

TURKEY'S FOREIGN POLICY TOWARDS THE RUSSIAN FEDERATION

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ÖZET

'Türkiye'nin Rusya Federasyonu'na Dönük Dış Politikası' adlı makale Türk dış politikasının Soğuk Savaş sonrasında Rusya ile ilgili geçirmiş olduğu değişimi ele alıyor. Yazar çalışmanın ilk bölümlerinde her iki ülkenin Avrasya bölgesi içindeki yerlerini ve bölgesel politikalarını inceliyor. Daha sonra ise tarafların ne derece birbirlerine rakip oldukları konusuna değiniliyor. Örneklerle konu detaylandırılırken enerji politikalarına özel bir önem veriliyor. Ekonomik ilişkiler de çalışmada geniş yer verilen bir diğer alan. Çalışmanın sonuç kısmında ise hükümetler arasında iletişim ve koordinasyon sorununun yaşandığı, ancak işbirliği alanlarının da mevcut olduğu ifade ediliyor.

Anahtar Kelimeler: *Bakü-Ceyhan Boru Hattı, Güvenlik, Hazar Denizi Petrolleri, Kafkaslar, Orta Asya, Rusya, , Türk-Rus İlişkileri, Türkiye*

Key Words: *Baku-Ceyhan Pipeline, Caspian Oil, Caucasus, Central Asia, Russia, Security, Turkey, Turkish-Russian Relations*

INTRODUCTION

The collapse of the Soviet Union and the end of the bipolar world affected almost all states' foreign policies. States were affected with the end of the Cold War in different degrees. States' geographical position, their political roles during the Cold War and regional changes as a result of the dissolution of the Warsaw Pact were the factors indicated the degree of impact of the end of the Cold War on each state. With its membership of the NATO and its border with the Soviet Union, Turkey played an important role during the Cold War for Western security. For this reasons the end of the Cold War particularly affected Turkish foreign policy and Turkey's relations with the neighbors. First of all, Turkey found itself surrounded by the new independent states. Second, instability became the main theme in Turkey's neighboring regions. Regional conflicts started in the Caucasus and the Balkans and Turkish foreign policy makers had a difficulty to isolate Turkey from these conflicts.

During the Cold War era, the perception of the Soviet threat was one of the main themes in Turkish foreign policy. As a NATO member Turkey was a bulwark against Soviet Bloc and Turkey and its Western allies shared the same security concerns regarding the Soviet Union. However, with the end of the Cold War strategic parameters changed for Turkey and as well as for its Western allies. Russia as a successor of the Soviet Union entered the world politics as a 'new' actor. The Russian Federation has 60 percent of the population and 76 percent of the territory of the former Soviet Union and Russia is still one of the key states in post-Cold War world politics.¹ Turkey had new neighbors in its Caucasus border and competed with Russia for the influence to the newly independent states of the region. Another area of competition between Turkey and Russia was for the transportation of Caspian energy resources to the world market. Turkish foreign policy makers were concerned about Russian military presence in the Caucasus and Russian demand for the changes in the Conventional Forces in Europe Treaty (CFE). Unlike in the Cold War era, Turkey's concerns about the Russian military presence in the Caucasus have not been shared to the same degree by the West, as is evident in the West's compromise with Russia over the amendment of the CFE treaty. Turkey had to confront Russia with its regional policy, which had to be different from the policies of the Cold War era.

We here evaluate Turkey's foreign policy towards Russian Federation in the context of Turkey's post-Cold War regional policy. Since Russian foreign policy towards Eurasia has also implications on Turkey's foreign policy and Turkey's relations with the newly independent states of the Caucasus and Central Asia, Russian foreign policy will also be assessed. Turkey and Russia came face to face in the Caucasus, where ethnic tensions created instability. Turkey had to take Russia into account when implementing its foreign policy towards the region, particularly because of the Russian military presence in the Caucasus and Central Asia. Instability in the region and existing ethnic conflicts meant that those conflicting interests could create a danger of military confrontation. Both Turkey and Russia's policies towards the ethnic conflicts in the Caucasus and these conflicts' impact on Turkish-Russian relations will also be analyzed. Turkish-Russian competition for the control of the energy resources of the Caspian will be evaluated in the context of the politics of energy. Energy resources will also be considered for potential area of cooperation between Turkey and Russia, as it will be discussed with the strategic implications of the Blue Stream project.

Since Russia is the main actor, politically as well as militarily in the Caucasus and Central Asia, developments in Turkish-Russian relations have implications for

¹ Alexei G. Arbatov, 'Russia's Foreign Policy Alternatives', *International Security*, Vol. 18, No. 2, Fall, 1993, p. 6.

the regional balance of power, as well as for Turkey's foreign policy in the region. During the Cold War, the relations were hostage of the global competition. With the end of the Cold War, Turkish-Russian relations became important for both states in the regional context. In the post-Cold War period, Russia became the most important state, whether as a partner of or a competitor with Turkey, in the Caucasus and Central Asia. Unlike Turkey, Russia had experience and knowledge of the political and economic characteristics of the region, which gave advantage for Russia in regional context. However, Russia had also disadvantages. First, it carried the burden of the former Soviet Union in both economic and political terms. Russia faced political turmoil and identity crisis in the first five years of the establishment of the Russian Federation. Second, the Russian Federation confronted the secessionist demand of Chechnya, which created danger of breaking up of the Russian Federation.

We argue that despite the ongoing political rivalry for regional domination between Turkey and Russia, economic relations might help to transform the historically uneasy relations into a mutually beneficial one. However, we acknowledge the fact that the divergence of interests in the Caucasus creates difficulties for both states' foreign policy makers.

1. TURKEY'S ROLE IN EURASIA

The regions of the Caucasus and Central Asia provided new opportunities for Turkish foreign policy. The newly independent republics five of which Turkic, entered international politics. Turkey had a chance to become a model of development for the new states. Turkey had also expectations in its relations with the Turkic republics. Turkish foreign policy makers thought that Turkey's role in the Caucasus and Central Asia would increase Turkey's strategic importance for the West. There was an impression that Turkey's strategic value for the West might be diminished with the collapse of the Soviet Union.² Turkey's regional initiatives might provide Turkey new opportunities and new areas of cooperation with its Western allies. Post Cold War international environment also increased the role of the regional powers,

² See Kemal H. Karpat, 'Turkish Foreign Policy: Some Introductory Remarks', Kemal H. Karpat (ed.), *Turkish Foreign Policy: Recent Developments*, (Wisconsin: Madison, 1996, p. 2). Graham E. Fuller and Ian O. Lesser (eds.), *Turkey's New Geopolitics from the Balkans to Western China*, (Boulder: Westview Press, 1993), p. viii. Shireen Hunter, 'Azerbaijan: Search for Identity and New Partners', Ian Bremmer and Ray Taras (eds.), *Nations and Politics in the Soviet Successor States*, (Cambridge: Cambridge University Press, 1994), p. 243. Shireen Hunter, 'Turkey's Difficult Foreign Policy Options', *Middle East International*, 17 May 1991. Bruce R. Kuniholm, 'Turkey and the West Since World War II', Vojtech Mastny and R. Craig Nation (eds.), *Turkey Between East and West, New Challenges for a Rising Regional Power*, (Boulder: Westview Press), 1996, p. 61.

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since regional crises occurred quite often in which regional powers played significant role as mediators or one of the direct or indirect parties of the crises. With the end of the bipolar world order, the possibility of emergence of new and more autonomous regional systems was increased. Turkey's military power, large population, and relative industrialization equipped it to play an active role in regional politics and thereby retain its strategic value for the West.³ With the disintegration of the Soviet Union, Turkey was surrounded by weaker states, thus reducing its security concerns. In contrast to its comparatively fixed role during the bipolar rivalry of the Cold War, Turkey found much greater space to maneuver. Of the regional groupings adjacent to Turkey, it can be argued that the Caucasus and Central Asia was the most important in reshaping post-Cold War Turkish foreign policy. In these regions main competitor of Turkey was the Russian Federation. As a successor of the Soviet Union, Russia had experience and instruments for control and influence to the new states of the region. Except for Kyrgyzstan, all the Turkic republics' presidents were former Communist politburo members. Russia continued its special ties with them through the ruling elite of the new republics. Since their economies had been developed to complement each other, there was an economic interdependence between Russia and the Caucasian and Central Asian republics. Moreover, Russia's military presence provided security linkages between them. In the regional competition between Turkey and Russia, particularly after 1992, Russia inclined to use its military influence and to exploit regional crises for its favor. As a regional power Russia wanted to exclude the influence of the non-regional actors in regional affairs. Turkey's foreign policy, however, cannot be regarded as typical of a regional power, insofar as regional powers would be expected to exclude a major power and challenge a non-regional actor's role in the region. However, Turkey's regional role did not exclude the US. On the contrary, the Turkish government sought active US support for its policy in the Caucasus, Central Asia, the Balkans and the Middle East. Even in the course of a regional crisis, the Turkish government tried to find solutions through international negotiations, involving major powers rather than act unilaterally, as evidence of its role during the Armenia-Azerbaijan conflict, which will be discuss below.

Turkey's foreign policy towards Russia was shaped partly in the context of the general discussion about how Turkey's regional policy should be in post-Cold War era. During the Cold War years Turkey avoided playing a role in regional politics. It can also be argued that bipolar world order prevented regional actors to act independently, since the two poles controlled their allies. However, Turkey's hesitation to involve in regional affairs was based on its traditional foreign policy in which

³ See Graham E. Fuller, and Arquilla J, 'The Intractable Problem of Regional Power', *Orbis*, Fall, 1996, pp. 609-621.

regional initiatives was considered as adventurism. For this reason, Turkish foreign policy makers were initially hesitant to change foreign policy regardless of changes in the international environment. However, changes in the external environment were so great that they could not be ignored. Turkish foreign policy makers recognized that its foreign policy did not serve Turkey's national interest anymore and, as a consequence, change in foreign policy was inevitable. In addition, domestic pressures for change also emerged. Despite Turkey's strong bureaucracy, with its commitment to traditional foreign policy and initial resistance to any alteration of foreign policy, Turkish foreign policy did change. Turkey initiated regional co-operation projects, played an active role in the Gulf War and presented itself as leader and the model of development for the Turkic Republics. Change and the restructuring of foreign policy is not an easy process, insofar as different factors (including international environment, domestic structure of the state, ideology, the strength of bureaucracy, public opinion) had to be taken into account.⁴ Turkey adapted its foreign policy because of the post-Cold War international environment and demand for change arising from the domestic environment. Therefore Turkey had the will to compete with other regional powers.

In the post-Cold War era, relations between the US and its allies changed and regional politics gained importance. Regional conflicts in neighboring regions raised serious questions, among Turkish foreign policy makers about stability and security in the post-Cold War world. In Turkey, it was understood that, particularly, regarding the Caucasus, Turkey's and its European allies' security interests no longer converged in the post-Cold War era. Turkish foreign policy makers understood that Turkey had to engage in regional politics in order to protect its interests.

Turkey had strategic, political, security and economic interests in Eurasia. Turkey was concerned about the instability in its neighboring region. The Nagorno-Karabakh conflict between Azerbaijan and Armenia, conflict between Georgians and Abkhazians and the conflict in Chechnya created security concerns in Turkey. Strategically Turkish foreign policy makers realized that to protect Turkey's regional interests Turkey should compete with other regional power, particularly with Russia in the

⁴ See Kal J. Holsti (ed.), *Why Nations Realign: Foreign Policy Restructuring In The Postwar World*, (London: George Allen and Unwin, 1982). Kal J. Holsti, *Change in the International System*, (Vermont: Edward Elgar, 1991). Kjell Goldmann, *Change And Stability In Foreign Policy*, (New Jersey: Princeton University Press, 1988). Lloyd Jensen, *Explaining Foreign Policy*, (New Jersey: Prentice-Hall, 1982). Jerel Rosati, Joe D. Hagan and Martin W. Sampson III (ed.), *Foreign Policy Restructuring: How Governments Respond to Global Change*, (University of South Carolina Press, 1994). Peter Katzenstein, 'International Relations and Domestic Structures: Foreign Economic Policies of Advanced Industrialised States', *International Organisation*, Vol. 30, Winter, 1976, pp. 1-45. Walter Carlsnaes, *Ideology and Foreign Policy*, (New York: Basil Blackwell, 1986). Joe D. Hagan, 'Domestic Regime Changes and Foreign Policy Restructuring in Western Europe: A Conceptual Framework and Initial Empirical Analysis', *Cooperation and Conflict*, XXIV, 1989, pp. 141-162.

region. One of the most important regional interests was the economic interest, particularly, regarding the control of the transportation of rich Caspian resources to the world markets. In these areas divergence of Turkish and Russian interests was obvious and competition between the two regional powers was imminent.

2. RUSSIA'S ROLE IN EURASIA AND DEBATE ABOUT THE RUSSIAN FOREIGN POLICY

After the collapse of the Soviet Union, the Russian Federation was established. Debate started about the identity of the Russian Federation and the direction of Russia's foreign policy. Russia had never existed before as a nation state. The Soviet Union was a multinational empire and its foreign policy agenda was designed accordingly. The foreign policy of the Russian Federation had to be different than the Soviet Union. The question was raised about the direction of Russia's foreign policy, which linked with the discussions about Russia's identity and Russia's role in the former Soviet territories. Identity debate focused on whether Russia was a part of the West or a Eurasian state and whether the West or Eurasia should be given priority in the Russian foreign policy.⁵ Discussions about Russian foreign policy produced two main groups: Atlanticists and Eurasianists. Atlanticists considered Russia as a Western nation and according to them cooperation with the Western states would help Russia to absorb Western values, including democracy and human rights. Atlanticists believed that Russia must avoid assuming a leading role in the Commonwealth of Independent States (CIS). Russia's active role in the CIS would slow down Russia's integration with Western economic institutions.⁶ According to the Atlanticists, there were two components of Russia's security system: firstly, the establishment of close relations with the United States and Europe through disarmament and a global collective security system and, secondly, the collective CIS security system in which Russia would be a guarantor and dominant player. The CIS collective security would be a part of a global security system.⁷ In terms of conflict resolution, Atlanticists preferred to rely on international organizations like the UN

⁵ Graham E. Fuller, 'Russia and Central Asia: Federation or Fault Line?' Michael Mandelbaum (ed.), *Central Asia and the World*, (New York: Council on Foreign Relations Books, 1994), pp. 99-111. Renee D. Nevers, *Russia's Strategic Renovation*, Adelphi Paper, 289, (London: The International Institute for Strategic Studies, 1994), p. 6. For Russian Identity, see Gregory Guroff and Alexander Guroff, 'The Paradox of Russian National Identity', Szporluk Roman (ed.), *National Identity and Ethnicity in Russia and the New States of Eurasia*, (London: New York: M.E. Sharpe, 1994), pp. 78-100.

⁶ Robert H. Donaldson and Joseph L. Noguee, *The Foreign Policy Of Russia Changing Systems and Enduring Interests*, (London and New York: M.E. Sharpe, 1998), pp. 112-113.

⁷ Mohiaddin Meshabi, 'Russian Foreign Policy and Security in Central Asia and the Caucasus', *Central Asian Survey*, Vol. 12, No. 2. 1993, pp. 182-184

and the CSCE.⁸ Russian Foreign Minister Kozyrev and Deputy Prime Minister Gaidar were the main supporters of Atlanticist foreign policy, which dominated the Russian Federation until the end of the 1992. Kozyrev's foreign policy aimed to liberate the Russian Federation from the burdens of the empire and to make Russia a part of community of democratic states. In that period, Russia's administration was concerned with transforming of the Russian economy into a genuine market and to integrate Russia with the Western system. As a result, Russia showed a lack of interest in its relations with the new Caucasian and Central Asian republics.⁹ And thus, Turkey's intensive diplomatic activities towards the Turkic states of the Caucasus and Central Asia were not challenged by Russia. Despite this, Russia continued to play a role in Eurasia and wanted to keep its military presence there.

Eurasianists also emerged as a group, which criticized Atlanticist view and they emphasized Russia's distinctive identity from the West. Ex-Presidential advisor Sergei Stankevich stated that Russia has a mission to serve as a bridge between Western and Eastern civilizations. Russia should defend the Russian population and the Russian heritage in the former Soviet republics from discrimination and attack.¹⁰ The ex-Foreign Minister, Kozyrev, was criticized by Eurasianists for paying too much attention to the West and ignoring the Caucasus and Central Asia.¹¹ The increasing economic and social problems of Russia and limited Western support to help modernize the Russian economy made Atlanticists unpopular.¹²

The Eurasianist approach affected Russia's foreign policy after 1992, and produced the policy of 'Near Abroad' (*blizhnee zarubezhe*) promoting Russia's relations with the CIS states. Eurasianists believed that the security of Russia and its 'Near Abroad' was inseparable and Russia should not ignore the Caucasus and Central Asia.¹³ As an indication of the change in Russian foreign policy, the 'foreign policy concept' was introduced in 1993, which emphasized actual and potential conflicts of interests with the West and envisaged a more active role for Russia in security and economic affairs in the 'Near Abroad'.¹⁴

⁸ *Ibid*, p. 186

⁹ For example, Foreign Minister Kozyrev first visited Central Asia in April 1992, by which time US Secretary of State James Baker had already been there three times on official visits. See, Graham E. Fuller, 'Russia and Central Asia...' pp. 125-127.

¹⁰ Robert H. Donaldson and Joseph L. Noguee, *The Foreign Policy Of Russia Changing Systems and Enduring Interests*, (London and New York: M.E. Sharpe, 1998), pp. 114.

¹¹ Neil Malcolm, 'The New Russian Foreign Policy', *The World Today*, February 1994, p. 29.

¹² Renee D. Nevers, *Russia's Strategic...*, p. 25.

¹³ Roy Allison, *Military Forces in the Soviet Successor States*, Adelphi Paper, 280, (London: The International Institute for Strategic Studies, 1993), p. 46. See also A. Kortunov, 'Russia, the 'Near Abroad', and the West', G. Lapidus (ed.), *The New Russia: Troubled Transformation*, (Boulder: Westview, 1995), pp. 157-160

¹⁴ Neil Malcolm, 'The New Russian...', p. 31. See also Oleg Kovalev, *Foreign Policy Belief Systems of Post Soviet Russian Elites*, unpublished Ph.D. thesis, University Of Delaware, Summer 1996, pp. 158-222.

There were several factors, which changed Russian foreign policy. The Soviet Union had used its superpower status to bolster domestic support for the regime. Russia laid claims to the status of the former Soviet Union and sought international recognition to gain domestic support for the new regime and to build a new sense of national identity and strength. Russian foreign policy makers thought that Russia should not be discounted as a powerful actor because of its economic problems, and that Russia should not play the role of a junior partner to the West.¹⁵ As a Eurasian power, Russia had strategic interests in the Caucasus and Central Asia. According to the Russian military, defense of the southern borders of the CIS is crucial for the defense of Russia. Russia's economic ties with the Caucasian and Central Asian states forced Russia to be interested in these regions. Russia wanted to ensure access to natural resources, especially oil and gas in the region. Since Russia has difficulty in finding markets for its low quality products, the Caucasian and Central Asian markets are important for Russia's economy.¹⁶ The Russian government was also worried about the rise of strong nationalist movements in these regions, since the substantial number of Russians lives in the former Soviet republics.¹⁷

Russian foreign policies' Eurasianist orientation had direct implications on Turkish-Russian relations. As we will discuss below, the regional conflicts were the main phenomenon in post-Cold War Caucasus. Followed with Eurasianist strategy, Russia tried to re-install its domination in the region. Ethnic problems in the newly independent states of the former Soviet Union were exploited by Russia, which had skillful to use regional conflicts for its benefit. Russian policy to strengthen ties within the CIS challenged Turkey's aim to develop special relations with the Turkic republics.

In 2000 Putin became President of Russian Federation and Russia continued to follow active foreign policy in Eurasia. Although Putin's foreign policy has many similarities with Eurasianist approach, it is difficult to put Putin's foreign policy in one category. On the one hand, as Eurasianists suggested, Putin strengthened Russia's ties with the former Soviet Republics of the Caucasus and Central Asia. Putin was hardliner in terms of Russia's struggle in Chechnya and Russian military

¹⁵ Suzanne Crow, 'Why Has Russian Foreign Policy Changed?', *RFE/RL Research Report*, 1994, pp. 2-4

¹⁶ See Karen Dawisha and Bruce Parrott, *Russia and the New States of Eurasia*, (Cambridge: Cambridge University Press, 1994), pp. 186-192. See Rajan Menon, 'After Empire: Russia and the Southern 'Near Abroad'', Michael Mandelbaum (ed.), *The New Russian Foreign Policy*, (New York: The Council on Foreign Relations, 1998), pp. 107-114. Alvin Z. Rubinstein, 'The Geopolitical pull on Russia', *Orbis*, Fall, 1994, pp. 567-583.

¹⁷ 10 million Russians lived in Central Asia. Although they are relatively small in numbers other countries (in Turkmenistan 9.5 %, Uzbekistan 8.4 %, Tajikistan 7.6 %, Kyrgyzstan 21.5 % and Azerbaijan 5.6 % of the total population), in Kazakhstan, ethnic Russians constitute 37.8 % of the total population. Renee D. Nevers, *Russia's Strategic...*, p. 29.

presence in Armenia. Putin visited Armenia in September 2001 and this visit cemented the Russian military presence there.¹⁸ On the other hand, Putin tried to develop Russia's relations with Europe and the US. Turkey's relations with Russia also showed sign of improvement. As it will be discussed below, Turkey and Russia competed for regional influence and control over the transportation of Caspian oil. During 2001 Russia indicated that it would not object Baku-Ceyhan oil pipeline. Turkish and Russian Foreign Ministers met in New York in November 2001 and the action plan, which envisaged cooperation in political and economic field and against terrorism, was accepted.¹⁹

Russia's support of the US's actions against terrorism and international environment after 11th of September terrorist attacks gave Russia freehand in Chechnya. However, the terrorist attacks and following US operations in the Caucasus and Central Asia resulted in increase of the US influence in the region. For example, the US soldiers stationed in Georgia and Uzbekistan.²⁰

3. THE TWO REGIONAL POWERS FACE TO FACE IN EURASIA

During the Cold War, Russian military presence in the Caucasus had been perceived as a threat by Turkey. So Turkey had deployed a large amount of troops in eastern part of the country. With the end of the Cold War, it was thought that Russian military presence on the Turkish border and the Caucasus would be reduced if not diminished.²¹

The shift in the Russian foreign policy and Russia's relations with the CIS countries opened an area of competition between Turkey and Russia. Russia's 'Near Abroad' policy and its desire to deploy more troops in the Caucasus were perceived as a military threat to Turkey.²² There were three regional conflicts in the Caucasus in which the divergence of interests between Turkey and Russia was seen clearly and served to illuminate the dilemmas that Turkey faced in its foreign policy, particularly with regard to the principle of non-involvement in regional conflicts. Changes and

¹⁸ Vladimir Socor, 'Armenia's Reliance on Russia Increase After Putin's Visit', *Jamestown Foundation Monitor*, Vol. VII, Issue 171, 19 September 2001. Kamer Kasım, 'Armenia's Foreign Policy: Basic Parameters of the Ter-Petrosian and Kocharian Era', *Review of Armenian Studies*, Vol. 1, Issue 1, 2002, pp. 90-104.

¹⁹ 'Russian and Turkish Diplomats Sign Cooperation Deal', *BBC Monitoring Service*, 16 November 2001.

²⁰ Jean Christophe Peuch, 'Caucasus: Russia To Reluctantly Agree To US Military In Georgia', *RFERL*, 28 February 2002. Ewen MacAskill, 'From Suez To Pacific, The US Expands Its Presence Across Globe', *The Guardian*, 8 March 2002. Kamer Kasım, '11 Eylül Terör Eylemlerinin Rusya'nın Kafkasya Politikasına Etkisi', *Selçuk Üniversitesi Hukuk Fakültesi Dergisi*, Cilt: 9, Sayı: 3-4, 2001 sf. 53-65.

²¹ 'Turk-Rus Askeri Dengesi', *Türk Silahlı Kuvvetler Dergisi*, Vol. 14, 1995, p. 18.

²² During the Cold War era, the Russian military presence on the border of Turkey was used by the Turkish governments as a symbol of the threat of Russian invasion.

fluctuations in the Russian foreign policy also affected Turkish-Russian relations. Russian policy towards the Nagorno-Karabakh conflict, Georgian-Abkhazian and Chechen conflicts particularly impacted on Turkey's policy towards Russia. Unstable situation in Eurasia provided Russia with a means of influence in regional affairs. Post-independence ethnic conflicts emerged which posed a direct threat to Turkey's security and with limited knowledge of politics and ethnic structures in the Caucasus, Turkish foreign policy makers did not have a clear strategy. As we mentioned above, the predictability of the Cold War world had harmonized with the common interests of Turkey and its Western allies regarding the former Soviet Union.²³ However, in the post-Cold War era, the Turkish government concluded that it had to act alone in dealing with Russia and the unstable Caucasus. Although Turkey avoided entering any regional disputes, even before the Soviet Union disintegrated the Turkish government came under pressure to interfere in the disputes between Azerbaijan and the Armenia. With the end of the Cold War, it became very difficult to isolate Turkey from the regional crises, which was used by regional powers to dominate the region or prevent domination of other regional powers.

4. REGIONAL CRISES AND COMPETITION FOR REGIONAL DOMINATION

Regional crises and their destabilizing effects played an important role in Turkey's foreign policy towards the Russian Federation. As we mentioned above there were three regional conflicts in Eurasia and the two of which were used by Russia to restore its domination and to influence to the newly independent republics of the region. The Nagorno-Karabakh conflict, conflict between Georgians and Abkhazians provided opportunity for Russia to influence on Azerbaijan, Georgia and Armenia. These conflicts made the three Caucasian republics vulnerable to the Russian influence, since the conflicts were threatened their domestic stability and in the case of Azerbaijan and Georgia, the conflicts posed danger for their territorial integrity. The politics of the Caucasus was new for Turkish foreign policy makers and as we mentioned above Turkey had lack of knowledge about the region, which was its disadvantages compared with Russia. Turkish foreign policy makers gave priority to Turkey's relations with the Turkic Republics, which were former Soviet Republics. Among the Turkic Republics, Azerbaijan has special importance with its geographical closeness to Turkey. Turkey's relations with Russia were also important for Turkish foreign policy. As we will discuss below Russia became an important economic partner for Turkey and Turkey also became a very important market

²³ See Graham E. Fuller, 'Turkey's New Eastern...', pp. 86-91 Gareth M. Winrow, *Turkey in the post-Soviet Central Asia*, (London: Royal Institute of International Affairs, 1995), pp. 42-44.

for Russian natural gas. Nevertheless, the two regional powers' national interests were diverged in the Caucasus, which led to the competition between Turkey and the Russian Federation. As a successor of the Soviet Union, Russia wanted to continue its influence on the new republics through the structure of the CIS. Russia also asked for continuation of its military presence in the new Republics. Turkey also had growing influence in the Caucasus and Central Asia where became central position in Turkey's post-Cold War regional policy. Turkey and Russia came face to face with diverging interests towards the regional conflicts, which had roots from the Soviet era. We here will not go through the details of the three regional conflicts. We will analyze Turkish and Russian positions towards the conflicts in order to understand their effects on Turkish-Russian relations and particularly the making of Turkey's foreign policy towards Russia.

The Nagorno-Karabakh conflict was started before the disintegration of the Soviet Union in 1988. The conflict transformed from inter-state conflict to the one between states after the collapse of the Soviet Union. It started with the demand of Armenians living in the Nagorno-Karabakh, which was under the control of Azerbaijan, to be put under the jurisdiction of Armenia. In 1991, Azerbaijan, Armenia and even Armenians revolted in Nagorno-Karabakh declared their independence. Turkey's policy towards the conflict during the Soviet era was to consider it as a domestic issue of the Soviet Union. However, there were street demonstrations demanding Turkish government to support Azerbaijan. After the collapse of the Soviet Union, the Nagorno-Karabakh conflict became the source of regional crisis. Predictably, the conflict affected Turkey's relations with Russia. The main reason for this was that Turkey and Russia directly or indirectly supported the different sides in the conflict. Russia had historical ties with Armenia and after the independence; Armenia became a member of the CIS. Russia had military stations in Armenia. On the other hand, with Elcibey's Presidency Azerbaijan rejected to be a member of the CIS and Azerbaijan also rejected Russian military presence in its territory.²⁴ In that atmosphere Russia supported Armenia and there was even allegations that Russian regiment of 366 participated the Khojaly massacre in which 1000 Azerbaijani civilian were killed.²⁵ Turkey had developed special ties with Azerbaijan and Azerbaijan's territorial integrity was important for Turkey's strategic role in the region. Therefore Turkey used all diplomatic channels to stop the Armenian occupation of Azerbaijan. Turkey and Russia's diverging regional interests

²⁴ W.W. Maggs, 'Armenia and Azerbaijan: Looking Toward the Middle East', *Current History Journal*, Vol. 92, No. 570, 1995, p. 8.

²⁵ For Khojaly massacre see *The New York Times*, 'Massacre by Armenians', 3 March 1992. Thomas Goltz, 'Armenian Soldiers Massacre Hundreds Of Fleeing Families', *The Sunday Times*, 1 March 1992. *The Washington Times*, 'Armenian Raid Leaves Azeris Dead Or Fleeing', 2 March 1992. See also Kamer Kasım, 'The Nagorno-Karabakh Conflict From Its Inception To The Peace Process', *Armenian Studies/Ermeni Araştırmaları*, Issue 2, June-July-August, 2001, pp. 173-174.

created tension between the two states and even the possibility of military confrontation was emerged. Turkish-Russian relations were deteriorated when the Armenian forces attacked Nakhichevan, an autonomous region of Azerbaijan. To protect Nakhichevan from the Armenian occupation, the possibility of military intervention was discussed in Turkey. The Commander of the CIS Joint Armed Forces Marshal Shaposhnikov warned that 'Turkey's intervention could create a Third World War.'²⁶ Russia and Armenia had the participant of the Tashkent Collective Security Treaty, according to which

"If one of the participating states is subjected to aggression by any state or group of states, this will be perceived as aggression against all participating states to the Treaty."²⁷

This article four of the treaty meant that confrontation between Turkey and Armenia might lead to confrontation between Turkey and Russia. Since the Armenian militias stopped attacking Nakhichevan, the Nakhichevan crisis ended without serious consequences. The Nakhichevan crisis indicated the dangerous pattern of post-Cold War regional conflicts. Russia had the ability to use the former Soviet republics against each other as well as to intervene the domestic affairs of the new independent states. During Elcibey's presidency Russia supported the Armenian forces in the conflict. Moreover, Russia played a role in the coup, which overthrown Elcibey. After Elcibey was ousted from power, Aliyev became President of Azerbaijan and Azerbaijan accepted the membership of the CIS.²⁸ In 1994, after the cease-fire of the Nagorno-Karabakh conflict, the peace process had started. Afterwards the Russian policy towards the Nagorno-Karabakh problem was close to being impartial. In fact, in 1996 summit of the OSCE (Organization for Security and Cooperation in Europe) Russia supported the resolution, which was based on the territorial integrity of Azerbaijan.²⁹

Russia's special ties with Armenia and Turkey's partnership with Azerbaijan indicated the parts of the opposing regional bloc. As we discuss below Turkey also managed to establish special ties with Georgia, which also became one of the parties of regional bloc. As was evident in the Nagorno-Karabakh problem, regional crisis instigated the diversion and the competition was fastened between Turkey and Russia. First we will briefly deal with the two other regional conflicts, which in some way affected Turkish-Russian relations and then we will analyze the basic motives and changing patterns of Turkish and Russian policies in the region.

²⁶ Amberin Zaman, 'Azerbaijan Looks To Ankara', *The Middle East*, No. 213, July 1992, P. 8.

²⁷ *FBIS-SOV*, 26 May 1992, P. 37.

²⁸ Thomas Goltz, 'Letter From Eurasia: The Hidden Russian Hand', *Foreign Policy*, No. 92, Fall, 1993, p. 95-97.

²⁹ Kasim, 'The Nagorno-Karabakh Conflict...', pp. 180-181.

Another conflict in which Russia showed its ability to use internal dispute in regional/states in order to exert its influence and to keep its military presence in newly independent states, was the conflict between Georgians and Abkhazians. Georgia is an important state for Turkey in the two main reasons. First, since Turkey's relations with Armenia are not good, Georgia is the gateway for Turkey to Central Asia. Second, Georgia is on the way to the Baku-Ceyhan oil pipeline, which is a key project in Turkey's energy policy. Following its independence, Georgia faced ethnic turmoil. There were diverse minority groups in Georgia, such as Abkhazians, Ossetians, Armenians and Azerbaijanis. Among them Abkhazians had autonomous republic and the most serious dispute, which led to the conflict, erupted between Georgians and Abkhazians. Ossetians also wanted to unite with North Ossetia and become part of Russia. Having used Abkhazians and Ossetians, Russia had the chance to meddle Georgia. After Ossetians' declaration of sovereignty, Georgian Parliament abolished Ossetia's autonomous status. 100,000 people became refugee as a result of the Fighting in Ossetia. In 1992 a Russian-Georgian-Ossetian peacekeeping force was created in South Ossetia.³⁰ Crisis gave Russia a chance to intervene the internal affair of Georgia. It might be argued that unification of south and north Ossetia was not Russia's interest. Therefore Russia benefited from the crisis, but it did not also want Ossetians to reach their final objective. However, Russia's interest was different aspect in the case of the Abkhazian conflict, which much more serious than Ossetian one and posed real danger for the Georgia's territorial integrity.

The Abkhazians declared independence and fighting started between the Abkhazian and the Georgian forces. Russia's capacity to expand its military influence in Turkey's neighboring states was illustrated in the Abkhazian crisis. The Russian forces played a role in supplying arms, training and assisting Abkhazian units in direct combat.³¹ The main reason for the Russian support of Abkhazia was to put pressure on Georgia to enter the CIS and allow Russian troops to be deployed on the Turkish-Georgian border. Abkhazia's strategic position along the Black Sea coast was probably another reason for the Russian support of Abkhazia.³² In fact, the conflict forced Georgia to enter the CIS.³³ Russia got four military bases in Georgia. The Russian bases were in the most sensitive areas. One was in Abkhazia and was believed to be a support point for the Abkhazian separatists. Another was in the

³⁰ Suzanne Goldenberg, *Pride of Small Nations*, (London and New Jersey: Zed books, 1994), pp. 105-107.

³¹ Although, generally, Russia rejected the involvement of the Russian troops in the conflict, Russian warplanes bombed Georgian positions at the Gumsta front. It was argued by Russia that they were provoked by the Georgian artillery shelling of the Russian military laboratory in Eshera. *Ibid.*, p. 74 Elizabeth Fuller, *RFE/RL*, 1 October 1993

³² Ali Fuat Borovali, 'The Caucasus within a Historical-Strategic Matrix: Russia, Iran And Turkey', *Dış Politika (Foreign Policy)*, Vol. 18, 1994, p. 33.

³³ Viacheslav A. Chirikba, 'Georgian-Abkhazian Conflict and its Aftermath', Mehmet Tutuncu (ed.), *Caucasus: War and Peace*, (The Netherlands: SOTA Haarlem, 1998), p. 75.

southwestern region of Adjara, which was also in rebel hands. A third one was at Akhalkalaki; the heart of a region populated mainly by Armenians. The fourth one was on the outskirts of Tbilisi where there is also an air base.³⁴

On April 4, 1994, the 'Declaration on Measures for a Political Settlement of the Georgian-Abkhazian Conflict' was signed, even though the resumption of armed conflict remained a future possibility. According to this document, Abkhazia would have its own constitution, parliament and government and appropriate state symbols, such as an anthem, emblem and flag, and would maintain its own internal sovereignty.³⁵ Georgian officials complained about the agreement and Deputy Prime Minister, Nadareishvili, said that '*agreements signed between Georgia and Abkhazia had no legal basis and were harmful for Georgia*'.³⁶ In the short term, the armed conflict ended with a Russian strategic victory, because Russia strengthened its southern flank against Turkey and Georgia; the only non-CIS state that has border with Turkey, entered the CIS.

Although conflict ended with the Russian strategic victory and Turkey faced Russian soldiers again on its Caucasus border, Turkish-Georgian relations improved on the political and economic front. Both countries decided to hold military exercises and Georgia allowed Turkish naval vessels to call at Georgian ports. Georgia also began preparations to get rid of Russian border guards and to defend its own sea and land borders. Agreements were initiated in Moscow for Georgia to take responsibility for its sea and land borders with Turkey. A law was passed by the Georgian Parliament, which gave a two-year time-scale for the country to take sole responsibility for all its borders.³⁷ In 1999 OSCE Summit, the Russian Federation and Georgia signed a Declaration, according to which Russian military installations of Vaziani and Guduata would be abolished until 1 July 2001 and the future of the Batum and Ahalkelek military installations would be decided in 2000.³⁸ After 11th of September terrorist attacks, Georgia became an important state for the struggle against terrorism. The US stationed in Georgia and Georgia entered The US-Turkish axis in the region and the withdrawal of the Russian forces from Georgia continued.

It might be argued that despite Russia's attempt to use ethnic problems of Georgia to meddle and to keep Georgia in its orbit, international developments and the

³⁴ Stephen Kinzer, 'Defiant Satellite Nation Finds Russia's Orbit Inescapable', *Sunday*, 3 May 1998.

³⁵ Chirikba, 'Georgian-Abkhazian Conflict...', p. 79

³⁶ *Interfax*, 16 September 1996. After the series of talks, both sides reached another agreement at the end of October 1998. *Abkhazian Newsletter*, 5 December 1998.

³⁷ Kinzer, 'Defiant Satellite Nation...', *Sunday*, 3 May 1998.

³⁸ Hasan Kanpolat and Kamil Ağacan, 'Gürcistan'daki Rus Üslerinin Tasfiyesinde Mehter Adımları: Bir Geri, İki İleri', *Stratejik Analiz*, Cilt 2, Sayı 16, Ağustos 2001, pp. 8-11.

US involvement in regional affairs were favored for Turkey and Turkey's influence in Georgia increased.

Another conflict, which adversely affected Turkish-Russian relations, was the conflict in Chechnya; the population of which has had historic links with Turkey. Conflict in Chechnya started in 1994 with Chechnya's declaration of independence. Conflict in Chechnya created domestic debate in Turkey and became an issue of crisis in Turkey's policy towards Russia. Turkey had Chechens, Circissians and Dagestani origin people, who were sensitive about the developments in Chechnya. As a result, the Turkish public, in general, supported Chechnya through well-organized demonstrations and material support. Although, there was no official source to show the amount of material support from the Turkish public to Chechnya, some argued that the material sources sent to Chechnya through the Chechen associations was about \$20 million.³⁹ In contrast to the emotional reactions of public to the Chechen conflict, the Turkish government treated the conflict as an internal affair of Russia. At the beginning of the conflict, the Turkish government stated that Turkey preferred the conflict to be solved on the basis of a respect of human rights and the territorial integrity of the Russian Federation. However, in 1995, the conflict escalated and Russia accused Turkey of sending weapons and even volunteer soldiers to Chechnya.⁴⁰ Russia expressed its uneasiness about Turkey's close relations with the Chechen President, Dudayev, referring to Dudayev's visit to Turkey and his talks with the Turkish military officials.⁴¹

Russian ambassador to Azerbaijan, Walter Shoniya stated

*"If the Turks want to help the Chechens, when they talk to Dudayev every day on the phone, one day let them say surrender, that is how the Chechens will be saved from war."*⁴²

Turkish government denied the Russian accusation. However, the Government faced public pressure to support to Chechnya. In January 1996, the Chechen conflict came on the agenda with the hijack of the ferryboat traveling from Trabzon to Sochi. Nine people from Caucasus origin hijacked the ferry and they claimed that they were connected to the Chechen leader Dudayev. Russia accused Turkey of prolonging the incident so that the Chechens would have more time for international exposure.⁴³ The incident ended without bloodshed on 18th of January 1996. While accus-

³⁹ Milliyet, 'Cecenistan'a Yardim Yagiyor', 28 November 1995.

⁴⁰ Milliyet, 'Rusya: Turkiye Cecenistan'a Silah Yolluyor', 18 October 1995.

⁴¹ Cumhuriyet, 'Dudayev'in Ziyareti Rusya ile Gerginlik Yaratti', 14 March 1994.

⁴² Robert Olson, 'Turkish And Russian Foreign Policies, 1991-1997: The Kurdish And Chechnya Questions', *Journal Of Muslim Minority Affairs*, Vol. 18, Issue 2, October 1998, p. 214.

⁴³ *Ibid.*, P. 218.

ing Turkey of helping Chechens, Russia tried to use 'Kurdish' card in order to pressure Turkey to cut its ties with Chechens. In February 1994 in Moscow a conference entitled 'The History of Kurdistan' was organized by the organizations affiliated with the terrorist organization PKK. The Turkish Press reported that the Russian Ministry of Nationalities and Regional Policy was among the organizers. The Turkish Foreign Ministry protested the conference.⁴⁴ In January 1995, Turkey and Russia signed a Protocol to Prevent Terrorism and Russia's Interior Minister stated that PKK would not be a legal organization in Russia.⁴⁵

In 1997 cease-fire agreement was signed in Chechnya. The Turkish government remained aloof from the conflict and Turkey did not even send any officials to the ceremony, which took place just after Aslan Maskhadov was elected as a President of Chechnya. It was obvious that the Turkish government did not want to spoil Turkey's relations with Russia. The Turkish government followed the same policy in the second Chechen conflict, which started in October 1999. The Russian army launched the attack against Chechnya, claiming that they were fighting against 'terrorism'. The Russian attack on Chechnya created major concern regarding the stability of the Caucasus, as it was feared that other Caucasus states, particularly Georgia, might be drawn into the conflict if the Russian military tried to drive Chechen battalions south into Georgia.⁴⁶

Turkish Prime Minister, Ecevit visited to Russia in November 1999 and he considered the Chechen conflict an internal affair of Russia. Ecevit's view was criticized by his coalition partner the leader of the Nationalist Action Party (NAP) and deputy Prime Minister, Bahçeli, creating a crisis within the coalition government.⁴⁷ The timing of Ecevit's visit, held during the Russian attacks against Chechnya, also was criticized in the Turkish media.⁴⁸ After the O.S.C.E. Summit, Ex President Demirel stated that

⁴⁴ Ersel Aydınli, 'Russia's 'Kurdish Card' In Turkish-Russian Rivalry', <http://ourworld.compuserve.com/homepages/usaaazerb/232.htm>

⁴⁵ Robert Olson, 'Turkish And Russian Foreign Policies, 1991-1997: The Kurdish And Chechnya Questions', *Journal Of Muslim Minority Affairs*, Vol. 18, Issue 2, October 1998, p. 212.

⁴⁶ See Georgian Association of the United States, Press release, 17 November 1999. Ivlian Haindrava, 'Geopolitical Games in the Northern Caucasus', *Turkistan Newsletter*, 17 November 1999. The Chechen conflict also created differences between Russia and the West, which was clearly seen at the O.S.C.E Summit in Istanbul in 1999. Michael R. Gordon, 'Yeltsin and West Clash at Summit Over Chechen War', *The New York Times*, 19 November 1999. 'In Words of Yeltsin and Clinton: Examining Terrorism and Human Rights', *The Associated Press*, 19 November 1999. *Milliyet*, 19 November 1999. Rajan Menon and Graham E. Fuller, 'Russia's Ruinous Chechen War', *Foreign Affairs*, Vol. 79, No. 2, March/April 2000, pp. 32-44.

⁴⁷ Nuray Basaran, 'Hukumette Catlak', *Star*, 10 November 1999.

⁴⁸ Cengiz Candar, 'Cecenlere İhanet Ziyareti', *Sabah*, 6 November 1999. Sedat Ergin, 'Türk-Rus İlişkilerine Bakış', *Hürriyet*, 5 November 1999. Sami Kohen, 'Zor Bir Gezi', *Milliyet*, 5 November 1999.

*"The participants of the O.S.C.E. cannot consider any regional problem as internal affairs of their state. Otherwise you will be isolated. Russia's policy towards the Chechen conflict may isolate Russia."*⁴⁹

Russia's foreign policy towards the Caucasus was a major concern for Turkish foreign policy makers. As an academic in international relations, Huseyin Bagci, critically and correctly pointed out,

*"Bombing civilians and destroying an entire nation can not, in the 21st century, be justified by the Russian arguments that Germans were doing the same to the Soviet people in early 1940's... Turkey can not, and should not, remain indifferent to Russian politics in this geographical area of the Caucasus and Central Asia where Russia is no longer the only dominant power."*⁵⁰

Chechen conflict remained on the public agenda in Turkey through the incidents involving pro-Chechen groups. In April 2001, armed pro-Chechen rebels stormed Swiss Hotel in Istanbul and held hostages there. Turkish security forces surrounded the Hotel and 11 hours later the gunmen surrendered themselves to the police and released all of the hostages.⁵¹ In May 2002 another incident occurred in which a gunman took 13 peoples as hostages in The Marmara Hotel. The gunman stated that he took such action in order to make the world hear the voice of the Chechen people.⁵²

Russia used the Nagorno-Karabakh conflict and Georgian-Abkhazian conflict in order to intervene the internal affairs of the Caucassian republics. However, the Chechen conflict threatened the Russian Federation's territorial integrity and caused international criticism to Russia. As we discussed, the Chechen conflict also became an issue in Turkish-Russian relations. Russia used 11th of September terrorist attacks and the new international atmosphere to curtail and brutally suppress the demands of Chechens.⁵³ The Chechen conflict escalated in August 2002 and a Russian helicopter was hit by Chechens and in this incident, 114 Russian soldiers died.⁵⁴

Other than the regional conflicts, the implementation of the Conventional Forces in Europe Treaty (CFE) also caused friction in Turkish-Russian relations. The CFE was signed in November 1990, and came into force two years later. Being the product of almost two decades of negotiations among the 22 nations of NATO and the Warsaw Pact, the CFE placed regional and national ceilings on specific major items

⁴⁹ Yalcin Dogan, 'Demirel'den Tarihi Ozet', *Milliyet*, 20 November 1999.

⁵⁰ Hüseyin Bağcı, 'Chechnya and Putin: New Challenges for Turkey', *Turkish Daily News*, 4 January 2000.

⁵¹ 'Turkey Siege-Chechens Surrender', *The Guardian*, 23 April 2001.

⁵² *Hürriyet*, 5 May 2002.

⁵³ Will Englund, 'Attacks On US Affording Kremlin A New Boldness, Russia Put Pressure On Chechens, Deals In Arms With Iran', *Baltimore Sun*, 3 October 2001.

⁵⁴ *Interfax*, 18 August 2002.

of military equipment. The purpose of the treaty was to promote stability in Europe, not only by reducing armaments, but also by reducing the possibility of surprise attack by preventing a large regional concentration of forces. Therefore, the CFE was considered a most important and comprehensive arms reduction agreement. The 1992 Tashkent Agreement established equipment ceilings for each successor state of the former Soviet Union and the implied responsibility for the destruction/transfer of equipment necessary to meet these national ceilings. The total equipment level under the Tashkent Agreement did not exceed that assigned to the former Soviet Union under the CFE.⁵⁵

Under the CFE Treaty, all equipment reductions necessary to comply with overall, national, and regional ceilings were to have been completed by November 1995. But, with the increased influence of the Eurasianist foreign policy orientation, Russia brought the future of the CFE Treaty into question. Claiming that the CFE Treaty was a product of Cold War conditions, Russia requested the reconsideration of some aspects of the CFE Treaty. Russia questioned the appropriateness of being limited number of soldiers within its borders, and the Russian authorities argued that it was an unacceptable infringement on its national sovereignty, emphasizing the security threat from the instability in the Caucasus and its need for additional stationed forces in the 'flank zone'.⁵⁶ Russia's attitude towards the CFE indicated the Russian governments' desire to have a military presence in the Caucasus.

The CFE was regarded as the most important security assurance by the Turkish government, in terms of Turkey's security vis-à-vis Russia. Any change in the terms of the CFE was perceived as a return of a Russian threat. The ex-Turkish Chief of Staff, General Gures, stated that Turkey would be the NATO country most affected by the changes of the CFE.⁵⁷ Turkey strongly rejected the revision of a flank ceiling that would result in an increasing Russian military presence close to Turkey's border. If Russia increased its military presence Turkey would have to deploy additional troops on its north-eastern borders in order to counterbalance the number of Russian troops. For these reasons, the Turkish government stated that those weapons ceilings in the CFE treaty were the result of the agreement of all participant countries and, therefore, could not be changed arbitrarily and unilaterally.⁵⁸ Despite Turkey's reaction, Russia even put pressure on the Caucasus countries to reallocate the limits through reducing the tank allocation in these countries. If Azerbaijan, Armenia and Georgia's tank allo-

⁵⁵ John E. Peter, 'The CFE and Military Stability in Europe', *Rand Research Report*, 1997.

⁵⁶ Steve Bowman, 'Conventional Armed Forces in Europe (CFE): Flank Agreement and Treaty', *Congressional Research Service*, <http://www.house.gov.csce>, 1998.

⁵⁷ *FBIS*, 8 August 1994

⁵⁸ Semih İdiz, In an interview with the ex-Turkish Minister of Defence, Vefa Tanir, *Turkish Daily News*, 16 November 1995.

cations were halved, Russia would be able to deploy additional 330 tanks and then it could claim that it was an intra-CIS matter, which did not violate the CFE Treaty.⁵⁹ Increasing Russian pressure for the revision of the CIS and rumors about the violation of the treaty alarmed the Turkish government. When the deadline to destroy the equipments approached, it became clear that Russia would not meet its requirements particularly in the 'flank zones'.⁶⁰ A consensus was reached in November 1995 to examine ways of dealing with Russian complaints. This effort, conducted within the CFE's Joint Consultative Group (JCG), resulted in the Flank Agreement, which was signed by all parties at the CFE Review Conference on May 31, 1996. The Flank Agreement removed several Russian administrative districts from the old 'flank zone', thus permitting the flank equipment ceilings to apply to a smaller area and also permitted the reallocation of national equipment quotas among the successor states of the former Soviet Union through free negotiation. One of the aims of the Flank Agreement was to ease Russia's concerns on NATO enlargement. Although seen in the West as a gesture to Russia, the Flank Agreement caused concern in the Caucasus states because it gave Russia the right to exceed the CFE limits in their regions and temporarily deploy peacekeeping forces.⁶¹

Turkey's concern about the implementation of the CFE was not shared with its other NATO allies and they did not want to put pressure on Russia in order not to risk the whole treaty. Russia's conflict in Chechnya affected NATO states attitude towards Russia.

The development of NATO-Russia relations reached a new climax at NATO Summit in Italy on 28th of May 2002. At the Summit, NATO-Russia Council was established, which provide a mechanism for consultation, consensus-building, cooperation, joint decision, and joint action for the member states of NATO and Russia on a wide spectrum of security issues in the Euro-Atlantic region. NATO-Russia Council allows Russia to join the NATO's decision-making process for the first time.⁶² This new stage of NATO-Russia relations might reduce Turkey's security concerns regarding the Russian military presence in the Caucasus. However, unstable political and economic atmosphere in Russia and Russia's nuclear, biological and chemical weapons combined with instability in the Caucasus are the factors, which creates concerns for Turkey.

⁵⁹ John W.R Lepingwell, 'Russian Military and Security Policy in the Near Abroad', *Survival*, vol. 36, no. 3, 1994, p. 83

⁶⁰ 'Russia Seen Unlikely to Comply with Key Arms Pact', *Reuter Information Service*, 11 August 1995.

⁶¹ Mark Rogers, 'Summit Focus', *Jane's Defence Weekly*, 21 May 1997

⁶² 'NATO-Russia Relations: A New Quality', <http://www.nato.int/docu/basicxt/hs020528r.htm>

Turkey's foreign policy towards the Turkic republics of the Caucasus and Central Asia became another issue for tension between Turkey and the Russian Federation. Turkey organized Turkic summit meetings at which leaders of the Turkic Republics of the Caucasus and Central Asia came together and discussed improving co-operation among Turkic States. Russia was disturbed the structure of Turkic Summits. The Turkish Foreign Ministry made an effort to conciliate Russia and, after each Turkic Summit meeting, the Foreign Ministry made statements, which stressed that Turkey did not seek regional influence and was ready to co-operate with Russia.

Turkey even established diplomatic ties with the autonomous regions within the Russian Federation. In May 1998, State Minister, Ahat Andican, visited Tatarstan. The trip was the first official Turkish visit to an autonomous republic within the Russian Federation. A protocol of co-operation was signed and Turkish businessmen were presented with information on the economic opportunities there. He also visited Baskirdistan, in June 1998. Nearly 30 working groups, each comprised of some 10 experts, were formed during these visits and assigned the task of collecting and evaluating economic data on each relevant sector. The groups comprised experts from both the public and private sectors. Although State Minister, Andican, also stressed the importance of regional economic co-operation for regional prosperity, Russia felt uneasy about that type of direct contact with the autonomous republics of the Russian Federation.⁶³ The Russian Foreign Ministry was upset when representatives of Baskirdistan, Dagestan, Sakha, Tatarstan, and several other regions, participated in the Istanbul Conference that formally recognized the Turkish Republic of Northern Cyprus. The participation of the autonomous regions of the Russian Federation in the Istanbul Conference inevitably raised questions in the Greek portion of the island about just how reliable a partner the Russian government would prove to be in the future.⁶⁴ The Russian government was concerned about the ways in which such ties between its regions and foreign countries could affect its domestic politics.

5. POLITICS OF ENERGY: THE AREA OF COMPETITION AND COOPERATION BETWEEN TURKEY AND RUSSIA

During the Cold War era, the energy resources of the former Soviet republics were not opened for exploitation of other states. After the Soviet Union collapsed the new states with rich energy resources entered the world politics. Many states and companies wanted to take part in the exploitation and transportation of these resources. Caspian region's rich oil and gas reserves and its land locked position re-

⁶³ Sibel Utku, 'Turkey Steps Up Economic Efforts In Central Asia', *Turkish Daily News*, 16 June 1998.

⁶⁴ Paul Goble, 'Diplomacy Within the State', *RFE/RL*, 17 July 1998. Russia's decision to sell S-300 missiles to Greek Cyprus also created tension between Turkey and Russia. After Turkey's reaction Russia deter to sell the missiles to the Greek Cyprus and Missiles system was stationed in Greece Crete island. Stelyo Berberakis, 'Rumlar Onadı ve Kaybetti', *Sabah*, 31 December 1998.

quired that transportation project for the resources should be introduced and regional states also would take part in the transportation of these resources to the world markets. Turkey and Russia introduced their own projects, which competed each other for oil pipelines. Energy played an important role in Turkey's policy towards the Russian Federation. Turkey sees Russia not only as a rival in the competition for the transportation of Caspian oil but also as a supplier of natural gas to Turkey. Turkey offered the Baku-Ceyhan pipeline project, aiming to attain lucrative transit revenues and the Turkish government also wanted to meet expanding domestic demand for oil.⁶⁵ Turkey also offered a pipeline project to transport Turkmen natural gas to the world markets. Turkey is located at one of the potential export roads for both Caspian oil and Turkmen natural gas. While Turkey competed with Russia for oil pipelines, Turkey became one of Russia's main customers for natural gas and wanted a pipeline to be built beneath the Black Sea to carry natural gas from Russia to Turkey. That project was called Blue Stream and it was considered as a rival project to the Turkmen natural gas.

We will analyze the effects of oil and gas transportation projects on Turkish-Russian relations. As we mentioned above with the end of the bipolar world the importance of regional powers increased. As a result, the relations among the regional powers have immense impact for regional stability. Security as well as economic considerations identified character of relations among regional powers. Turkey and Russia were adversaries during the Cold War era. For Turkey, the Soviet Union was the main threat for its security. The Russian Federation as a successor of the Soviet Union was also perceived as a danger for Turkey's security. Russia's aggressive stand on Chechnya, Russia's intervention on domestic affairs of the new republics of the Caucasus contributed the image of Russia as a security threat in Turkey. However, the Russian Federation and the Soviet Union were not comparable in terms of their impact on world politics and their visions. The Soviet Union was one of the superpower of the bipolar world and it was an empire with messianic ambitions. On the other hand, the Russian Federation has domestic tensions, serious economic problems and only has a relative impact in what Russia call is 'Near Abroad'. This picture changed the character of Turkey's relations with the successor of the Soviet Union, the Russian Federation. It is the fact that both regional powers competed for the influence of regional affairs. However, there was also potential for cooperation, particularly in the field of energy. The bases for it emerged before the disintegration of the Soviet Union with the agreement about Turkey's purchase of Russian natural gas in 1984. According to the agreement, the Soviet Union pledged to provide Turkey with 120 billion cubic meters of natural gas. Part of the revenue was to be used for imports of Turkish goods, of

⁶⁵ Colin Barraclough, 'Asian Republics: A Turkish Delight', *Insight*, no. 47, 23 November 1993, p. 15.

which 35 percent was allocated to Turkish contracting services in the Soviet Union.⁶⁶ The agreement entered into force in 1987 and it constituted the basis for economic cooperation between Turkey and the Russian Federation.

5.a. Cooperation Between Turkey and Russia: The Blue Stream Natural Gas Pipeline Project

Turkish foreign policy makers considered Russia as a rival as well as a partner for economic cooperation. Turkey's domestic demand for natural gas opened an area of cooperation between the two regional powers. Turkey and Russia agreed to build a natural gas pipeline from Russia to Turkey. The agreement was signed on 15th of December 1997, during the Russian Prime Minister Chernomyrdin's visit to Turkey, to transport 30 billion cubic meters of Russian natural gas from beneath the Black Sea to Turkey by 2007; a project called Blue Stream. According to the project, the Russian Company Gazprom and ENI of Italy would jointly construct a pipeline 2200-metres beneath the Black Sea to the Turkish Black Sea town of Samsun. Turkey would build a pipeline from Samsun to Ankara and Turkey was also responsible for building the Ankara distribution center.⁶⁷ With the Blue Stream project, Turkey would become the second largest importer of Russian gas after Germany.⁶⁸ The Blue Stream project had international economic and political implications. The Blue Stream project was considered as a rival project for Trans-Caspian natural gas pipeline (Turkmen gas pipeline) project, which would carry gas from Turkmenistan to Turkey. Therefore, the Blue Stream project was criticized by the US and Turkmenistan and some circles in Turkey. Sedat Sertoglu, from the daily *Sabah* newspaper, argued that the Blue Stream project would make Turkey completely dependent on Russia for its energy supply. The project would only serve to restore the Russian hegemony in the region and it could have a negative affect on Turkey's relations with the US and Turkmenistan. Besides, the economic crisis in Russia made the project difficult to realize.⁶⁹ The US administration supported the Turkmen gas pipeline on the condition that the pipeline would not pass through the Iranian territory. The US government argued that Russia did not have enough financial resources to build the pipeline 2200 meters beneath the Black Sea and that Russia was trying to block the Baku-Ceyhan oil pipeline and Turkmenistan natural gas pipeline projects.⁷⁰ On the other hand, the adviser for Gazprom, Andrew Marshall, argued that Gazprom was a multinational company, that had built gas pipelines in Russia

⁶⁶ FBIS, 27 December 1984. *Eximbank Reports*, 1992.

⁶⁷ A. Novopashin and A. Lavrentiev Stroytransgaz, 'New Pipelines of Natural Gas from Russia to Turkey', Paper presented in *Onshore Pipelines Conference*, Istanbul, 3-4 December 1998.

⁶⁸ *ITAR-TASS*, 20 July 1998

⁶⁹ Sedat Sertoglu, 'Pis Kokular', *Sabah*, 23 February 1998, 'Soru ve Cevaplar', 11 March 1998, 'Sersemlikler', 29 May 1998 and 'Bir Rüyanın Sonu', 9 December 1998.

⁷⁰ *Yeni Yuzyl*, 10 April 1998

long enough to go three times around the Equator and, hence, was capable of building the pipeline beneath the Black Sea.⁷¹ The US government believed that the Blue-Stream project would prevent the realization of the Turkmen gas pipeline. In fact, an American joint venture, PSG, which signed an agreement with Turkmenistan to lead the development of the Trans-Caspian gas pipeline project, had the same concerns. The PSG President and Chief Executive Officer, Edward Smith, argued that the Trans-Caspian gas line project was only economical if the Blue Stream project were not realized and Turkey bought all its natural gas from Turkmenistan. While Turkey's demand for natural gas was great, it is not sufficient to support both the Blue Stream and Trans-Caspian projects at the same time.⁷²

In addition to US criticism, the Blue Stream project created tension between Turkey and Turkmenistan and a crisis within the coalition government in Turkey. During the visit of Turkish Energy Minister, Cümhur Ersumer, the President of Turkmenistan, Sapar Murat Turkmenbasi (Niyazov) stated:

*"Turkey pays 114 US dollars per a cubic metre of natural gas from Russia. Turkmen gas will just cost 70 US dollars and Turkmenistan's 23 trillion cubic metre 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 be reach the world market and the Blue Stream project will only benefit Russia."*⁷³

Although Russia had the biggest natural gas reserves in the world, it had difficulty supplying natural gas to Europe since Russia's economic crisis made it impossible to renew the existing pipeline, which carried natural gas from Siberia. Russia started to buy gas from Turkmenistan with barter trade or paid for it with roubles and sold it to Europe, Armenia and Ukraine. Sometimes the dispute between Russia and Turkmenistan, about payments, resulted in Turkmenistan's cutting natural gas to Russia. Turkmenistan wanted to sell its natural gas to Europe via Turkey. In fact, Turkey was itself a very lucrative market for Turkmen gas. Turkmenistan was concerned that the Blue Stream project might prevent the Turkmen gas pipeline to Turkey from being realized.⁷⁴

⁷¹ Interview with Andrew Marshall in *Yeni Yüzyıl*, 5 April 1998.

⁷² Robert Lyle, 'Caspian: Views Differ on Vialibility of Oil Pipelines', *RFE/RL*, 4 March 1999.

⁷³ Hakan Gurek, 'Moskova'da Ne İşiniz Var?', *Milliyet*, 7 October 1999. See also Gungor Mengi, 'Gaz Kokusu', *Sabah*, 7 October 1999. See also Ferai Tinc, 'Türkmenbaşı Fırçasının Perde Arkası', *Hürriyet*, 8 October 1999.

⁷⁴ Sedat Ergin, 'Türkiye Doğal Gazın Vanası Oltursa', *Hürriyet*, 12 November 1999.

The Blue Stream project indicated the differences of opinion within the Turkish institutions and coalition government about priorities of Turkish foreign policy. There were disagreements about the Blue Stream project within the coalition government, which came to the surface during Prime Minister Ecevit's visit to Moscow in November 1999. Some Ministers from the Nationalist Action Party (NAP) stated that the Prime Minister Ecevit and Ministers from the Democratic Left Party (DLP) and the Motherland Party (MP) and the Russian diplomats held a meeting in a Hotel in Moscow without inviting them. It was obvious that Ministers from the DLP and the MP did not want Russians to hear the NAP's concern about Blue Stream. Although Ministers from the NAP did not totally object to the Blue Stream project, they definitely wanted priority to be given to the Turkmen natural gas project. For example, Prof. Suayip Usenmez, the State Minister from the NAP stated:

*'We are not against the Blue Stream, but for us the Turkmen natural gas project is priority. We have doubts about the realisation of the Blue Stream project. There is a high level of hydrogen sulphur beneath the Black Sea and you need to construct pipeline 2200 metres beneath the sea for which you need special technology.'*⁷⁵

There were also differences of opinion and lack of coordination among the state institutions in Turkey. For example, the Turkish Foreign Ministry organized a meeting with the representatives from the foreign ministries of Azerbaijan, Georgia, Kazakhstan and Turkmenistan in Istanbul, in March 1998, to discuss pipeline projects without a representative from the Russian Foreign Ministry.⁷⁶ As Winrow pointed out, before the meeting arranged by the Turkish Foreign Ministry in Istanbul, ex Turkish Energy Minister, Cumhur Ersumer, had held a meeting with Russian officials to obtain their support for the Baku-Ceyhan pipeline project. The two meetings indicated differences of opinion between Foreign Ministry and Energy Ministry.⁷⁷ In fact, Turkish Energy Ministry complained about the Istanbul meeting.⁷⁸ The state institutions involved in pipeline projects like BOTAS (Turkish State Pipeline Corporation) were accused of exaggerating Turkey's energy demands in order to justify the Blue Stream project.⁷⁹

⁷⁵ Taha Akyol, 'MHP, Koalisyonu ve Doğalgaz', *Milliyet*, 9 November 1999. Note: Prof. Şuayip Üşenmez is a geologist.

⁷⁶ *Turkish Daily News*, 4 March 1998.

⁷⁷ Gareth M. Winrow, 'Domestic Interests and Regional Security Concerns: Turkey and the Caspian Pipelines Politics Game', Paper presented at the *BISA Annual Conference*, Manchester, 20-22 December 1999.

⁷⁸ *Milliyet*, 9 March 1998

⁷⁹ See Sedat Sertoglu, *Sabah*, 11 March 1998 and 9 December 1998. BOTAS claimed that Turkey must import 20 billion cubic metres of natural gas in 2000 and more than 53 billion cubic metres per year by 2010 and 65 billion cubic metres per year by 2015. See Gareth M. Winrow, 'Domestic Interests and Regional Security Concerns: Turkey and the Caspian Pipelines Politics Game', Paper presented at the *BISA Annual Conference*, Manchester, 20-22 December 1999. *DEIK Report* in 1998. According to the

The Energy Ministry and, to a certain extent, the Foreign Ministry were strong supporters of the Blue Stream project in Turkey. Ex-Energy Minister, Cumhur Ersumer, stated that

'there is no problem in the Blue Stream project. Turkey will buy 56 % of its gas supply from Russia by 2020 and Turkey wants also to buy natural gas from Turkmenistan'.⁸⁰

The question was raised about which project, the Blue Stream or Turkmen gas, would be given priority. Russian Company Gazprom and ENI of Italy completed the construction of pipeline beneath the Black Sea and Samsun distribution center has also been completed.⁸¹

5.b. Competition For Oil Pipeline

As we discussed above, the Blue Stream project would make Turkey second largest natural gas importer from Russia. While regarding natural gas, Turkey and Russia managed to cooperate, the picture was different in terms of the transportation of Caspian oil to the world markets. Turkey and Russia competed for the control over Caspian oil and they introduced rival proposals for the transportation of Caspian oil. Russia wanted the oil to run through the Russian territory, from Baku to the north along the Caspian coast towards Dagestan and Chechnya and from Chechnya west to the Russian port of Novorossiysk on the Black Sea. From Novorossiysk, oil would be shipped through the Turkish Straits to the world markets. Turkey proposed the Baku-Ceyhan pipeline project, according to which a 1,730-km (1,081-mile) pipeline would be built from Baku to the Mediterranean port of Ceyhan with a capacity of 45 million tones a year.⁸²

Baku-Ceyhan pipeline project has strategic and economic importance for Turkey. The realization of the project would make Turkey an important economic bridge for various markets around the globe. If the Baku-Ceyhan pipeline is built Turkey stands to gain \$500 million a year. If sanctions against Iraq are lifted, the total value of oil transported through Turkey could reach \$14 billion and Turkey may also save up to \$3 billion due to the reduction in oil imports.⁸³

International Trade Administration Report in 1998; Turkey's natural gas demand will be 21 billion cubic metres per year by 2000 and this will be at least double by 2020.

⁸⁰ T.R.T- T.V, 8 November 1998.

⁸¹ 'Eni: Saipem 7000 Completes 2nd Blue Stream Pipeline', *San Donato Milanese*, 3 June 2002.

⁸² TICA (*Turkish International Cooperation Agency*) Report, 1996.

⁸³ Oumerserik Kasenov, 'Russia and Transcaucasia: Oil Pipelines And Geopolitics', Ronald Z. Sagdev and Susan Eisenhower (eds.), *Central Asia Conflict Resolution and Change*, (Centre For Post Soviet Studies Press, 1995). <http://www.cpss.org>

For these reasons, the Turkish authorities gave special importance to the Baku-Ceyhan route. In fact, in March 1993, Turkey and the Elcibey regime in Azerbaijan reached an agreement to transport Azeri oil from offshore fields through the Baku-Ceyhan pipeline. But Aliyev cancelled the agreement, and in the September 1994 oil deal, the oil route/routes through which Caspian oil would be carried to the international market had not been specified. Turkish Company TPAO and Russian Company LUKoil were among the participant companies of the deal. Azerbaijan International Oil Consortium (AIOC) followed a policy, which would try to satisfy both Turkey and Russia. For example, in October 1995 AIOC decided the early oil would be transported from Baku through both the Baku-Supsa and Baku-Novorossiysk pipelines. The AIOC decision was a political one. It did not make economic sense to carry only 5 million tones of oil over eight years in two pipelines⁸⁴ but the AIOC did not want to offend Turkey or Russia.

Russian oil transportation proposal had direct implications on Turkish-Russian relations and it raised the old discussion about passages of the Turkish Straits, because in Russian proposal, oil had to pass through the Bosphorus and Dardanelle straits. The 1936 Montreux Convention regulated the passage of the Turkish Straits and was based on free passage in peacetime.⁸⁵ The Turkish authorities argued that vessels passing through the Straits were no more than a few hundred a year when the Montreux Convention was signed. By 1997, of almost 51,000 ships, 2,500 of them were fuel oil tankers that passed through the straits, an average of 140 ships per day. The passage through the Bosphorus, which is only 700 yards wide in some places, is a hazardous route for oil tankers.⁸⁶ The Turkish government argued that the Bosphorus was already congested and could not handle more traffic carrying the main oil and that any accident that involved oil tankers would be a threat for the residents of Istanbul and would cause permanent environmental damage.⁸⁷

In 1994, Turkey published regulations for the straits, establishing a traffic separation scheme, approved by the International Maritime Organisation in London, which in turn recommended that the Turkish authorities have the right to suspend traffic in one or both directions whenever a vessel in excess of 150 meters in length passes.⁸⁸ No state protested about the new regulations more vocally than Russia, whose shipping accounted for nearly 25 % of the traffic through the Straits. Russia's main concern was that the regulations might endanger the feasibility of the Russian pipeline

⁸⁴ *Middle East Economic Survey*, 'AIOC Decides Two Routes are Better Than One', 16 October 1995.

⁸⁵ According to the Montreux Convention Article 2: In the time of peace, merchant vessels shall enjoy complete freedom of transit and navigation in the Straits, by day and by night, under any flag and with any cargo, without any formalities except as provided in Article 3 which covers only sanitary conditions.

⁸⁶ Joylon Naegele, 'Caspian Oil Represents Challenge to the Straits', *RFE/RL*, 23 June 1998.

⁸⁷ *Milliyet*, 'Boğazlar Tehlikede', 12 January 1994.

⁸⁸ Paul Goble, 'Ankara Resists Russian Pressure', *RFE/RL*, 15 May 1998.

proposal, which depended on the Turkish straits. The Russian Foreign Ministry sent a diplomatic note to Ankara charging that Turkey had acted unilaterally and had violated the Montreux Convention. A Russian Foreign Ministry spokesman stated that Turkey did not have the right to resolve the problem of the Straits unilaterally and that Turkey should be sensitive to the interests of the Black Sea states. The Russian government also criticized the Turkish action, charging Turkey with using environmental risk as a pretext to seize control of oil traffic from Central Asia.⁸⁹

Turkey gained important advantages in the pipeline competition on 29 October 1998, when the Presidents of Turkey, Georgia, Azerbaijan, Kazakhstan and Uzbekistan signed a statement, called the Ankara Declaration, supporting a proposed Caspian oil pipeline from Baku to Turkey's Mediterranean port of Ceyhan.⁹⁰ Ex Turkish President, Demirel stated that:

*"We signed a historic declaration and from now on nobody should look for any other transportation route for the Azeri oil."*⁹¹ The President of Azerbaijan, Heydar Aliyev said that *'Whoever came from Turkey, journalists or politicians, were asking when would Baku-Ceyhan be realised? Now it is real, Azeri oil will flow from Baku-Ceyhan.'*⁹²

The Ankara Declaration was interpreted in the international press as a diplomatic victory for the Turkish government.⁹³ Another important step towards the Baku-Ceyhan came at the O.S.C.E. Summit in November 1999. The Presidents of Turkey, Azerbaijan, Georgia, Turkmenistan and Kazakhstan signed an accord to support building of a pipeline that would carry Caspian oil through Georgia and Turkey. They also agreed to support building a gas pipeline from Turkmenistan to Turkey.⁹⁴ The US president Clinton also signed the Accord as a witness at the O.S.C.E. Summit and the US Energy Secretary, Bill Richardson, considered the Accord as a major foreign policy victory and he said, *'It is a strategic agreement that advances America's national interest.'*⁹⁵ Despite the fact that the Ankara Declaration and an accord at the O.S.C.E. Summit represented successful diplomatic manoeuvres for the Turkish government, the companies involved in the AIOC would make the final decision regarding the Baku-Ceyhan pipeline. In 2002 Russia gave some signals that it might not object

⁸⁹ FBIS-SOV, 23 April 1994. *Turkish Daily News*, 11 May 1998.

⁹⁰ 'Turkey: Presidents Support Turkish Route for Caspian Oil', *RFE/RL*, 29 October 1998.

⁹¹ *Yeni Yüzyıl*, 31 October 1998

⁹² *Milliyet*, 31 October 1998

⁹³ See Financial Times, The Guardian, International Herald Tribune, 30 October 1998.

⁹⁴ *Hürriyet*, '6 Milyar Dolarlık İmza', 19 November 1999

⁹⁵ Stephen Kinzer, 'Caspian Lands Back a Pipeline Pushed by West', *The New York Times*, 19 November 1999. For the US policy towards Caspian oil see, Kamer Kasım, 'The US Policy Towards Caspian Oil and Its Implications on Turkish-American Relations', Mustafa Aydın, Çağrı Erhan (eds), *Turkish-American Relations, 200 Years of Convergence and Divergence*, (London: Frank Cass, 2003), (forthcoming).

Baku-Ceyhan pipeline and Russian company LUKoil also wanted to participate the construction of the pipeline. The chief executive of Russia's second biggest oil company Yukos also stated that '*he supports Baku-Ceyhan pipeline and in recent times, the Russian government has looked somewhat more favorably on this project.*'⁹⁶ There were two reasons for change in Russian policy. First the oil pipeline from Kazakhstan's Tengiz oil field to Russia's Black Sea port of Novorossiysk has been completed and this pipeline was opened on 26th of March 2001.⁹⁷ Russia got the transportation line of the most important Kazakh oil field. Therefore it can compromise in Baku-Ceyhan. Second, after 11th of September terrorist attacks, the US influence in the region increased and Russian authorities also knew that the US administration supported Baku-Ceyhan pipeline through Georgia where the US soldiers stationed after 11th of September. It might be beneficial for Russia not to object Baku-Ceyhan pipeline and encourage the Russian company joined the project.

6. TURKISH-RUSSIAN ECONOMIC RELATIONS

Turkey's economic ties with Russia influenced Turkey's regional policy vis-à-vis the Russian Federation. As Russia became a very important market for Turkish exports goods, Turkish exporters did not want Turkey to continue harsh competition with Russia in Eurasia. While, in 1992, total Turkish exports to Russia were \$441.9 million, in 1995, Turkish exports reached \$1,238.1 billion. In 1996, total trade volume was \$3.39 billion, which reached \$4.097 billion, in 1997.⁹⁸ Turkey's export to the Russian Federation reached the highest level in 1997 with \$2 billion. However, Turkey's export to Russia declined to \$589 million in 1999. It increased in 2000 to \$644 million and in 2001 Turkey's export to Russia was \$923 million. Turkey's import from the Russian Federation has increased since 1998. While Turkey's import from Russia was \$2.152 billion in 1998, it raised to \$3.887 in 2000 and \$3.476 in 2001.⁹⁹

Since trade with Russia is important for the Turkish economy, some businessmen lobbied in favor of the Blue Stream Project. Russia's importance as trade partner also softened the Turkish government reactions towards Russian military involvement in the Caucasus, as was clearly seen in the Turkish

⁹⁶ Michael Lelyveld, 'Caucasus: Will Russia's LUKoil Join The Baku-Ceyhan Pipeline Project', *RFE/RL*, 27 February 2002.

⁹⁷ J. Christophe, 'Turkey: Authorities Fear Consequences of Kazakh-Russian Pipeline', *RFE/RL*, 30 March 2001. See, Kamer Kasim, 'The Transportation of Caspian Oil And Regional Stability', *Journal of Southern Europe and the Balkans*, Vol. 4, Number 1, 2002, p. 44.

⁹⁸ See DEIK (Foreign Economic Relations Board) Report, Central Asian Republics and the Republic of Azerbaijan, June 1998.

⁹⁹ Turkish Embassy in Moscow web site, http://www.turkishline.ru/embassy/rus_tek.html, 22 August 2002.

government's policy during the Chechen conflicts. However, Turkey and Russia competed on matters such as oil transportation from the Caspian Sea and influence in the Turkic republics.

As we mentioned above, the basis for the increase in trade between Turkey and Russia was established before the disintegration of the Soviet Union. The 1984 Natural Gas Agreement between the two countries constituted a turning point in trade relations.

Debt relations also developed alongside increased trade. In 1989-1991, the Turkish Eximbank had allocated \$1,150 million of export credit to the Soviet Union. These credits were provided for the purchase of consumer goods from Turkey.¹⁰⁰ Turkish Eximbank credits played a crucial role in Turkish-Russian relations. At the end of the 1980's, economic liberalization policies in the Soviet Union paved the way for the expansion of formal and informal trade. In this period, 'suitcase trade' established itself as a lucrative economic activity for both countries. Turkish contractors also signed contracts in Russia with six contracting companies, successfully completing projects worth \$716 million for the housing of the Russian soldiers returning from Germany. Turkish companies have also constructed official buildings in Russia. The success of the construction companies encouraged Turkish businessmen to be even more actively involved in the Russian market.¹⁰¹

Russia's economic crisis made it difficult to meet its debt payments. As a result, Turkey and Russia signed two major debt-rescheduling agreements on 19 July 1994 and 15 December 1995. Under these agreements, Russia's debt repayments to Turkey were to be made in semi-annual installments, with the last payment scheduled to take place in the year 2011. The two countries have also become involved in joint ventures, with the first joint-venture producing motorcycles opening in Turkey in 1995. Under another agreement, signed in December 1995, the Turkish Eximbank has opened a new credit line for \$350 million to be used for financing the export of Turkish goods and services to Russia, thus bringing the total amount of Turkey's credit facilities to Russia to \$950 million.¹⁰²

Apart from companies, individual entrepreneurs also played an important role in Turkish-Russian economic relations through 'suitcase trade'; its name deriving from the use of luggage by traders from the CIS states. The 'suitcase trade', which is largely unrecorded and untaxed, was a major source of hard currency for Turkey. According to the estimates of the DEIK, it amounted to roughly \$10 billion-\$6 bil-

¹⁰⁰ DEIK, Report, 1998

¹⁰¹ See Turan Aydın and Olgan Bekar (eds.), *Türkiye'nin Orta ve Uzun Vadeli Çıkarları Açısından Türk-Rus İlişkileri*, (İstanbul: Tesev Yayınları, 1997).

¹⁰² Web site of Turkish Foreign Ministry, <http://www.mfa.gov.tr/grupa/ae/russian.htm>, 22 August 2002.

lion of which was from trade between Turkey and Russia.¹⁰³ This estimate indicated the importance of 'suitcase trade' in Turkish-Russian economic relations, considering that official trade was only \$3.5 billion, in 1997. Although 'suitcase trade' results in large tax revenue losses for Turkey, the trade has stimulated tourism and created hundreds of thousands of jobs and contributed greatly to Turkey's foreign exchange earnings. Approximately 100,000 enterprises, which produce clothing, leather and small electronic goods, throughout Turkey, benefit directly from the trade. Despite the large volume of transactions, 'suitcase trade' has been falling since 1996.¹⁰⁴ A number of factors have affected the suitcase trade between Turkey and Russia: the economic crisis in Russia, which has reduced demand for textile products; the increase of cheap products coming from China; and the newly introduced tax regulations. Both Turkey and Russia had a strong interest in transforming the suitcase trade into official trade to increase tax revenues. Russia imposed new regulations to gain more revenue and placed some barriers to the entry of low quality goods.¹⁰⁵

As we discussed above, Russia is also a major gas supplier to Turkey. Russia's petroleum and natural gas reserves are important for both economic and political/strategic reasons. Turkey was a lucrative market for Russia.

Despite the political problems between Russia and Turkey, both countries managed to establish economic relations independent from any political problems. However, to preserve the developments on the economic relations front both countries need to compromise on some political issues. There remains a danger that historical hostilities might be revived and undermine improvements in trade and commerce. Turkey's main concern was the revival of Russian nationalism and the re-establishment of Russian domination in the Caucasus and Central Asia. Russia's desire to deploy more soldiers in the Caucasus caused insecurity for Turkish foreign policy makers regarding co-operation with Russia.

Turkish contracting firms continued to be at the leading edge of Turkey's economic involvement in Russia as increasing numbers of Turkish firms began to operate there. The benefits of economic co-operation, of course, are mutual. Russia still has the biggest share in Turkey's gas market and Turkey could become a lucrative market for the Russian defense industry, as the sale of some military equipment to Turkey has been vetoed, from time to time, by the US Congress and Turkey has wanted to diversify its source of military supplies. In addition, Russia wanted to sell

¹⁰³ *DEIK Report*, 1998

¹⁰⁴ *Hürriyet*, 12 January 1998

¹⁰⁵ Aydın and Bekar, *Türkiye'nin Orta...*, p. 63.

a nuclear reactor to Turkey.¹⁰⁶ A further source of co-operation has been their membership in the BSCE, even though the latter has not been working efficiently because of the political disputes among the member states.¹⁰⁷

Besides the economic benefits for Turkey, Turkey's volatile relations with the EU was one of the main factors that made Turkish-Russian economic co-operation possible for Turkey. Having established strong economic relations with Russia, Turkey also wanted to strengthen its hand vis-à-vis the EU and to reduce its economic dependence on Europe.¹⁰⁸ The success of Turkish private companies in Russia encouraged the Turkish government to co-operate with Russia. Turkey's economic relations with Russia had an impact on Europe as well. Some European countries, particularly Germany, were unhappy with Turkish-Russian co-operation since Turkish companies were getting lucrative contracts in Russia at the expense of European companies. In fact, during his visit to Turkey, Russia's ex Prime Minister Victor Chernomyrdin stated that:

*"We do not want either our economic co-operation or political relations to depend on transient external circumstances. No foreign designs, foreign views, political intrigues, and other external circumstances can prevent our dialogue".*¹⁰⁹

CONCLUSION

Despite a long historical rivalry, Turkey and Russia have, to some extent, succeeded in putting their economic interests before political competition. The end of the Cold War and the change in the international environment made the co-operation between the two regional powers possible. Turkish businessmen who entered the Russian market tried to influence Turkish foreign policy. Similarly, from the Russian side, new actors such as the LUKoil and Gazprom Companies, who have economic considerations rather than political ones, started to influence Russia's foreign policy.¹¹⁰ Thus, private sector business interests, in both Russia and Turkey, reinforced a foreign policy based on economic co-operation.

¹⁰⁶ *Milliyet*, 22 December 1997

¹⁰⁷ Bukkvoll Tor, 'The Black Sea Region', in Erik Hansen (ed.), *Cooperation in the Baltic Region, the Barents Region and the Black Sea Region*, (The Royal Norwegian Ministry of Foreign Affairs, 1997), pp. 38-50. Elekdağ, Şükrü, 'Karadeniz Ekonomik İşbirliği', In Sabahattin Sen (ed.), *Yeni Dünya Düzeni Ve Türkiye*, (Ankara: Bağlam Yayınları, 1994), pp. 203-216.

¹⁰⁸ Mehmet Ali Birand, 'Rusya Kartını Oynayalım', *Sabah*, 16 December 1997.

¹⁰⁹ *Iftar Tass*, 'Russia and Turkey Promoting Political Dialogue', 23 December 1997.

¹¹⁰ The Russian Company Lukoil participated in the 1994 oil agreement with Azerbaijan, despite the objection of the Russian Foreign Ministry.

At the same time, undeniable geo-strategic and political rivalry continued between the two regional powers. Turkey's national interests required that the Caspian oil be transported through the Baku-Ceyhan pipeline. The Turkish Foreign Ministry saw the Caucasus and the Central Asian Turkic republics as close allies and hoped for political support from them on issues such as Cyprus and oil transportation. Turkey considered the Russian military presence in the Caucasus as a threat to its security and the Turkic republics' independence and Russia wanted a greater military presence and more influence over the republics.

Lack of co-ordination among government institutions and lack of knowledge in Turkey about the Caucasus and Central Asia were hindrances for Turkey in the competition with Russia. Considering the fact that Turkey was unprepared for events in the post-Cold War Caucasus, co-ordination problems and clashes between institutions were inevitable. Nevertheless, Turkey successfully bid for the Baku-Ceyhan oil pipeline project and managed to establish constructive relations with the former Soviet republics except for Armenia. The support from the US government, regarding the Baku-Ceyhan pipeline, Turkey's strong diplomatic ties with the Turkic republics and Russian decision to use the military against Chechnya were the factors, which assisted the Turkish government in the competition for regional influence.

As a result of the positive response from the West, regarding Russian demands for the amendment in the CFE, it became clear that Russian military presence would continue in the Caucasus in the near future. The new developments in NATO-Russia relations reduced the threat of the Russian attack to Turkey. Besides, an attack from Russia, which would mean a change in the entire global strategy, is highly unlikely. Considering the changing military balance in favor of Turkey, particularly, in the Black Sea, Turkey should be less worried about the Russian military threat.¹¹¹ After the September 11 terrorist attacks Russia had to accept the US military presence in the Caucasus and Central Asia. The US soldiers stationed in Georgia and Turkish-Georgian military relations also improved. The new international environment required cooperation among states against terrorism. Russia's desire to be part of the developed states is also requires Russia to be fulfilled economic and political conditions for it. In that atmosphere, although Russia can continue to use military power within the Russian Federation against autonomous regions, it can not use military power former Soviet republics of the Caucasus and Central Asia. If the current regional and international economic and political trends continue, it could be expected more compromises between Turkish and Russian policies towards the Caucasus and Central Asia.

¹¹¹ Dmitri Trenin, 'Russia and Turkey: A Cure for Schizophrenia', *Perceptions, Journal of International Affairs*, June-August, 1997, p. 61.