploration and production privileges in Northern Iran. Especially after the Operation Barbarossa, the Anglo-Russian alliance put pressure on the Shah for ending its relations with the Germans and deporting them. Shah rejected this, which was almost immediately followed by the Russian-British occupation of Iran, arresting of the Shah and sending him to the exile. With the consent of the British and the Russian, Muhammad Reza Pahlavi, the exiled Shah's son, became the new ruler until the Iranian Revolution in 1979. Until then Iran had a pro-western stance in its oil production schemes.
- On the other side of the Anglo-Russian alliance, the Russians did not leave the occupied lands in Northern Iran after the Second World War. By doing so Moscow expected to conclude a new oil agreement with the Iranians. Iranian Prime Minister Ahmet Kavam Es-Sultaneh concluded the agreement after which the Russian forces left Northern Iran and Iranian government re-established its sovereignty in the occupied lands. Yet Iranian Parliament did not approve the agreement so the new agreement did not enter into force.

Iranians reactions were not only to the Russians; there were mass reactions against the British as well. The Nationalists in the Iranian Parliament under Dr Muhammad Musadik's leadership nationalized the Iranian oil. This was the trigger for one of the most important and the earliest moves of energy diplomacy. With Britain's heavy influence on the international oil demand, oil consumer governments refrained from buying Iranian oil. Moreover London and Washington carried out the

Operation Ajax on 19 August 1953, which supported pro-Shah generals Coup and toppled down Mussaddık under General Zahidi's leadership. The success of this energy diplomacy move was particularly fruitful for the Americans. In 1954 with a new oil agreement with the Shah, the Americans manage to carve out 40% of consortium's shares.

Yet this move and the Shah's growing tendency to have closer relations with the West laid the foundations of an anti-Western movement in Iran. This movement in 25 years caused the Iranian Revolution. With the revolution all oil privileges will be ended and oil will be nationalized.

More than two decades before the Iranian revolution, the Anglo-American alliance established the Baghdad Pact as a regional organization, which would keep the pro-Western governments as they are and prevent the formation of a pro-Soviet establishment in the Middle East, which might detriment western interests in the region, particularly in terms of oil. Baghdad Pact did not survive for long even if it changed its structure, with the withdrawal of Iraq after General Abdulkarim Kasim's coup, and re-named itself as Central Treaty Organization (CENTO). With the Iranian Revolution it was ceased to exist.

The Third Stage: The Maturity of Energy Diplomacy: Major Developments During the Formation of the Organization of the Petroleum Exporting Countries (OPEC), Petrol Crisis, Nationalizations, the International Energy Agency (IEA)

Iran's oil nationalization efforts affected other countries in the Middle East. For cutting down the rearguards of this influence, American and British firms increased the Arab countries' profit share. Yet this did not completely satisfy the major petrol exporting countries' interests, particularly because of the arbitral price fluctuations by the Seven Sisters.[1] With the initiation of Venezuela and Saudi Arabia's Energy and Mining Ministers, major exporting countries' representatives congregated in Baghdad, together with Iran, Iraq and Kuwait, on 10-14 September 1960 and established OPEC. OPEC was more or less a counter-cartel to the Seven Sisters and aimed price stability and a multilateral cooperation in price increase (Gürel, 1979). The members of this brand new organization cover up 30 to 40% of the world oil production, which gives a good indication of the OPEC's influence. Anglo-American reaction to Iran's nationalization attempts in 1951-53, Franco-British intervention to Egypt's nationalization in 1956, and the regime change in Iraq with the 1958 coup facilitated OPEC's formation.

The OPEC did not affect oil prices immediately. One of the preliminary energy diplomacy moves of the OPEC could be seen after the 1967 Arab-Israeli War. Arab countries started to implement an oil embargo on Israeli supporters, which did not create a huge increase in oil prices but again facilitated the crystallization of a new arrangement; The Organization of Arab Petroleum Exporting Countries (OAPEC) in 1968. In 1970 Bahrain, Qatar, and the United Arab Emirates and in 1972 Algeria, Egypt, Syria and Iraq joined this new club. With this new organization, energy diplomacy became a major linchpin of Arab countries' foreign policies.

This linchpin had a much greater effect on the international arena after the 1973 Arab-Israeli War. The OAPEC's embargo increased the oil prices by 4 times. Together with the increase in international demand, the world faced the First Oil Crisis in 1973. The crisis hit the European Economic Community (EEC) members so badly that it led the EEC to re-consider its policies on the Middle East and the Palestinian Issue. The institutional arrangement of this reconsideration was the "Euro-Arab Dialogue", which symbolizes a European stance to the Arab world independent from the United States. Japan joined EU's policy as well. The Dialogue meant non-cordial relations with Israel and supporting Arab theses about the Palestinian Issue.

The petro-dollars funneled into Iran and the Arab states, with the increased oil prices, enabled these countries to build up their armed forces arsenals and turning the Western alliance into a buyer-distributer by nationalizing their oil reserves. In 1970s Libya, Iraq and Saudi Arabia nationalized their oil reserves, and after the 1979 Revolution Iran did the same.

[1] The "Seven Sisters" describes the seven oil companies which formed the "Consortium for Iran" cartel and dominated the global petroleum industry from the mid-1940s to the 1970s.The group comprised Anglo-Persian Oil Company (now BP); Gulf Oil, Standard Oil of California (SoCal) and Texaco (now Chevron); Royal Dutch Shell; and Standard Oil of New Jersey (Esso) and Standard Oil Company of New York (Socony) (now ExxonMobil).

In addition to the "Euro-Arab Dialogue", the OECD countries also made institutionalized arrangements. In 1974, they formed the International Energy Agency (IEA), which was more of a precautionary arrangement against any prospective oil crisis. IEA aimed to diversify energy resources so that the ultimate dependency to the Arab countries would be diluted. Therefore, Britain and Norway began oil explorations in the North Sea and slowly shift to utilize the natural gas as a new energy element. Particularly the latter measure led the EEC countries to buy natural gas from the USSR, even if the United States opposed that. This also shows the fact that the energy diplomacy, at the final phase of the Cold War, outweighed the general diplomatic patterns and bloc politics of the Cold War. Members of the western alliance began commercial relations with the USSR, regardless of their 40 years of enmities with the Soviets.

Fourth Stage: the Climax of the Energy Diplomacy in the Post-Cold War Period:

The end of Cold War came alongside with the Soviet leader Mikhail Gorbachev. The 1990 Paris Charter and the Treaty on Conventional Armed Forces in Europe (CFE) were the final turning points of the Cold War. In energy diplomacy sense the major developments of this era could be evaluated as follows:

In the early stages of the Cold War, the World energy demand found a new reserve basin. In the post-Soviet era, newly independent Caucasian states began to offer a great deal of oil and natural gas reserves. In the Caucasus, similar to the 1920-30s Persian Gulf, oil production privilege agreements were concluded. With these, Caucasus basin became an alternative energy zone for the European Powers and even more preferable to the risky Persian Gulf area (Kleveman, 2004).

The Caucasian countries saw Western Powers' influence and even control on production and distribution of the Caucasian energy as an important element for their economic development and the stability. Their alliance with the Western Powers via energy diplomacy would also help them to maintain their independence from the new Russian Federation. Baku-Ceyhan-Tiflis pipeline project from 1999-2006 was also an output of this tendency (Kasım, 2009). Even though the Western Powers are seen to be the profit-makers of this whole re-structuring of the Caucasian energy interaction, the Russian Federation managed to carve out a significant amount of share in Kazakh, Azeri and Turkmen energy consortiums.

The major difference between the Middle Eastern and Caucasian basins was the transfer routes. In the latter, pipelines were almost a must for transferring oil and natural gas to open seas. Throughout the 1990s the routes of these pipelines were discussed by the above-mentioned Western Powers (Djalili and Kellner, 2009). These discussions show that transfer routes and pipelines formed a significant segment of Caucasian or Caspian energy diplomacy. Although the production costs of the Caspian oil is almost three times higher than the Middle Eastern, the Western Powers still gave a great importance to the former region. This is also an indication that the diversification of the energy basins is so important for the Western Powers since it gives more of maneuver space to their energy diplomacy.

Another important element of the post-Cold War energy diplomacy was the enormous economic boost of China that has started with the 1980s. With this boost, China became the biggest supplier of almost any good. Such a big production pattern naturally required a huge amount energy inflow (Qinhua, 2007). With this enormous demand, China became the biggest importer of the Middle Eastern oil (İşyar, 2010). Diversification of energy basins was also prominent for China, which led Beijing to focus on Caspian oil and natural gas and constructed the West-East Gas Pipeline (Daojiong, 2006). In addition to the Caspian region, China also concluded oil and gas agreements with the Russians. Another theater for Beijing to diversify its energy imports was Latin America. By improving these basin countries' infrastructural investments, China has been developing its privileges for Latin American energy (Ziegler, 2006). China has not only been diversifying the energy import basins but also diversifying the types of energy such as coal, nuclear, geothermal and wind. China's greedy and smart energy diplomacy is creating a pressure on the Western side. There is also a possibility that China via various economic and political means can alter several dynamics of international energy regime that has been run by the West for a long time.

- Another energy basin was Africa. In the post-Cold War era, China and the United States rivalry on the continent became quite exposed. With the inclusion of the EU into this rivalry complicated the whole scheme. Africa's geographical proximity to EU and the United States made the continent even more preferable energy basin fort he Western Powers.

3. Turkey's Energy Diplomacy

Historical Process: Up to 1990s

Turkish Republic's energy policy, since its proclamation in 1923, has been more of a tendency on utilizing and developing domestic energy reserves. This tendency found its place in the National Development Plans. In the plans another important focus was to reduce the dependency to the foreign energy sources (Demir, 1980). For achieving these, two major types of work had been done. One was that the official circles attempted to inform the public about the National Development Plans and the other was the formation of new measures, reports and official commissions.

Between 1923 and 1940 for exploring and developing Turkey's energy reserves new institutions were established. Particularly for oil and coal, the Mineral Research and Exploration General Directorate, for electricity production via water resources the Electrical Works Research Directorate and for financing mining activities Etibank were founded. These institutions worked like private enterprises, which led them play significant roles (Demir, 1980). At this stage the major energy element was seen as coal, which made Turkey's energy efforts to focus on this element. Electricity and lignite were the other two important energy elements with secondary importance compared to coal. At this stage, the Mineral Research and Exploration General Directorate run explorations for oil but with no real success.

During 1940-1950 periods we can observe the affects of the Second World War on Turkey's energy policy. Mineral Research and Exploration General Directorate found an oil reserve in Raman but for the oil production in Turkey we need to wait until 1949. For meeting Turkish national demand, particularly in terms of defense, Petrol Ofisi was founded in 1941. Turkey, during the Second World War also localized its energy policy aims and established a specific energy unit as a sub-branch of İller Bankası.

With the multi-party system started in 1950, Turkey had begun a comprehensive development in industry and agriculture, which also had a positive effect on transportation and energy sectors. In terms of energy policy and its applications, Turkey concluded new institutional and procedural regulations together with the construction of hydro and thermo electric plants. One of them was the General Directorate of State Hydraulic Works, established in 1953, for the public dam constructions. For increasing the productivity of the energy plants "National Energy System" was successfully put into effect (Demir, 1980). For encouraging the oil explorations of national and international capital Turkish Oil Act and Mining Act was enacted in 1954. Although these acts were heavily liberal in their nature they were not successful for appealing international capital to the country (Erkin, 2010).

By 1963, Turkey had started planned economic model, which did not bring a significant change to its energy policy. Ankara still wanted to rely on its national energy reserves and reduce its dependence to energy imports. For increasing its efficiency in this sense, Turkey established two central institutions for resolving energy complications in demand and coordination of energy policy. These two institutions were the Ministry of Energy and Natural Resources and the Turkish Electricity Administration. The procedural arrangements of this stage are still valid today (Erkin, 2010): sufficient, reliable, cheap and clean energy from the national reserves as much as possible.

1950's had another important effect on Turkey's energy demand, significantly in terms of oil. Turkey with the expansion of road works and basing its national transport on road transport became seriously dependent on oil. Such dependence increased even more with the intensified usage of oil products in construction and relevant sectors. Since the oil prices were not high until the 1973 Oil Crisis, the share of oil imports in Turkey's budget was not massive, which did not push Ankara to consider measures for reducing Turkey's oil imports. Yet with the 1973 Crisis this share became much higher in monetary terms and put a serious and chronic pressure on the balance of payments. This shock made Ankara to realize that Turkey's energy reserves are not at the level to sufficiently and regularly meet the national demand.

With such realization Turkey became more cautious and careful about its scarce energy reserves and dependency on foreign energy resources. This also led Ankara to focus on alternative energy elements such as nuclear energy. Under the auspices of the Turkish Electricity Administration, plans for the first nuclear plant were put into effect in 1983-84. In addition to nuclear energy, Turkish experts began to research on geothermal and solar-based energy (Müsiad, 1996).

The only reason causing these restraints in Turkey's energy policy was not the 1973 crisis. Even though with the liberal economy practices after 1980s, Turkey overcame the foreign currency problems, it still could not attract foreign investment for its energy production infrastructure, which caused a constant increase in its energy import. Such increase in energy import became even more with the introduction of the natural gas from the Soviet Union into the Turkish domestic energy market with the 1980s.

Turkey's energy policy's another important element was the diversification of energy supply, in terms of accessing the reserves, transfer paths and technology. National Energy Strategy Papers of the Energy and Foreign Affairs Ministries not only stressed the importance of this diversification but also the significance of the maintenance of energy security via utilizing national reserves more efficiently. The papers also focused on the cost efficiency of energy inflow by using renewable and nuclear energy and exploring and developing trans-boundary energy reserves. Yet in practice these policies faced domestic complications.

Because of frequent government changes, the priorities of the Energy Ministers varied, which precluded the application of a stable energy policy that considers the changes in energy technology and energy resource diversifications (Doster, 2010). This instability in domestic authority also caused incoordination among the official institutions dealing with national energy policy practices.

In terms of positive developments of this era, one could say that with brand-new institutions Turkey attempted to adopt its energy policy to the world developments. One of these institutions was the Energy Market Regulatory Board that focuses on energy efficiency and legal arrangements on renewable energy resources. Moreover it works on concluding new oil and natural gas pipeline projects to increase Turkey's international image as an energy corridor, development of national natural gas infrastructure and maintenance of the refineries.

Post-1990 Era: Re-structuring Period of Global Energy and Turkey's Energy Diplomacy

Turkey's energy demand exploded in the post-1990s particularly because of economic expansion and rapid population growth. This made Turkey to apply a more effective energy policy to sufficiently meet the national demand and efficient energy diplomacy for the sustainability of this policy. Yet several domestic elements, such as high dependency to the foreign energy resources, rapid and uneven urbanization, fragile economic structure and shortsighted government policies, hindered the implementation of an efficient energy policy.

Turkey's major advantage, at this stage, among these hindrances was its geopolitical location. Turkey is geographically close to both Middle Eastern and Caucasian energy basins, which makes it almost a perfect candidate to be an energy corridor. Such an advantage gives Turkey a stronger initiative to utilize energy more effective as a diplomatic asset. This would support Turkey's energy diplomacy aims via its increased role in international energy bargain.

In the post 1990s era, nuclear energy became more of a priority for Turkey's future energy prospects. Nuclear energy for Turkey is not only important for energy resource diversification but it also has a strategic value. Therefore, regardless of the risks, Turkey began to follow a more determined policy for building up its nuclear energy base. The aim is to finish two nuclear plants until 2023.

Another important issue of this era was the energy security. Oil tanker traffic at the Turkish straits was one of the main reasons for Ankara to consider new measures and even regional arrangements to facilitate maritime energy transfer together with maintaining its security. Requirements for energy security transfer led Turkey to focus its attention to the Black Sea countries and the Caspian Basin specifically in terms of pipeline security measures.

The European Union (EU) Membership Process and Energy Diplomacy

Turkey took several steps to adopt its energy policy parameters to the EU regulations and rules for increasing bilateral cooperation. Turkey also joined the EU Energy Community to facilitate

this cooperation and membership negotiations (www.mfa.gov.tr). Ankara signed the Athens Memorandum in December 2003 for developing an oil and natural gas market in South East Europe. Turkey also took part in the EU's energy cooperation efforts in the Black Sea and became of the Black Sea Regional Energy Centre (BSREC).

Turkey with its strategic position aims to be the major energy transporter of the EU and to utilize this role as a linchpin of its energy diplomacy. In terms of its relations with the EU, Ankara focuses on the competition power, security of energy supply and environmental protection.

The EU's increasing demand to the foreign energy reserves in its future projections gives Turkey more of an importance. Turkey could bring a number of new energy suppliers to the EU energy market via its proximity to the Caspian basin. Energy pipelines cutting through Turkey could be an alternative energy stream for the EU and gives the Caspian basin a stable market for their energy reserves. The stable flow of gas from the Baku-Tbilisi and Ceyhan pipeline is already a good reference for the future pipeline projects. Nabucco also helped to build up a new cooperation scheme for the Middle East.

Turkey as a Secure Energy Corridor

Turkey with its geopolitical location acts a "corridor" that links energy supply and demand. The axis of this link is "east west" and "north south". In this equation, Turkey is both a bridge and a terminal. In the future global energy projections, the world energy demand will be met via energy basins located around the eastern part of Turkey (Narin, 2008). These projections strengthen Turkey's status an energy flow agent to the world market and Ankara aims to utilize this potential even more efficiently.

The first pipeline within this framework was from Kerkuk to Yumurtalik. The flow via this line started in 1977 and still has a significant value regardless to the interruptions happened in the past. The agreement for the flow through this line was extended for another 15 years with the agreement signed in Baghdad on 19 September 2010.

Turkey's role as a secure energy corridor became more prominent parallel to the increasing prominence of the Caspian Region's oil and natural gas resources for the global market. One of the major discussions for transferring the energy elements to the world market was via the Turkish straits, which meant that the 3.7 % of the world oil demand was going to be transferred. Turkey did not support this argument by putting forward the reason that the possibility of a serious incident at the Straits was quite high. The combination of the domestic and international traffic was also way too much than the Turkish straits could bear. Therefore Turkey supported alternative paths for the Caspian oil and gas that would by-pass the Turkish straits option (www.mfa.gov.tr). By-pass projects were supported by many parties such as; oil and gas exploration firms, transportation consortium and also the United States (Kutluk, 2003).

The major pipeline that significantly increased Turkey's role as an energy corridor was the Baku-Tbilisi-Ceyhan pipeline, which carries Azeri oil to the Mediterranean. Even if the pipeline did not receive a great deal of sympathy from the Russian Federation, it became a main step in the formation of the East-West energy corridor. It is also the second longest (1760 km) pipeline with more than half of it (1070 km) passes through the Turkish soil. The pipeline not only important in terms of the amount of oil it transfers to the world market but also for the cooperation schemes in the Caucasian region. It had a positive effect on Turkey's cooperation schemes with Azerbaijan and Georgia.

After the success of the Baku-Ceyhan pipeline, Turkey had supported other by-pass transfer options. One of these options was the Samsun-Ceyhan pipeline project. Samsun is pretty close the energy terminals in the Eastern Black Sea, and Ceyhan terminal did not necessitate any more infrastructural investments for this type of new project. The environmental-friendly nature of the project was also an important element. The project started in 2007 and accelerated by the Turkish-Russian oil protocol in 2009.

Turkey aims to increase its role as an energy corridor by increasing the level of oil is transferred through its soil and the targeted value is the 6-7% of the entire world demand. Such an aim would turn Ceyhan into the biggest terminal of the eastern Mediterranean.

In terms of East-West energy corridor, there were other pipelines those increased Turkey's international profile. There are the Baku-Tbilisi-Erzurum natural gas pipeline, which had started to

flow in July 2007, the Southern Caucasian Natural Gas Pipeline in March 2007, and the Turkey-Greece natural gas pipeline in November 2007.

In the last couple of years Turkey intensified its energy diplomacy on the Caspian basin and concluded two more important energy agreements. These steps give the indication that Turkey is becoming a more proactive player of the global energy equation. The major reason for this was that Ankara has been focusing on more production oriented projects than consumption oriented ones (Çelikpala, 2012). One of these agreements was the Trans-Anatolia Gas Pipeline that would transfer Azeri natural gas to Europe. The agreement was signed on 26 June 2012. At the moment the share is 20% Turkish and 80% Azeri but new international players were expected to join the consortium (http://www.tanap.com). If the project is fully activated it would be serious blow to the Russian energy monopoly.

The second agreement was concluded between Turkey and the Russian Federation on 29 December 2012, which will establish the South Stream pipeline. The agreement was advantageous for both Russia and Turkey in terms of transfer facilities and costs together with prices (Çelikpala, 2012).

Turkey's energy diplomacy in terms of its 2023 targets did not have a significant deviation from the targets of 1923, but the means became more elaborate and effective. Turkey aims to reduce its energy dependency to the foreign resources parallel to a reduction in energy imports' share in the budget. The Ministry of Energy and Natural Resources targets (www.enerji.gov.tr):

- To double up the current energy production to 100.000 MW
- Increase the annual energy investment to 5 billion dollars
- Increase the renewable energy share to 30 %
- To increase the levels of wind energy to 20.000 MW, solar energy to 3000 MW and geothermal energy to 600 MW
- Increase private sector's share in energy to 75 %
- Activate all thermal and hydro electric potential
- Continue oil and natural gas exploration
- Increase mine exports to 20 billion dollars
- Activate two nuclear plants and start the construction of another one

Within the framework of these targets, Turkish official circles announced new energy projects recently. One of them is a new underground natural gas pipeline from Israel to Europe and another one is a new oil transfer project between the Iraqi Administration and Turkey. These recent developments show that Turkey's energy diplomacy will have a full on schedule in the coming years.

4. Conclusion

Energy as one of the major requirements of human life on earth has been a serious aspect of international rivalry since the 20th century, particularly after the Industrial Revolution. And it seems it will still be the major rivalry issue in the international form in the 21st century, if not the most important one. Via their energy diplomacy practices, governments will compete on controlling and effectively utilizing energy reserves to maintain a sustainable, sufficient and secure energy flow.

However the limited and uneven distribution of world energy resources makes it difficult to meet the global demand. Policies for accessing and controlling the energy reserves create struggles, tensions, instabilities and even war. This makes the energy dependency aspect in national policies more delicate than ever. The continuation of significance of fossil resources in the future turns this into chronic illness of international relations.

Today, the EU, the Russian Federation, China, India and particularly the US are the major actors in international energy equation. And the major grounds for international energy rivalry are the Middle East, the Caspian Basin, Caucasia, Central Asia and Africa. The rivalry among these actors, and many others, on these limited regions made the formation of trans-regional multilateral interdependency energy schemes almost a must. Energy diplomacy is basically the cement for holding these schemes together.

Turkey's energy diplomacy had always given the strongest emphasis to the national values, i.e. energy reserves, potential. Ankara realized the importance and the burden of the energy imports after the 1973 Oil Crisis and understood that its national energy values would not be enough and

foreign energy import was inevitable. This situation had a constant pressure on Turkey's balance of payments, which led Ankara to diversify its energy inflow and develop alternatives, such as nuclear energy.

In addition to these diversification efforts, Turkey began to enjoy important advantages, which came to the fore after the 1990s with exploration of massive energy reserves in the Caspian Basin. Turkey's geographical proximity to this region became a serious asset for its energy diplomacy. With this asset Turkey could be one of the most prominent and secure energy corridors from west to east and north to south.

Yet such big aim is not free of international tensions. For being such a corridor Turkey needs to mediate the interests of energy producers, consumers and transporters, which is full of complications. On such a delicate issue, with the increased rivalry, there will always be multilateral and secret arrangements, which are also extremely complex. In short, in order to deal with these complexities Turkey's energy diplomacy should not even be multilateral but global.

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