**PARADİGMA** Vol./Issue:13/Special Issue

## İktisadi ve İdari Araştırmalar Dergisi/Journal of Economics and Management Research

ISSN: 2822-5570 https://dergipark.org.tr/tr/pub/paradigmaiiad

Türü/Type: Tartışma/Discussion Başvuru/Received: 02.08.2024 Kabul/Accepted: 03.10.2024

# Russia, Türkiye, Arctic: Connecting The Dots Of A Triangle<sup>1</sup>

Anton N. Sokolov<sup>2</sup>

#### Abstract

The current conflicting state of Russia's bilateral and multilateral relations with Western countries in the Arctic requires serious reflection beyond the usual narrative of Arctic exclusivity, and, we believe, adjustments to the usual goal-setting. Despite the cautious and very limited resumption of the activities of Russian colleagues in the expert groups of the Arctic Council, the general trend of Western military and political thought suggests confrontation, up to an open armed conflict, with Russia in the Arctic region, rather than a return to full-scale scientific, cultural, and political interaction. In this regard, rejecting the strategy of self-isolation as obviously losing, it is necessary to analyze the Arctic strategies of the countries of the "global South" in search of potential intersection points and prospects for not just interaction and the implementation of joint scientific or mining projects, but building a new international management system for the region.

Keywords: Russo-Turkish Relations, Arctic, Integration Projects

Jel Codes: F50, F53, F59.

# Rusya, Türkiye, Arktik: Bir Üçgenin Noktalarını Birleştirmek

#### Özet

Rusya'nın Arktik bölgesindeki Batılı ülkelerle olan ikili ve çok taraflı ilişkilerinin mevcut çatışmalı durumu, bölgenin ayrıcalıklı olduğuna dair olağan anlatının ötesinde bir düşünmeyi gerektiriyor ve bu nedenle hedef belirlemede alışılmış stratejilerde ayarlamalar yapılması gerektiğine inanıyoruz. Arktik Konseyi'nin uzman gruplarındaki Rus görevlilerin faaliyetlerinin temkinli ve sınırlı bir şekilde yeniden başlamasına rağmen, Batı askeri ve siyasi düşüncesinin genel eğilimi, Rusya ile Arktik bölgesinde tam ölçekli bilimsel, kültürel ve politik etkileşime bir geri dönüş yerine açık bir silahlı çatışmaya varabilecek bir meydan okumaya işaret etmektedir. Bu nedenle, açıkça kaybettiren bir strateji olan kendini dışlama yaklaşımını reddederek, "Küresel Güney" ülkelerinin Arctic stratejilerini analiz etmenin, yalnızca etkileşim ve ortak bilimsel veya madencilik projeleri gerçekleştirmekle kalmayıp, aynı zamanda bölge için yeni bir uluslararası yönetim sistemi inşa etme potansiyel kesişim noktalarını ve perspektiflerini araştırmanın gerekli olduğunu düşünmekteyiz.

Anahtar Kelimeler: Rus-Türk İlişkileri, Arktik, Entegrasyon Projeleri

Jel Kodları: F50, F53, F59

Statement of Research and Publication Ethics The study does not require an ethics committee decision

Author's Contributions to the Article

A.N.S. contributed solely to the design and implementation of the study, the analysis of the results and the writing of the text. The author's contribution to the article is 100%.

**Declaration of Interest** There is no conflict of interest/conflict between the author and third parties in the study.

Citiation: Sokolov, A.N. (2024). Russia, Türkiye, Arctic: connecting the Dots of a Triangle, Paradigma: Journal of Economics and Management Research, 13(Special Issue), 195-200.

<sup>&</sup>lt;sup>1</sup> This study is derived from the personal research project vaguely based on methods and approaches provided in 'Arctic Strategies'

<sup>&</sup>lt;sup>2</sup> MSc, Russian Gas Society, Saint-Petersburg/Russia, antsok@bk.ru, ORCID ID: 0000-0003-1872-4536

#### 1. Introduction

The Arctic region has long been a subject of fascination for numerous nations, owing to its multifaceted character, encompassing aspects of geopolitics, economics, military affairs, and sociocultural dynamics. This distinctive territory holds immense potential, rendering it of interest not only to the Arctic nations themselves but also to countries located geographically distant from this region.

The past decade has witnessed a surge in interest shown by non-Arctic nations in the presence of the Arctic. The motivations behind this interest vary. Some nations, such as India, perceive the Polar region as a critical factor influencing climate patterns and local hydrological cycles, thereby directly impacting food security. Others, such as China, aim to enhance their international visibility through integration projects like the "One Belt, One Road" initiative.

A third group perceives the Arctic as a promising area for business collaboration in fields such as maritime logistics and mineral extraction. The United Arab Emirates serves as a prominent example of this approach. Furthermore, certain countries, including the United Kingdom, prioritize addressing regional security concerns and their ramifications beyond the immediate boundaries of the Arctic region.

Strategic planning documents in the realms of global and national security, socio-economic development, and scientific and technological advancements serve as blueprints for each nation's strategic trajectory towards achieving sustainable growth, ensuring comprehensive security, and promoting harmonious engagement within the international community.

The Arctic Strategy constitutes a seminal document for both the Arctic states and observer countries, functioning as a comprehensive roadmap that meticulously delineates the key priorities and pathways for the evolution of this icy realm. The implementation of strategic initiatives and programmes within the Arctic realm is characterized by a convergence of shared objectives and intertwined interests among nations, epitomizing a concerted endeavor to unlock the full potential of this polar frontier.

#### 2. Brief Recap of Türkiye's International Aspirations

The most comprehensive analysis of state strategies in the Arctic region, at least within the Russian context, was conducted in 2020 by the Energy Centre at the SKOLKOVO Moscow School of Management. Interestingly, Türkiye was included in this analysis and was categorized along with several other countries from the Middle East, such as Qatar and Saudi Arabia (CKOJKOBO, 2020). While this categorization may be convenient, it raises questions about the motives behind Türkiye's engagement in the Arctic and the need for a fresh perspective, considering the passage of four years since the publication of the analysis (and six years since the beginning of the study).

The study singles out Professor Ahmet Davutoğlu, a former Prime Minister and Minister of Foreign Affairs of Türkiye, as a pivotal figure in the development of Türkiye's Arctic ambitions. In his groundbreaking work on Türkiye's foreign policy perspective, entitled "Strategic Depth: The International Position of Türkiye", Davutoğlu posits that the geopolitical shifts of the late twentieth and early twenty-first centuries, coupled with the rise of globalization, have foregrounded the issue of identity, which had been relatively overlooked during the Cold War period.

Davutoğlu maintains that Türkiye, having established itself as a nation-state at the onset of the twentieth century, ought to revisit its Ottoman heritage, which underlies the distinctive "strategic depth" inherent in its foreign policy approach. The depth of this responsibility imposes a set of geopolitical obligations on the nation. The development of a new foreign policy framework based on the country's historical and cultural heritage, coupled with its distinctive geographical position, acts as a driving force behind Türkiye's diplomatic initiatives, firmly establishing its status as a significant player in regional and global affairs.

Despite the fact that A. Davutoğlu's work does not explicitly address the Arctic region, it nevertheless identifies a wide range of Türkiye's regional interests. These include the Middle East, Balkans, Caucasus, Mediterranean, Caspian Sea, Central Asia, and Black Sea. Pursuing these interests requires a new strategic approach to Turkish foreign policy. This new approach implies Türkiye achieving foreign policy autonomy

Sokolov, A. N. 197

and abandoning its traditional role as a bridge between East and West. Such a shift would allow Ankara to function partly as an intermediary in realizing the interests of other states, as well as actualizing its cultural and historical potential not only at the regional but also at the global level.

The prevailing image of Türkiye on the international stage is currently more aspirational than factual, akin to the concept of the wheir of the Ottoman Empire» (or even wheo-Ottoman Empire», which reflects the ideas and policies pursued by its leadership. Indeed, modern-day Türkiye possesses substantial military, political, and geopolitical strengths within its own region, with ambitions to expand the scope of influence of its strategic interests. Ankara is pursuing a consistent strategy to establish itself as a major power on the global stage, aspiring to modernize Eurasia and extend the geographical reach of its geopolitical influence (Samsonov et al. 2020).

Furthermore, Türkiye is committed to actively participating in global energy forums such as the United Nations, the International Energy Agency, the International Energy Forum, the International Renewable Energy Agency, the International Atomic Energy Agency, G20, the Shanghai Cooperation Organisation, Asian Cooperation Dialogue, ASEAN, African Union, and the Organisation of the Black Sea Economic Cooperation.

Unlike other nations in the Middle East, Türkiye does not boast abundant hydrocarbon resources. However, it does possess a unique geopolitical advantage. As a result, promoting cooperative relations with energy exporting countries and leveraging its own transportation capabilities are key objectives in its energy strategy aimed at enhancing its energy security. Türkiye and Qatar have maintained close cooperation, providing support to each other in various areas.

This support became evident in Qatar's investments in the Turkish economy during the economic crisis of 2018. In turn, Türkiye supported Qatar during its standoff with Gulf countries, which imposed an economic blockade on a major LNG exporter. Additionally, Türkiye operates a sole foreign military base in Qatar based on an agreement signed in Ankara on November 10, 2016. This agreement, signed in 2014, formalized the establishment of the Turkish base in Qatar and further solidified their bilateral cooperation. Moreover, it is noteworthy that Türkiye has acquired S-400 missile systems from Russia despite facing pressure from NATO allies, which demonstrates Türkiye's determination to pursue an independent path in the region.

It is evident that the reader is now aware of the autonomous character of Turkish foreign policy, which aims to establish intricate mediation and facilitation relations not only with key regional and international actors, but also, fundamentally, with any country that can meet the critical requirements of the Turkish state, including financial, military, and energy-related needs. Let me delve into energy related issues in the following chapter.

# 3. Mutual drivers of Arctic cooperation for Russia and Türkiye

Türkiye, as one of the leading emerging economies, could be actively pursuing its interests in the Arctic region, driven by a strategic vision that recognizes the significance of this area as a potential reservoir of valuable energy resources, particularly in the form of oil and gas. Arctic coal, however, could also be a mineral of choice as soon as it is still a backbone of nowadays Türkiye's energy system. This ambition is rooted in the recognition of the Arctic's potential to become a crucial component of a nation's energy strategy, particularly for countries grappling with energy import dependencies.

In this regard Türkiye is a sound example of such a country. The energy sector in Türkiye is confronted with a multitude of critical issues that significantly impact the nation's economic and social landscape. One of the primary challenges is the substantial reliance on energy imports, particularly in the form of oil and natural gas. This dependency renders Türkiye susceptible to fluctuations in global market prices and political developments in supplier nations.

Furthermore, Türkiye's domestic energy resources are limited, with a focus on coal and hydroelectric power, rendering the country reliant on external sources for energy supply. The high costs associated with

electricity production, resulting from the expensive importation of energy resources and the construction of new power facilities, lead to exorbitant electricity rates for consumers.

Türkiye is also grappling with the issue of inefficient energy utilization, which results in substantial energy wastage and elevated production expenses. The process of electricity generation in Türkiye is accompanied by environmental contamination, particularly when coal and oil are employed, causing public health concerns and having a detrimental impact on the environment. The inadequate development of renewable energy resources, such as solar and wind power, hinders the country's capacity to transition towards cleaner and more environmentally friendly energy sources. Moreover, Türkiye requires enhancing its energy infrastructure, including transmission lines and distribution networks, to effectively distribute energy across the nation.

Heavy dependency on foreign supplies (as per IEA data energy imports account for about 20% of Türkiye's total imports in monetary terms [IEA, 2021]) to one degree or another, exacerbates the existing negative trends in the state's economy, namely:

- High youth unemployment, despite a steady decline in the overall unemployment rate (less than 10% as of 2023), among the young people it reaches almost twice as much; this creates social tensions and reduces economic activity, potentially leading to further economic stagnation.
- Double-digit inflation erodes the purchasing power of the population, further exacerbating stagnation and reducing the standard of living.
- Budget deficit is exacerbated by Türkiye's near-complete reliance on foreign energy sources, which are funded through external loans. This leads to an increasing external debt burden and dependence on foreign creditors, further complicating the economic landscape.
- Poor economic diversification leaves Türkiye vulnerable to external shocks, as the economy remains
  heavily reliant on sectors such as tourism and light industry, which hinders sustainable development
  and makes the economy susceptible to external influences.

Expanding economical and political ties with the circumpolar countries (Russia, the USA, Canada, Nordic countries) could definitely answer if not all then at least some of these challenges. Türkiye could potentially perceive the Arctic as an untapped goldmine for tourism development, capitalizing on the growing global interest in this enigmatic and underexplored region. Arctic tourism holds the promise not only of substantial economic benefits but also of serving as a platform to raise awareness about the environmental challenges inherent in the active development of this region.

Scientific exploration in the Arctic would definitely hold a prominent position in Türkiye's strategic vision, serving as a gateway to a deeper comprehension of intricate climatic mechanisms and their repercussions on the global ecological system, which assumes paramount significance for humanity as a whole.

Türkiye's engagement in international collaboration within the Arctic region is of substantial interest. Participation in initiatives and projects in this area contributes to fostering international relations and enhancing Türkiye's impact on the global stage.

Investment in infrastructure projects, such as the development of ports, airports, and other facilities, not only generates employment opportunities but also stimulates economic growth, a priority objective for the Turkish government. Moreover, the Arctic presents an ideal platform for testing and developing innovative technologies, particularly in sectors such as energy, transportation, and ecology. These advancements can benefit not only Türkiye but also contribute to the advancement of global science and technology.

Surprisingly, the impetus behind a potential Turkish strategy for the Arctic region resonates with the pressing challenges that Russia is addressing in this area. The disruptions to conventional technological supply chains have prompted a search for alternative technologies, investment opportunities, and new markets. Undoubtedly, this could significantly contribute to the region's economic growth and development.

Sokolov, A. N. 199

Innovative technologies can be harnessed to enhance the efficiency of natural resource extraction, resulting in increased profitability and the creation of employment opportunities. Foreign investment from partners can be channeled towards infrastructure development, further fostering economic prosperity. Strengthening trade ties with emerging markets would boost exports of goods and services, further bolstering the region's economic landscape.

Collaboration in the realm of scientific exploration enables us to delve deeper into the mysteries of the Arctic, potentially yielding groundbreaking discoveries and technological advancements. Collaborative research in areas such as climatology, geology, and biology, among others, will enhance our comprehension of the intricate processes occurring within the Arctic ecosystem, leading to the development of innovative methodologies for their study. This, in turn, may pave the way for the creation of novel technologies that would find application not only in the Arctic but also in various parts of the globe.

Ecological concerns, such as climate change and pollution, assume particular significance in the context of the Arctic region. Collaboration with other nations can contribute to addressing these issues through the sharing of expertise and technologies, as well as by fostering joint initiatives aimed at environmental conservation and pollution control measures. Collaboration with other nations can contribute to bolstering regional security, averting conflicts, and maintaining stability. This can be accomplished through the establishment of coordination mechanisms among various countries, conducting joint exercises, and sharing information.

Russia's global recognition can be augmented through collaboration with other nations wanting to join circumpolar activities. This will foster stronger relations with partners and enhance Russia's reputation on the global stage. Collaboration can contribute to developing new transportation routes, which could improve logistics and decrease transportation costs. This might be particularly significant for enhancing trade and tourism in the region. Arctic tourism can be fostered through collaboration with foreign countries. This could lead to economic expansion and the creation of fresh job opportunities, as well as attracting investment to the area.

And also, it should not be forgotten that the Turkish shipbuilding sector today possesses the requisite expertise to construct a diverse array of high-latitude and polar-class vessels, encompassing icebreakers, tankers, drill ships, support ships, search and rescue craft, fishing boats, seine vessels, crab catchers, floating power stations, floating docks, and cargo and passenger ferries. The portfolio of nearly every Turkish shipyard boasts a number of successful projects, particularly in collaboration with Norway, where they have delivered multifunctional vessels, vessels for offshore wind energy maintenance, dual-fuel tankers and ferries. Additionally, they have collaborated with Denmark on ferry projects and with Canada on the production of dual-fuel chemical tankers.

It is worth noting that Türkiye is actively fostering economic cooperation with a multitude of nations across the globe, encompassing the Scandinavian nations such as Sweden, Norway, Denmark, Finland, and Iceland, as well as the United States and Canada. These interactions have a rich history and encompass various facets of the economic landscape, including trade, investment, tourism, and other domains.

Türkiye serves as a crucial trading partner for these Scandinavian countries, the United States, and Canada. Its exports encompass a diverse range of commodities, including textiles, apparel, footwear, furniture, automotive products, electronic devices, and foodstuffs. Conversely, imports from these regions include machinery, equipment, chemical substances, metals, and other goods. Turkish enterprises are actively engaged in investments in the Scandinavian region, the United States, and Canada, establishing manufacturing facilities, sales branches, and service hubs in these locations. This trend contributes to the deepening of economic connections between these countries and Türkiye. Turkish tourism also contributes significantly to the development of economic relations with Scandinavian nations, the United States, and Canada. Visitors from these countries come to Türkiye to immerse themselves in its rich cultural heritage, historical landmarks, and natural wonders. Conversely, Turkish tourists travel to these destinations, fostering stronger economic ties. However, the current state of economic cooperation with polar regions presents several significant challenges.

Firstly, the geographical distance and harsh climate conditions complicate logistics and transportation, resulting in higher shipping costs and potentially reducing the competitiveness of Turkish products in the markets of polar countries. Secondly, divergences in economic paradigms and frameworks can pose challenges in establishing shared interests and finding common ground. The circumpolar nations often prioritize resource extraction and infrastructure development, which might not align with Türkiye's objectives of diversifying its economy and fostering service sector growth. Thirdly, cultural and linguistic disparities can also hinder effective collaboration.

In this context, the prospects for economic collaboration between Ankara and Moscow in the Arctic region are becoming more evident, given that Russia is Türkiye's primary economic partner and possesses substantial resources and potential for beneficial cooperation across various sectors such as energy, commerce, and tourism.

## 4. Possible challenges and clash points

Simultaneously, despite the substantial potential for Russian—Turkish collaboration in the advancement of Arctic exploration, it is important not to overlook the accumulated disagreements and mutual grievances between the two nations, whose historical relationship can be characterized by a plethora of adjectives but cannot be described as entirely trusting, harmonious, or benevolent. It is plausible to speculate on which actions on the part of Türkiye might serve as a source of frustration for the Russian leadership and, if not completely halt, then at least significantly hinder potential Arctic cooperation.

Firstly, it is evident that these are matters of energy cooperation. Considering Türkiye's aspiration, akin to that of any other prosperous nation, to ensure its own energy autonomy and security, and its widely publicized ambitions to become a pivotal energy hub in Europe, it becomes impossible not to speculate on Türkiye's potential plans to secure direct access to the Caspian gas market. Furthermore, it is worth pondering about the practical measures that the Turkish government could implement to divert energy resources and associated commodities transportation, bypassing Russia.

The issue of secondary sanctions imposed by the European Union (EU) and the United States is of equal importance in the context of increased monitoring and control by relevant regulatory authorities and services. Western nations are persistently seeking to exert such control over Russia's financial transactions with foreign partners, as well as over the circulation of sanctioned commodities, particularly exports of energy resources from Russia and parallel imports of crucial goods into Russia. Will Ankara's stance on the matter of exports and imports be revised, both officially and unofficially? And to what extent are Turkish businesses prepared to maintain and expand their trade and economic partnerships with Moscow under such circumstances?

Alleviating the apprehensions of the Russian political elite regarding these seemingly far-from-the-Arctic matters appears to be a promising starting point for initiating substantive cooperation between Russia and Türkiye in the Arctic region.

#### References

СКОЛКОВО (2020). Arctic strategies: energy, security, ecology and climate. Moscow School of Management. https://sk.skolkovo.ru/storage/file\_storage/6bf9fd0f-c490-4338-b280-8375412a78f1/SKOLKOVO\_EneC\_RU\_Arctic\_Vol1.pdf?\_gl=1\*1reklys\*\_ga\*MTk5NTc3OTE4 OS4xNzIxNzcxMjY1\*\_ga\_ZV5KMBPMNL\*MTcyMjE3MzY4MS4yLjAuMTcyMjE3MzY4Mi 41OS4wLjA.

IEA (2021), Türkiye 2021 Energy Policy Review. https://www.iea.org/reports/Türkiye-2021