

# Getting to Zero: Turkey, Its Neighbors and the West

by Ahmet Evin, Kemal Kirişci, Ronald H. Linden, Thomas Straubhaar, Nathalie Tocci, Juliette Tolay, and Joshua W. Walker

## Executive Summary

The recent activism and assertiveness of Turkish foreign policy has caused political waves throughout Europe, the United States, and in Turkey's immediate neighborhood. Turkey is now a more autonomous actor pursuing greater regional and global influence. For the Transatlantic community this could make it either a valuable asset or an uncertain partner. Most prominently in the West, there are fears that Turkey is being "lost" and that it is becoming more oriented toward Russia or the Middle East, and that it is drifting away from secularism and toward Islamism at home. Given the critical importance of Turkey politically and its strategic position geographically, it is important for Europe and the US to understand Ankara's aims and actions on their own terms especially with respect to its immediate neighborhood. This report focuses on key parts of that neighborhood, i.e., the Middle East and the Black Sea and key policy areas, such as economy, energy, democracy promotion and migration.

In the Middle East, Turkey's foreign policy has undergone a dramatic transformation. While Turkey's Middle Eastern involvement has been on the rise since the 1990s, the nature of that involvement has changed in recent years. In the 1990s Turkey's military ties with Israel, its coercive pressure on Syria and its participation in Western sanctions against Saddam Hussein's Iraq were largely framed within transatlantic ties as a prominent aspect of Turkish foreign policy. Today, Turkey has pursued extensive cooperation with virtually all of the Middle East neighbors with which it used to have either cold or conflictual relations, including Syria, Iraq and Iran. It has engaged in mediation efforts involving Israel, Syria and Hamas, within the Arab world, and between the US and Iran. It has established High-Level Strategic Cooperation Councils with Iraq, and Syria and extended visa-free travel to most of its Middle East neighbors. Unlike the US and EU, Turkey, is an actor "of" rather than simply "in" the Middle East and seeks to break through the dichotomies of the past by developing relations with all parties.

This does not mean that Turkey's ties with all actors will always and necessarily be good – indeed relations with Israel have severely deteriorated – but conditionality if measured and consistent would mark a welcome difference from Western policies in the region. Yet Turkey's constructive role in the Middle East would be damaged if Turkey were viewed as acting purely according to a "Muslim" worldview rather than in the name of universal norms and principles.

Turkey's policies toward the Black Sea and Caucasus represent another example of both the ambitious goals and restrictive limitations to new Turkish activism in its neighborhood. Taking advantage of historical ties in the Balkans and complementary interests with Russia, Turkey has greatly expanded economic links with those regions. In fact Russia is now Turkey's largest trade partner and main supplier of energy. Closer Turkish-Russian relations, seen for example in the relatively mild reaction by Turkey to Russia's 2008 invasion of Georgia, have caused some consternation in the West. At the same time, the proposed positive turn in Turkish-Armenian relations, strongly supported by both the United States and Russia, has foundered on the objections of Azerbaijan, Turkey's own domestic opposition and Prime Minister Erdoğan's insistence on linking the process to progress toward a solution of the Nagorno-Karabakh stalemate. Both instances demonstrate that, in this region, as in the Middle East, "zero problems with neighbors" has proven more difficult to achieve in practice than to posit as a goal.

Turkey's activism in its neighborhood is predicated on three interlinked factors, namely economics, energy, and migration that are dealt with substantively in the report. In economic terms, Turkey's immediate neighborhood is a complement rather than an alternative to European markets. There is no alternative to EU membership for Turkey's economy and it is in the interest of both the EU and Turkey to continue negotiations despite difficult political challenges. For the EU, Turkey is an important ex-

port market with a growing population, providing a market potential of more than 70 million consumers with increasing purchasing power, and a growing manufacturing sector. For Turkey, Europe is and will remain the most important trading partner, with almost half of its exports going to the EU. Further improvements of the Turkish economic performance will produce positive spillovers and trickle down effects on the standard of living first in Turkey but also in its neighborhood. A prospering Turkey is crucial for the political stability and economic growth of its neighborhood.

Increasingly, energy is a key factor in the shaping of Turkey's relations with its neighborhood. But, like political ties, worries about dependency on Moscow and cooperation with Tehran have troubled Turkey's transatlantic relations. Europe's share of total Turkish trade has declined slightly in the last decade, almost entirely as a result of increased energy imports and has almost nothing to do with long-term structural economic change. It reflects the fact that the rapidly growing Turkish economy imports more energy than ever from its neighborhood, mostly from Russia and to a lesser extent Iran. Situated close to 70 percent of the world's proven hydrocarbon reserves, but lacking those resources itself, Turkey has followed its earlier policy of establishing pipeline connections both east and west with a view both toward ensuring its own energy supply security and taking advantage of neighbor's resources to become an energy trading hub. Domestically, energy politics as part of regional policy has led to further strains within Turkey while externally, it has evidently failed to improve the country's EU membership prospects.

In terms of the movement of people, Turkey's position has also changed. Once linked almost exclusively to Western Europe through guest workers programs, the country now sends workers and businessmen all throughout its neighborhood. It also receives many "suitcase traders," seasonal and domestic migrants from the Black Sea area, as well as some asylum seekers and transit migrants from the Middle East. Between 2000 and 2009, more than 182 million foreign nationals entered Turkey, which is two and one-half times greater than its current population. Consequently, Turkey has become much more integrated socially and economically with its neighborhood. Turkish foreign policy has also absorbed migration policy as part of its own "toolkit" and is using visa-free agreement to improve relationships with its neighbors (such as Russia and Syria) and promote stability. However, it should also be understood that in a more democratic Turkey the frustration experienced by Turkish business people in accessing the EU market partly explains the pressure that the government feels in using a liberal visa policy to open up markets in Turkey's neighborhood and beyond.

As with all states, domestic political and economic changes affect foreign policy and Turkey's domestic transformation and democratization are addressed in this report. A democratizing Turkey has meant a reduced role for the military and an increased role for the public, business, and civil society in foreign policy making. This dynamic raises Turkish stakes in promoting a stable, peaceful, and cooperative neighborhood, and increases the likelihood that Turkey may be viewed as a source of inspiration by its neighbors. Thus Turkish policies could complement U.S. and EU actions, for example, in providing democracy assistance in its neighborhood. This perhaps is even more likely because the Turkish government does not have an openly declared policy of promoting democracy. Instead it relies heavily on the idea of leading by example, while noting that Turkish democracy is a "work in progress." Turkey's liberal migration and visa policies allow people from the neighborhood to experience this "work in progress" first hand, while a small number of Turkish NGOs are already engaging in projects in neighboring countries that promote the diffusion of democratic values and entrepreneurship in an indirect and somewhat modest manner. However, greater public involvement in foreign policy issues brings with it the risk of "capture" of certain policies by influential lobbies or political appeals to populism. Neither is unique to Turkey but it would be a delusion to believe that Turkey could continue to pursue a successful foreign policy and support the quest for greater stability and prosperity in its neighborhood if it does not continue to pursue a democratic agenda and ensure its own internal stability. In this respect EU's continued engagement of Turkey remains vital for Turkey's democracy and continued transformation. This importance of this engagement is also felt in Turkey's neighborhood. Various regional leaders as well as public opinion polls have highlighted Turkey's EU vocation and close relations with the West as an asset for the neighborhood's own transformation.

The perspective of this report is one which calls on outside observers to view Turkish policy on its own terms, with a broad recognition of both the significance of Turkey's immediate past and the nature of its changing domestic dynamic and complex neighborhood. As the policy recommendations below make clear, the report does not propose an uncritical appraisal of Turkish actions but one which recognizes that contributions to American and European goals may come in a new, and perhaps unfamiliar, guise.

## Recommendations from the Report:

### Turkey

- Recognize that continued democratization at home and adherence to universal values in foreign policy is what makes Turkey a source of inspiration and allows Turkey to act as a constructive force in its neighborhood. Populism undermines Turkey's image and its contribution.
- Remain committed to the EU accession process acknowledging its importance both for Turkey's domestic transformation and for Turkey's regional role and relevance.
- Seek increased trade and investment with the European markets while continuing to promote economic ties with the neighborhood and beyond.
- Appreciate that Turkey is increasingly becoming an immigration as well as transit migration country. This necessitates the reform of the country's laws and administrative structures to better manage these flows in a manner that serves both human and national security.
- Acknowledge that achieving "zero problem with neighbors" will require careful management of complex relations which necessitates a frank and constructive approach to all parties.
- Seek to broaden cooperation with the U.S., taking advantage of the Obama administration's openness to fresh ideas, and reaffirm Turkey's transatlantic commitments within a coherent regional and foreign policy framework.

### European Union

- Conduct relations with Turkey according to the principle of *pacta sunt servanda*, a central pillar of the European integration project. Furthermore, the EU should not shy from its well proven capacity to support democratic transformation in accession countries including Turkey.
- Appreciate Turkey's role in helping to integrate its neighborhood, economically, socially and politically, into the global economy and view the Turkey's liberal visa policy as serving these objectives.

•Recognize that the current Customs Union with Turkey is plagued with problems disadvantaging Turkey. Address these problems and work toward the deepening of the Customs Union by finding a means for giving Turkey a say on decisions it is obliged to carry out.

•Maximize, by taking advantage of the provisions of the Lisbon Treaty, areas of meaningful cooperation with Turkey beyond accession negotiations. These areas could include European CSDP, energy, asylum, and border control.

### United States

- Support Turkey's EU membership through quiet diplomacy by encouraging Turkey's reform efforts and indicating to its European partners that the notion of "privileged partnership" lacks credibility and undermines the letter and the spirit of the accession process.
- Recognize that economic factors, the need for markets and for energy increasingly shape Turkish foreign policy. The downside may be that it induces Turkey to seek good relations with neighbors with whom the US has difficult relations with. Yet this is outweighed by that upside, whereby Turkey is compelled to pursue a policy of "zero problems with neighbors", which benefits the West.
- Remain engaged in the Turkish-Armenian reconciliation process by pressing Turkey (and Armenia) to ratify the protocols, while concomitantly engaging in the Nagorno- Karabakh peace process both within the Minsk Group and beyond it.
- Step up involvement in the Cyprus peace process. In view of the critical importance of a Cyprus settlement for Turkey's EU membership prospects and the EU's limited ability to engage as at third party actor, the United States should be more active.

## Authors:

Ahmet Evin, Sabanci University

Kemal Kirişci, Boğaziçi University

Ronald Linden, University of Pittsburgh

Nathalie Tocci, Istituto Affari Internazionali

Thomas Straubhaar, Hamburgisches WeltWirtschaftsInstitut

Joshua W. Walker, Princeton University

Juliette Tolay, University of Delaware

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