

## A NEW STRATEGIC OUTLOOK FOR TURKEY

*The political mood in Europe is anti-Turkish and the recent conflict between Ankara and Nicosia comes as an opportune excuse to push Turkey off the agenda. The failure however, is also on the part of the government of Turkey for failing to take stock of the changed circumstances in the EU and for failing to make the necessary tactical adjustments in pursuing Turkey's EU dimension. Turkey's foreign policy comes across as confusing and timid. Rather than being a leader in the Black Sea and in the South Caucasus, Turkey's regional role is crumbling. Ankara is orchestrating a new balancing act between the EU, Russian and the US, which itself could be a byproduct of Turkey's frustrating EU bid. Maintaining this triangle in balance however is impossible as the interests between the players tend to be mutually exclusive.*

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**A** test to assess the present geopolitical standing of Turkey can lead to many different conclusions, which is perhaps why the country is so interesting to some and so unknown to other Europeans. Closer cooperation between Turkey and the EU is a sound policy option from a strategic viewpoint; however, there is much uneasiness over Turkey's EU membership on the political level within the Union. Economically, pursuing a Eurasian dimension makes sense strategically for Turkey, as the latter is a trading partner on both ends of the Black Sea. Geopolitically, Turkey seems to be pursuing an enhanced relationship with Russia.

It is too early to tell what will come of the Turkish-EU dialogue; however, there is a strong case in favor of a more relaxed approach towards the EU by Ankara. Tactical adjustments in Ankara's EU strategy are necessary as the latter is growing deeply skeptical of Turkey's place in Europe. Now is a good time for Ankara to look towards developing other strategic foreign policy dimensions, which in many important ways will improve Turkey's negotiating position vis-à-vis the EU.

In a geostrategic context, Turkey is at the epicenter of the Eurasia region.<sup>1</sup> This is a block that could rival the EU, U.S. and China in terms of economic and strategic potential. Eurasia is energy abundant, with mega exporters like the Caspian states where the production phase is still in ascendancy. Eurasia is a political bridge between Europe and Asia and a springboard towards the Middle East. The role of Turkey as a motor for this block could present an attractive alternative political reality for Ankara which could then be leveraged within the EU.

In a developed Eurasian context, Turkish membership to the EU would look much more appealing even to the skeptics, which now tend to see Turkey as a shy and often counterproductive player in its neighborhood. Europe's displeasure with Turkey's regional business is somewhat legitimate. Turkey's policy towards Armenia has been a failure and this has limited Turkey's role in the South Caucasus. Second, Turkey's new energy relationship with Russia is making many in Europe uneasy – particularly amongst those looking to the Caspian and Turkey as a new energy corridor for Europe.

### ***Adjusting to Enlargement Fatigue***

The European Union's latest expansion to 25 has stretched the organization thin. The failure to ratify a European Constitution has not made integration any easier. There is profound disagreement in the EU today between a pro-enlargement camp and those who wish to permanently define EU's external borders. To continue pushing enlargement without taking stock of the deep skepticism is counterproductive for at least two reasons. First, most political figureheads in the

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<sup>1</sup> As here defined, Central Asia encompasses 45 countries and boasts a 15 trillion USD economy.

EU are under pressure domestically due to Europe's low economic yield and will not spend political capital for enlargement. In many places, the latter is erroneously associated with economic stagnation. Second, the People's Party and the Christian Democrats, together control the highest number of seats in the EU Parliament. Both are home to a large base of enlargement skeptics.

Enlargement skepticism in the EU is quite dysfunctional in that it is not consistent. This is actually a good thing. Different lobbies oppose enlargement in different contexts. This inconsistency can be exploited. For example, those who are in favor of Croatia oppose Turkey, and those in favor of Turkey have doubts about the Balkan states joining the EU. The fact that enlargement skepticism is inconsistent suggests that enlargement is not inherently blocked within the system, but that enlargement is a useful scapegoat for other problems, particularly economic and social tensions. The bad news is that Europe will probably not solve its economic and social woes anytime soon, which means enlargement politics will remain unpopular for some time to come.

Absorption capacity is another issue which has often been presented out of context. A clear lesson from the private sector is that any major expansion requires a period of consolidation. At the same time, periods of economic crisis tend to push leaders into preferring to maintain the status quo. Considering these points, it is really not all that surprising that the EU is looking inwards.

The EU does not boast an alternative concept between enlargement and neighborhood strategy. This puts a lot of political pressure on the EU system as countries queue up to file their membership applications. At the same time it fuels uncertainty and frustration as potential future aspirants analyze the EU mood vis-à-vis enlargement. Europe needs a new concept to de-link enlargement from the reforms process. An enlargement perspective can no doubt serve as a catalyst for reforms; however it is problematic that in many countries this perspective has become the principle driver behind reforms.

A new concept, in the spirit of an enlargement waiting room administered by the EU Commission, is worth introducing at this juncture. This is quite different from a privileged partnership, which comes as an offer in lieu of enlargement. For one, the waiting room concept is envisaged to be applicable to states that are of significant strategic interest to the EU (also as eventual members), but where the EU for political reasons is unable to back full membership. The waiting room is further envisioned to give both the aspiring candidate and the Union the necessary time to get better acquainted. The catch of this deal is that the end-goal continues to be full membership, but no formal political commitments are necessary nor given by the EU in the initial phase.

Admitting states into the waiting room should be easier than offering them candidate status. The former is nothing more than a mutual commitment by both

sides to work towards membership along the lines of shared objectives and mutual interests. As such, this intermediary framework should help keep away the unnecessary and often destructive political tension that arises when controversial aspirants to the EU are given candidate country status.

This approach however carries an unfortunate stigma. There is a perception amongst those wishing to join that unless they are offered standard membership track then the EU is indicating a lack of seriousness. This is wrong for two reasons. First, the EU's enlargement process is a two track project – one track is pursued by the Council, the other by the Commission. The Commission is the technical arm of the EU and thus the more relevant partner for membership aspirants. The objections of the Council are more political in nature and thus not necessarily all that relevant for countries with a long-term membership perspective.

Second, the process of enlargement is changing with the fact that the EU borders are approaching Europe's geographic frontiers. Enlargement in the Black Sea area, for example, is less evident than enlargement into the Western Balkans.

As such, the EU needs an intermediate framework between enlargement and its neighborhood policy to address these opaque cases. Without an intermediate option and given the current political atmosphere inside the EU, the risk is that enlargement will be taken off the table altogether. Taking enlargement off the table prematurely, or at all, would be both a strategic mistake and a severe blow to the pursuit of key EU interests.

The waiting room approach is also a way to dissuade member states from holding referenda on each future candidate. The French have held this debate and many other EU states are openly considering it. Under this scenario enlargement would become subject to local politics – a catastrophic blow to Europe's strategic policy portfolio. It is difficult to foresee much support for enlargement under these circumstances.

### ***Why the Waiting Room Option Benefits Turkey***

Turkey's strategic value for the EU cannot be questioned, and the EU has more to lose if, in the long run, it fails to integrate Turkey. The arguments are abundant and convincing in favor of Turkey's full membership. From Turkey's role as a model secular Islamic state, to Turkey as a stabilizing factor in the Middle East and the Caspian. The EU also needs Turkey as the latter is a pivotal energy transit point between the EU and the Middle East, and the EU and Caspian. Further, Europe's strategic role in the broader Middle East would increase exponentially with Turkey integrated into the EU as a full member.

However, the objections to Turkey's membership inside the EU – particularly in so-called Old Europe – are so fierce that the entire Turkey project is in real danger

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of permanent derailment. The EU may outright decide it doesn't want Turkey; and even more likely, the Turks may decide they don't wish to join the EU.<sup>2</sup> Given these negative dynamics, tactical adjustments are needed in the positioning of Turkey in order to salvage the strategic objective and the grand goal of eventual Turkish membership.

The opposition to Turkey's membership is widespread among French youth. Further, Turkey lost an important political ally as a result of the last Italian election. The new EU member states tend to be pro-enlargement, but unlike Ukraine or the Balkan countries, Turkey has no strong champions among the new member states.

The next Franco-German-Italian political triangle will most probably be less pro-Turkey than was the former one (and is the present one). In France, Mr. Chirac was never a fan of EU's enlargement to Turkey, but never openly opposed it either. Turkey for Chirac was a strategic decision calculated against France's role in the EU. For Mr. Sarkozy and his most likely opponent in the 2007 French Presidency race, Segolene Royale, Turkey is a political issue.<sup>3</sup> Hence, it is unlikely that Sarkozy or Royale will have the necessary political room to yield or compromise on Turkey. At the same time, it is hardly imaginable that Mr. Sarkozy would fail to see the long-term strategic value behind integrating Turkey into the EU. Finding a less politically controversial framework, like the waiting room, for engaging with Turkey may be just what the next French President will need, in order to keep France from outright blocking Turkey's accession to the EU.

The German Chancellor Merkel has already expressed her reservations towards Turkey's membership by suggesting the Privileged Partnership status as an alternative track to membership. Second, Italy's Romano Prodi is less likely to seek an independent Italian voice and will probably stay close to the EU mainstream on the Turkey question. Turkey's strongest supporter in the EU will remain Britain, even after Tony Blair leaves office.

Ankara should keep close watch on changes across the political stages of the EU and rebrand its EU strategy. Turkey should consider four things when redrafting. First, how to balance political reality in the EU with domestic expectations; second, how to pursue reforms in light of low support in the EU for Turkish membership; third how to keep the EU membership door open; and finally, how to take maximum advantage of the Eurasian strategic context.

The membership waiting room framework helps address all four prongs. For one, it will depoliticize the question of Turkish EU accession and give leeway for key

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<sup>2</sup> Support in Turkey for EU membership is not overwhelming or convincing, and many pro-EU Turks are protesting EU's handling of Turkey's membership bid.

<sup>3</sup> In a recent statement to students in Paris, Sarkozy suggested that Lebanon and Israel are more European than Turkey. He further associated Turkey with an Asian state, and as such, a problem in terms of integrating it into the EU.

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leaders in Europe to work with Turkey on a politically comfortable footing. Second, it offers Turkey a link to the Commission, which is what Ankara needs to pursue political and economic reforms. It also keeps the possibility of membership on the table, although the end-goal is less pronounced. Finally, it opens room for Turkey to pursue the very attractive Eurasian dimension and engage in the Middle East also independently of the EU. Given the new security reality and political dynamics that have come about as a result of the US invasion of Iraq, and the election of the Hamas government in Palestine, Turkey has a vital interest in managing its regional context.

Mr. Erdogan should sell this tactical adjustment in Turkey's EU relations as a strategic choice corresponding to the realities at hand in the EU and Turkey's immediate neighborhood. Above all, now is the time for Ankara to be pragmatic, even if this means opting to change the reference presently governing Turkey's relationship with the EU. By insisting on the status of a candidate country, Turkey may lose its EU perspective altogether.

### ***Turkish-EU Convergence in the South Caucasus***

The South Caucasus, for example, represents a bridge linking Europe to Central Asia and it serves as a buffer between insecurity flows between Iran and north Iraq on the one hand and Russian North Caucasus on the other. If politically stable, the three South Caucasus countries would be a safe and short energy link between Europe and the Caspian Sea. Yet, EU's engagement with this region has failed to evolve beyond European Neighborhood Policy (ENP) which is the same framework applied to the Mediterranean and new East Europe. Not only is the framework deficient in terms of the engagement tools available, but it also shows Europe's utter failure to capture the strategic relevance of this region.

Turkey has a far more advanced position in the South Caucasus, which in many critical aspects is closely aligned with EU interests. However, Turkey is not the only player in this regional context, or at this point, the most progressive one. Iran for example, is working to keep Azerbaijan weak and under pressure, hoping this will solve Iran's Azeri minority question.<sup>4</sup> Russia is meddling in internal affairs of Georgia and in the Nagorno-Karabakh conflict, managing regional leaders, and helping perpetuate instability in the region. Such conditions are certainly undervaluing the worth of the Caspian energy market and keeping potential new infrastructure investors out. The South Caucasus energy market needs access routes to sell to Western buyers. Without new transportation capacity built, the Caucasus countries will be forced to look to Russia for export outlets, meaning Moscow will have an advantageous position from which to manipulate developments in the region.

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<sup>4</sup> A large number of Azeris live in north-western Iran; in fact, there are more ethnic Azeris in Iran than in Azerbaijan.

Turkey on the other hand (like the EU) has the most to gain from promoting lasting stability in the South Caucasus. First, Turkey has an interest in a lasting strategic relationship with the South Caucasus as rapid economic development of this region will exponentially increase Turkey's trade dynamic, hence boosting its net worth across Europe. Second, Turkey is a major foreign direct investor in the region, which means overall stability directly benefits profits of the Turkish business community. Third, Turkey has an interest in close cooperation with the South Caucasus states, particularly the Azeris, in developing new gas projects in order to diminish reliance on Russian natural gas.

Because Turkey has a comprehensive relationship with the EU, it is also a natural link between the Union and the South Caucasus countries. However, there is a slight deficiency in Turkey's regional engagement – that is its relationship with Armenia. The latter needs to be normalized in order for Ankara to comprehensively influence developments in the South Caucasus. Without a normalized relationship with the Armenia side, Turkey's role in helping solve the frozen conflicts in the region will remain limited. Yet, the frozen conflict issue is central to enhanced regional stability. In addition, Turkey also needs to re-evaluate its strategic relationship with Russia in order to adopt the role of a revisionist power in the expanded Black Sea context.

### ***Competing with Russia***

The Turkish-Russian relationship has been uncharacteristically cordial of late. Moscow and Ankara have found much common language on energy issues, with Russia also looking to Turkey as a gateway for Russian energy destined to non-EU markets and South Europe. Part of this new strategic cooperation has to do with Turkey's dependence on Russian gas.

The new partnership, however, is not sustainable for three reasons. First, Russo-Turkish friendship is not a strategic partnership but a case of uncomfortable dependence. Second, Turkey and Russia have diametrically opposed goals. For Russia, Turkey is interesting as an energy offshoot, useful for exporting Russian energy to non-EU markets. Turkey is, however, a dispensable partner; as Russia can work with Greece and Romania to achieve the same objectives. Finally, and perhaps the most important paradox of the relationship is marked by the competing interests of Russia and Turkey in the broader Black Sea region and specifically along the South Caucasus belt.

A revisionist Turkey in the South Caucasus is a precondition for western investment and for the construction of additional pipelines. Ankara can increase its strategic value if it can link the South Caucasus to the EU via Turkey – in both the energy and economic spheres. By contrast, Russia's goal is to make the Caspian area and Kazakhstan dependent on the now Russian energy grid for exporting to Europe. This can be achieved through acting as a status quo power, which Moscow

is presently doing. By keeping alternative investments out of the region, Russia will be in a position to dictate energy terms on both sides of the Black Sea – to the east through controlling the flow systems, and to the Europeans by having a monopoly on the supply.

Given its present relationship with Russia, Turkey is being conditioned into a status quo power in the region, which not only goes contrary to the interests of Turkey, but also the EU. Europe needs Turkey to be the primary driver in the creation of a new and dynamic Caspian energy zone – one not controlled by Russia. At the same time, by failing to be a revisionist power in across its neighborhood, Turkey's strategic dependency on the Russian gas risks deepening. This in turn will even further diminish Turkey's ability to position itself as an independent player in the broader Black Sea region. After all, Russia has a track record of imposing political pressure on its energy partners. It is not impossible that Russia will in the future impose the same pressure on Turkey as it did on Ukraine last December.

Gazprom, Russia's state owned gas company controls almost 85 percent of the gas production sector in Russia. All the pipeline systems are state owned, which makes energy an arm of Russian political planning. Whereas Moscow's objective is to turn Turkey into a subject, which it can then use to control the energy supply flow from the Caspian into Europe, Turkey's objective should be to maximize its strategic relevance for Europe by ensuring that the Caspian develops into an independent, competitive and transparent energy market.

In order to evolve into a link between Europe and the Caspian energy basin, Turkey has to reconsider its strategic relationship with Russia. The first step is to acknowledge that at present, it is less of a strategic relationship and more of a Turkish dependency on Russia. Unless this dependency is adjusted, Ankara will be forced to renounce a proactive role in the South Caucasus.

### *Where Next*

The political milieu in the EU is deeply skeptical on the Turkey issue and disinterested in enlargement. This gives rise to a special condition, which strategic planners and policy makers in Turkey should address: namely, whether it is tactically opportune to opt for a new definition of the Turkish relationship with the EU in order to deemphasize the political context. The emphasis on candidate status is generating unnecessary political tension at this point, whereas the same benefits in terms of alignment with the EU and reforms can be offered in a strategic framework like the membership waiting room.

By changing the nature of the Turkish-EU relationship, Turkey would feel less obliged to tow the EU policy line in areas such as the Caspian and the Middle East. This would be beneficial considering that the EU's policy in the Black Sea

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region remains undefined. For Turkey, an improved relationship with the EU and a revisionist role in the broader Black Sea area also means redressing its relationship with Russia. Turkey's growing dependency on Russian gas is distorting Turkey's assessment of Russia's strategic interests in the Black Sea region.

Turkey's ambition to become an EU member should not change. Turkey belongs in the EU and the EU needs Turkey. A question worth considering at this point, however, is whether Turkey has an alternative path for entering the EU that is less politically charged and with lower risk of failure is lower.