Since the early 1990s, Central Asia and the Caucasus have emerged as significant focal points of Turkish policy. This represents an important shift in Turkish foreign policy. Under Atatürk, Turkey consciously eschewed efforts to cultivate contacts with the Turkic and Muslim populations beyond Turkey’s borders. In addition, the closed nature of the Soviet political regime and Moscow’s sensitivity regarding its control over the non-Russian nationalities made any communication with the peoples of Central Asia and the Caucasus difficult. As a result, after the founding of the Turkish Republic (1923), Turkey had little contact with the peoples of Central Asia and the Caucasus.

The collapse of the Soviet Union, however, created new opportunities—and new challenges—for Turkish policy. With the disintegration of the USSR, a whole new “Turkic world,” previously closed to Turkish policy, was opened up.¹ Turkish politicians, especially former President Turgut Özal, saw Central Asia as a new field for expanding Turkish influence and enhancing Turkey’s strategic importance to the West. At the same time, the opening to Central Asia and the Caucasus was seen as a way to offset Turkey’s difficulties with Europe.

Although Turkey’s initial forays into Eurasia met with mixed success—for reasons discussed in greater detail below—the events of

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¹For an early assessment of this reawakening, see Graham E. Fuller, “Turkey’s New Eastern Orientation,” in Graham E. Fuller and Ian O. Lesser, Turkey’s New Geopolitics: From the Balkans to Western China, pp. 37–97.
September 11 and the U.S.-led war on terrorism are reshaping the geopolitics of Eurasia. Central Asia and the Caucasus have taken on new geostategic importance, especially for the United States. At the same time, Russia’s relations with Turkey have undergone significant change in recent years—a development that is likely to be accelerated by the events of September 11 and the strategic rapprochement between Moscow and Washington.

CENTRAL ASIA

In the first few years after the collapse of the Soviet Union, Turkey embarked on a concerted campaign to expand relations with the newly independent states of Central Asia and tried to become the unofficial leader of the Turkic-speaking states in the region. Ankara opened up cultural centers in the Central Asian republics; it established extensive scholarship programs to allow Central Asian students to study in Turkey; and it expanded its television broadcasts in an effort to extend its cultural influence in Central Asia.

However, Turkey’s attempt to expand its influence in Central Asia had only limited success. As a result, Turkey has been forced to scale back many of its grandiose plans. The early euphoria about Central Asia becoming a Turkish sphere of influence has been replaced by a more sober and realistic approach. Central Asia continues to occupy an important place on Turkey’s foreign policy agenda, but today there is a greater recognition of the obstacles Turkey faces in trying to expand its influence in the region.

There were several reasons for Turkey’s limited success in expanding its influence in Central Asia in the 1990s: First, Turkey lacked the financial means and resources to play a substantial economic and political role in the region. It also overemphasized the economic benefits from its involvement in Central Asia. The countries of the region are poor. Most want economic and financial assistance from Turkey.

2For a detailed discussion of these early efforts, see Idris Bal, Turkey’s Relationship with the West and the Turkic Republics, Burlington, VT: Ashgate Publishing Company, 2000. Also see Gareth Winrow, Turkey in Post-Soviet Central Asia, London: Royal Institute of International Affairs, 1995; and Philip Robins, “Between Sentiment and Self-Interest: Turkey’s Policy Toward Azerbaijan and the Central Asian States,” The Middle East Journal, Vol. 47, No. 4, Autumn 1993, pp. 593–610.
But few have much to offer in return. As a result, economic cooperation has not expanded as quickly as Ankara had hoped. Indeed, Central Asia is one of the few areas with which Turkey has a trade surplus.

Second, the “Turkish model,” with its emphasis on democracy, secularism, and a viable market economy, has found little enthusiasm among the rulers in Central Asia, most of whom are Soviet-era autocrats more interested in maintaining their own personal power than expanding political democracy. In the last decade, the regimes in the region have increasingly gravitated toward greater authoritarian rule rather than greater democracy and political pluralism. The growing threat from radical Islamic groups has reinforced this trend, prompting many of the leaders in the region to introduce more repressive domestic policies.

Third, Turkish officials initially tended to take a rather patronizing approach to relations with the countries of Central Asia, often acting as the “big brother” who knew best. This patronizing attitude did not sit well with many Central Asian officials. Having just emerged from 70 years of Soviet colonialization, the Central Asian elites did not want to replace one form of domination by another. Moreover, Turkish officials often displayed a poor understanding of the social and political realities in the Central Asian countries.

Fourth, Turkey’s domestic travails—the Kurdish insurgency, the Islamic challenge, mounting economic problems—limited the amount of attention and resources Turkey could devote to Central Asia. At the same time, Turkey’s economic difficulties tarnished the attraction of the Turkish model in the eyes of many Central Asian states. Many Central Asian leaders questioned whether they would truly be better off adopting the Turkish model and opening up their economies.

Finally, Russian influence in the region proved to be more durable than many Turks anticipated. In the initial period after the collapse of the Soviet Union, Russia failed to develop a coherent policy toward Central Asia. This provided Turkey some leeway to make inroads in the region. However, President Putin skillfully exploited the issue of the struggle against international terrorism to strengthen Russia’s ties to the states of Central Asia and reassert Russia’s influ-
Moreover, Russia enjoys certain economic, political, and geographic advantages in Central Asia.

- Many of the regimes in the region are weak, making them easily vulnerable to Russian pressure.
- Many of the countries, especially Kazakhstan, have large Russian minorities. This gives Russia an important political and psychological pressure point.
- The existence of territorial disputes between a number of states in the region, particularly Kazakhstan and Uzbekistan, has enabled Russia to act as a “mediator” and play one Central Asian state off against the other.
- The economies of the region are closely linked to the Russian economy—a legacy of the Soviet era—especially in the energy sector. As a result, the Central Asian states are highly dependent on trade with Moscow.
- Most of the key energy pipelines run through Russia and are controlled by Moscow. Thus, many of the states in the region are dependent on Russia for the transport of their energy resources to the outside world.
- The elites of Central Asia remain highly Russified—a legacy of more than seventy years of Soviet rule. At the summit of “Turkish-speaking states” in Istanbul in April 2001, for example, most of the heads of state spoke Russian not Turkish.4

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4The two exceptions were President Aliyev of Azerbaijan and Turkish President Necdet Sezer. See “Die meisten Staatschefs sprachen russisch,” *Frankfurter Allgemeine Zeitung*, April 30, 2001.
Moreover, Turkey has faced some difficulties of its own. Ankara’s ties to Tashkent deteriorated after Islamic terrorist attacks on Uzbekistan in February 1999. Uzbek authorities claimed that the terrorists had planned the attacks from Turkish territory and retaliated by closing down a number of Turkish schools and businesses.

**THE CHANGING STRATEGIC CONTEXT**

However, the events of September 11 have changed the political context in Central Asia and opened new opportunities for Turkish diplomacy, especially in the military field. In recent years, Turkey has stepped up its military assistance to the Central Asian states of the former Soviet Union. Turkey is providing important military assistance to train and equip the Uzbek army in the war against terrorism. This assistance has helped ease the tensions evident in the mid and late 1990s and has given Turkish-Uzbek relations important new impetus.

Turkey has also increased its military assistance to Kazakhstan. In March 2002, Ankara signed a cooperation agreement with Astana providing for collaboration between the Turkish and Kazakh navies and air forces and for training Kazakh cadets in Turkish military colleges. In addition, Turkey has stepped up military assistance to Turkmenistan and Kyrgyzstan.

Ankara has seen the U.S.-led war on terrorism as a means of increasing its political influence in Central Asia and was an early contributor of troops to the Afghan campaign. The Turkish government agreed to send troops to Afghanistan despite widespread opposition among the Turkish public. This decision was dictated by strategic considerations, above all the desire to influence postconflict policy in Central Asia. Turkey’s readiness to take over the leadership of the International Security Assistance Force in Afghanistan (ISAF) from Britain—a move strongly supported by the United States—also reflects its desire to play an important role in the region in the future.

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5In 2001, Turkey provided Uzbekistan with military assistance totaling $1.5 million. The assistance planned for 2002 is expected to considerably exceed that figure. See “Turkey equips, trains Uzbek military,” *Turkish Daily News*, March 3, 2002.

Still, Turkey faces important obstacles to playing a broader role in Central Asia. Many of the problems that prevented Ankara from establishing a stronger footprint in the region before September 11 continue to exist—the domestic weakness and illegitimacy of the regimes in the region, the region’s economic underdevelopment, widespread graft and corruption; growing popular discontent, the lack of strong civil societies and rule of law, increasing drug trafficking and organized crime, and weak control of national borders. These structural problems, together with Turkey’s own financial difficulties, are likely to limit Turkey’s ability to significantly expand its influence in Central Asia, despite the close ethnic, religious, and cultural ties that exist with the states of the region.

GROWING STRATEGIC INTEREST IN THE CAUCASUS

In contrast to Central Asia, where Turkey has had only limited success in carving out a larger regional role for itself, Ankara has had much greater success in increasing its influence in the Caucasus (Armenia excepted). Indeed, the Caucasus has emerged as a region of growing strategic importance for Turkey in recent years.

Relations with Azerbaijan in particular have been strengthened. The two countries are linked by strong historical, cultural, and linguistic ties. Azerbaijani intellectuals played an important role in the revival of Turkic national consciousness in the late 19th and 20th centuries. After the Bolsheviks put an end to Azerbaijan’s independence, many Azerbaijani leaders fled to Turkey. A further influx occurred after World War II.

After the collapse of the Soviet Union in 1991, Turkey quickly sought to capitalize on the emergence of an independent Azerbaijan. Turkish ambitions were given a big boost by the election of Ebülfez Elchibey as president of Azerbaijan in June 1992. Elchibey was a strong advocate of the “Turkish model” for Azerbaijan. However, Elchibey’s ouster in a coup in June 1993—widely believed to have been orchestrated with Moscow’s aid—dashed Ankara’s initial hopes.

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of using Azerbaijan as a springboard for the expansion of its influence in the Caucasus.\(^8\)

However, Elchibey's removal proved to be only a temporary setback. His replacement, Heidar Aliev, a member of the Soviet Politburo in the Brezhnev era, has proven to be a shrewder and more independent-minded leader than many observers expected. Despite Russian pressure, Aliev has increasingly pursued a pro-Western course in recent years and has moved to strengthen ties to Ankara.

The warming of Turkish-Azerbaijani relations has been particularly visible in the military area. Since 1996, Turkey has been actively engaged in the training of Azerbaijan’s military officers; it has also helped to modernize the Azerbaijani military education system to bring it in line with NATO standards. An Azerbaijani peacekeeping platoon has been participating in the KFOR as part of the Turkish battalion.

Economic relations have also intensified. In March 2001, Turkey and Azerbaijan signed a set of agreements in which Azerbaijan agreed to supply Turkey with 2 billion cubic meters of natural gas in 2004, increasing to 6.6 billion by 2007 and continuing through 2019. The pipeline to transport the gas will cross Georgia to Erzurum in Eastern Turkey and parallel the Baku-Ceyhan oil pipeline. The pairing off of the two pipelines is intended to increase the commercial profitability of both lines. It also lends added impetus to the construction of the Baku-Ceyhan pipeline and could possibly make Turkey an important transit link in the transport of Azerbaijani gas to Mediterranean and Balkan countries.

Turkey has also sought to strengthen ties to Georgia. In March 1997, Turkey and Georgia signed an agreement on military assistance and cooperation. The agreement envisages the construction of military training centers in Kodori and Gori and a shooting range outside Tbilisi.\(^9\) Turkey has also been helping Georgia with the reconstruc-

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\(^8\)For a detailed discussion of Turkish policy toward Azerbaijan during this period, see Idris Bal and Cengiz Basak Bal, “Rise and Fall of Elchibey and Turkey’s Central Asian Policy,” *Dis Politika*, No. 3-4, 1998, pp. 42–56.

tion of the Vaziani military base, and Georgian military personnel have been studying at Turkish military establishments since 1998.

In January 2000, Turkey and Georgia launched a joint initiative to create a “South Caucasus Stability Pact.” The pact is designed to increase Turkey’s profile in the region as well as enhance Western involvement in the area. By including other Western powers as well as Russia, Turkey, in effect, sought to legitimize Western involvement in the Caucasus as well as to get Russia to view the region as an area of international cooperation rather than its own self-proclaimed sphere of influence. However, the continued dispute between Armenia and Azerbaijan over Nagorno-Karabakh, as well as Moscow’s lack of enthusiasm for the proposal, have inhibited the implementation of the plan.

Turkey’s relations with Armenia remain strained by the legacy of the massacre of Armenians by the Ottoman forces in 1915–1916. Recent efforts by the Armenian lobby in the United States and in several European countries, particularly France, to introduce genocide resolutions condemning Turkey for the massacre of the Armenians in 1915 have exacerbated these strains and angered the Turkish authorities, who have strenuously disputed the charges. However, recently Turkey has shown a willingness to provide greater access to the Ottoman Archives—a move long urged by scholars—to help defuse the dispute.

Armenia’s occupation of Nagorno-Karabakh has not only strained relations with Azerbaijan but also complicated Turkish-Armenian relations. Turkey was one of the first countries to recognize an independent Armenia after the collapse of the Soviet Union. However, the intensification of the Nagorno-Karabakh occupation in the early 1990s resulted in a deterioration of Turkish-Armenian relations. Turkey closed its border with Armenia and suspended efforts to establish diplomatic relations. Since then, Ankara has

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11 For a useful historical overview of Turkish-Armenian relations, see Paul B. Henze, *Turkey and Armenia: Past Problems and Future Prospects*, Santa Monica, CA: RAND, 1996.
made a settlement of the Nagorno-Karabakh conflict a prerequisite for a normalization of relations with Yerevan.

To a large extent, Turkey’s policy toward Armenia remains hostage to its relations with Azerbaijan. Any easing of Ankara’s position on Nagorno-Karabakh would cause strains in relations with Baku. However, the events of September 11 have also had a spillover effect on the Caucasus. With Russia seeking better ties to the United States and NATO, Ankara and Yerevan have begun to quietly explore ways to improve relations. However, a major improvement in relations is likely to occur only after a settlement of the Nagorno-Karabakh dispute.

In addition, the success of Turkey’s policy in the Caucasus depends to a large degree on a continuation of the westward-leaning policies pursued by President Aliyev in Azerbaijan and President Shevardnadze in Georgia. Both men, however, are in the twilight of their political careers. (Shevardnadze is in his mid-70s and Aliyev is nearly 80). Their departure from the political stage could significantly change the political dynamics in the Caucasus and provide new opportunities for Russia to reassert its influence in the region.

THE ENERGY DIMENSION

The emergence of the Caspian basin as a significant source of energy has changed the geopolitics of Eurasia and given Turkish policy toward Central Asia and the Caucasus an important new dimension. Although initial estimates of Caspian oil reserves were highly exaggerated, these reserves are still important and roughly comparable to those in the North Sea. In addition, Kazakhstan, Turkmenistan, and Uzbekistan rank among the world’s 20 countries with the largest reserves of natural gas. And if estimates of the gas reserves in Azerbaijan’s Shah Deniz fields prove correct, Azerbaijan could emerge as another important source of natural gas in the region.

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The Caspian resources, however, are landlocked. To get the energy to international markets, new pipelines need to be built. How the oil is transported—and through which routes—has important geopolitical implications. As a result, the issue of Caspian energy pipelines has assumed increasing importance. In recent years, a modern version of the 19th century “Great Game” has emerged, with pipelines replacing the railroads as the main means for exerting political influence.

Russia has sought to use the pipeline issue as a means of reasserting its political influence over Central Asia and the Caucasus, insisting that a northern pipeline route from Baku to the Russian port of Novorossiisk on the Black Sea should be the main transit route for the transport of South Caspian oil. This would allow Moscow to exert strategic control over the region’s resources and give Russia important political leverage over the policies of the producer countries.

Turkey, backed by the United States, has favored the construction of a pipeline from Baku in Azerbaijan through Georgia to Ceyhan on Turkey’s Mediterranean coast. Turkey has pinned its hopes for playing a larger strategic role in Central Asia and the Caucasus on the construction of the Baku-Ceyhan pipeline. Because the route is more expensive than other routes, many analysts and businessmen initially expressed skepticism about Baku-Ceyhan’s commercial viability. However, the prospects that Baku-Ceyhan will eventually be built have improved as a result of several developments:

- The engineering study completed in May 2001 has reduced many of the concerns of potential investors about the cost of the project. The new cost estimates—$2.8 billion to $2.9 billion—are higher than the initial $2.4 billion estimate but still within an economically acceptable range.

• In March 2001, Kazakhstan’s President Nursultan Nazarbaev pledged that oil from Kazakhstan’s East Kashagan field would be transported through Baku-Ceyhan. Kazakh oil is considered important because it could make up for any shortfalls in Azerbaijani oil. However, industry spokesmen now claim that reserves in Azerbaijan are sufficient to make Baku-Ceyhan commercially viable even without Kazakh oil.

• The discovery of large gas deposits at the Shah Deniz fields in Azerbaijan in 1999 prompted British Petroleum and the Norwegian company Statoil to change their basic strategy toward Baku-Ceyhan. The prospect of exporting gas to Turkey gave these companies a strong incentive to support Baku-Ceyhan. If the Shah Deniz pipeline runs parallel to Baku-Ceyhan, the costs of Baku-Ceyhan could be reduced.

• The Bush administration has thrown its full support behind the construction of the Baku-Ceyhan pipeline. Moreover, there is little chance that the administration will lift trade sanctions against Iran in the near future. This means that the “Iranian option” favored by many U.S. oil companies will remain effectively closed, giving a big boost to Baku-Ceyhan.

• Russian opposition to the Baku-Ceyhan pipeline has also begun to soften. In May 2002, Russia signed an agreement to transport some of its oil through a pipeline that will connect its main export port, Novorossiisk, with Baku-Ceyhan. This will reduce oil tanker traffic through the Bosphorus, a key Turkish concern.

Construction of the Baku-Ceyhan pipeline began in September 2002. However, Baku-Ceyhan could still face problems. The pipeline construction costs could exceed the projected $2.8 billion to $2.9 billion costs. In addition, Russia could lower tariffs to undercut Baku-Ceyhan’s competitiveness. Either move could endanger Baku-Ceyhan’s commercial viability and reduce the willingness of investors to support the project.

A third problem would arise if the United States were to shift its policy toward Iran. A thaw in U.S.-Iranian relations would open up new

prospects for shipping Caspian oil via Iran—a route favored by many U.S. oil companies because it is cheaper. This could undercut investor interest in Baku-Ceyhan. Such a shift in U.S. policy, however, seems unlikely in the short term, especially in light of President Bush’s characterization of Iran (together with Iraq and North Korea) as part of an “axis of evil.”

One critical issue influencing the construction of the pipeline will be Kazakhstan’s participation. In March 2001, Kazakhstan’s President Nursultan Nazarbaev pledged that Kazakhstan would export oil from the East Kashagan field through Baku-Ceyhan. Since then, however, the Kazakh position has become more ambiguous.\[^{16}\] Baku-Ceyhan would still be commercially viable without Kazakh oil. But the absence of Kazakh oil would affect Baku-Ceyhan’s output and make it difficult to achieve the goal of exporting one million barrels per day peak capacity. Kazakhstan’s participation would also make it easier to attract investors.

For Turkey, however, the most pressing problem is not oil but access to new supplies of natural gas. Despite the recent slowdown caused by the Turkish economic crisis, Turkey is the fastest-growing gas market in Europe. According to BOTAS, the Turkish State Pipeline Company, Turkey’s demand for natural gas is expected to rise to 53 billion cubic meters per year by 2010 and 82 billion cubic meters by 2020.\[^{17}\] At the moment, Turkey’s use of gas is being constrained by a shortage of supply. Thus, Turkey represents a lucrative market for gas suppliers.

To meet its growing domestic needs, Turkey has signed a number of agreements with potential suppliers. The most controversial of these is the Blue Stream agreement signed with the Russian firm Gazprom in December 1997. Under the agreement, Gazprom will supply Turkey with 16 billion cubic meters of gas per year for 25 years. The agreement is strongly favored by Turkey’s Energy Ministry. But it has

\[^{16}\]In a meeting with U.S. Secretary of State Colin Powell in December 2001, Nazarbaev expressed a preference for a pipeline through Iran as the most economical means of transporting Kazakh oil. See Patrick Tyler, “Kazakh Leader Urges Iran Pipeline Route,” *New York Times*, December 10, 2001.

\[^{17}\]Aydin, “Turkish Foreign Policy Towards Central Asia and the Caucasus: Continuity and Change,” p. 42.
been sharply criticized in Turkey because of its costs and the fact that it will significantly increase Turkey’s dependence on Russian gas.\textsuperscript{18}

Critics of Blue Stream also raised questions about the technical feasibility of the project. The Black Sea section of the Blue Stream will be the deepest gas pipeline in the world and will be constructed in one of the most polluted seas in the world. This presents dangers of pipe corrosion from acidity and possible pipe collapse as a result of hydrostatic pressure. The Black Sea is also susceptible to earthquakes, which could not only result in costly repairs but could present environmental hazards.

These considerations led critics to argue that other alternatives should be sought, such as transporting the gas overland from Izobil’noye in Russia through Georgia to Erzurum or by transporting Turkmen gas through the Trans-Caspian Gas Pipeline. However, despite these objections, the Turkish government decided to go through with the Blue Stream deal. The first pipeline was completed in March 2002 and Russia expects to begin delivering gas to Turkey by the end of 2002.

Turkey also signed a gas agreement with Turkmenistan in May 1999 to ship Turkmen gas to Turkey through the Trans-Caspian Gas Pipeline (TCGP). However, there will not likely be enough demand for gas in Turkey to justify and finance both the Blue Stream and TCGP projects. Moreover, the idiosyncratic policies pursued by Turkmenistan’s President Saparmurat Niyazov have delayed the initiation of the TCGP and many observers doubt that the pipeline will ever be built.

Energy, especially access to gas, will continue to be a strong driving force behind Turkish policy in Eurasia in the coming decade. Ankara will retain a strong interest in stability in the Caucasus in particular. Any shift in Azerbaijan’s or Georgia’s policy could significantly affect Turkish interests, especially the future of Baku-Ceyhan and gas supplies from the Shah Deniz fields, and severely undercut Turkish hopes to play a significant political role in Eurasia over the long run.

\textsuperscript{18}See in particular Ferruh Demirman, “Blue Stream: a project Turkey could do without,” \textit{Turkish Daily News}, April 22, 2001.
THE RUSSIAN FACTOR

Russia is likely to be an increasingly important factor in Turkey’s policy toward Eurasia in the coming decade. Historically, Russia has been perceived as an adversary and a threat by Turkey. Russian expansionism and championship of Slavic nationalism in the Balkans was the principal cause of the loss of Ottoman territory in the 19th century. Russia and Turkey were also rivals for influence in the Caucasus. The onset of the Cold War reinforced this adversarial relationship. Stalin’s efforts to gain control of the Straits after World War II and his claims against the Turkish provinces of Kars and Ardahan prompted Turkey to abandon Atatürk’s policy of neutrality and seek membership in NATO.19

This historical experience has conditioned Turkish policymakers to regard Russia with considerable suspicion. However, the collapse of the Soviet Union and the emergence of a new post-Soviet space in Central Asia and the Caucasus have had a profound effect on Turkey’s relations with Russia.20 On the one hand, they have sparked new political rivalries as Turkey has sought to expand its influence in Central Asia and the Caucasus—areas where Moscow has strong historical interests. On the other, they have created important new economic interdependencies and prospects for cooperation.

In the last decade, economic cooperation with Russia has expanded significantly. Russia is Turkey’s second-largest trading partner and its largest supplier of natural gas. There is also a vibrant “suitcase trade” between Russia and Turkey. Although this trade has declined somewhat since the mid-1990s, it still forms an important part of the unofficial Turkish economy, giving Turkey a strong incentive to keep political relations with Russia on an even keel. Moreover, parts of the

19 For background, see Ferenc A. Vali, Bridge across the Bosporus: The Foreign Policy of Turkey, Baltimore, MD: The Johns Hopkins Press, 1971, pp. 172–173.

20 For a detailed discussion of recent developments in Turkish-Russian relations, see Duygu Bazoglu Sezer, “Turkish-Russian Relations from Adversary to ‘Virtual Rapprochement,’” in Makovsky and Sayari, Turkey’s New World: Changing Dynamics in Turkish Foreign Policy, pp. 92–115. See also her “Turkish-Russian Relations a Decade Later: From Adversary to Managed Competition,” Perceptions, Vol. VI, No. 1, March–May 2001, pp. 79–98; and “Turkish-Russian Relations: The Challenge of Reconciling Geopolitical Competition and Economic Partnership,” Turkish Studies, Vol. 1, No. 1, Spring 2000, pp. 59–82.
Turkish business community have developed a strong economic stake in trade with Russia. Turkish construction firms such as GAMA, Tekfen, and ENKA have substantial investments in Russia. They constitute an important domestic lobby for trade with Russia and have been particularly influential in pushing for the construction of the Blue Stream gas pipeline.

The growing Turkish-Russian economic rapprochement is particularly evident in the energy sphere. Russia supplies over 60 percent of Turkey’s natural gas. This figure will rise to close to 80 percent with the completion of the Blue Stream pipeline. This growing economic interdependence is beginning to temper traditional Russian attitudes toward Turkey. Increasingly, Turkey is seen more as an important economic partner than as a geopolitical rival. As noted, Moscow has softened its opposition to the construction of the Baku-Ceyhan pipeline. Some Russian companies such as LUKoil and Yukos have even expressed interest in participating in the consortium.

This growing economic rapprochement has been accompanied by changes in the political arena as well. Despite close historic, religious, and cultural ties with Chechnya, Turkey has regarded Chechnya as largely an “internal” Russian problem and has not sought to stoke the fires of Chechen nationalism. Although some Turkish nongovernmental groups have sent aid and money to the Chechen rebels, Turkey has cracked down more forcefully on the activities of pro-Chechen militant groups since the takeover of the Swisshotel in Istanbul by pro-Chechen sympathizers in 2001.

One reason for Turkey’s restraint on Chechnya is undoubtedly Ankara’s concern that Moscow could seek to exploit the Kurdish issue, as it did during the Soviet period. However, Russia has not sought to “play the Kurdish card”—in part out of fear that Turkey could step up support for the Chechen insurgents. Moscow refused, for instance, to provide asylum for PKK terrorist leader Abdullah Öcalan in 1999, a move that contributed to his eventual capture by Turkish intelligence operatives. Indeed, Ankara and Moscow appear to have come to a tacit agreement that they both have much to lose by supporting separatism.

However, Turkey remains wary about Russia’s geopolitical ambitions in the Caucasus, especially Moscow’s close military ties to Armenia.
In 2000, Russia and Armenia signed a series of defense agreements that broaden defense cooperation and strengthen Moscow’s military position in the region. Of particular concern from the Turkish point of view has been Russia’s decision to supply Armenia with MIG-29s and S-300 missiles, which will be deployed at Gyumri, one of Russia’s two bases in Armenia. However, the rapprochement between Moscow and Washington since September 11 could increase Armenia’s room for maneuver and eventually allow Yerevan to reduce its dependence on Moscow.

Russia’s policy toward Georgia has also been viewed with concern in Ankara. Moscow has put pressure on Georgia by dragging its feet regarding the withdrawal from its base at Gudauta, which it agreed to vacate by July 1, 2001, at the November 1999 Organization for Security and Cooperation (OSCE) summit in Istanbul. In addition, it has demanded a 14-year period to withdraw from its bases at Batumi and Akhalkalaki; introduced a visa regime for Georgians working in Russia; demanded the creation of a joint police force to patrol areas of the Georgian border with Chechnya; and periodically cut off gas supplies to Georgia.21

Russia has also sought to use the separatist tendencies in Abkhazia and South Ossetia to put pressure on Georgia.22 In June 2002, the Russian Duma amended the law on Russian citizenship to allow residents of Abkhazia and South Ossetia to become Russian citizens—a move viewed by Georgia as tantamount to indirect and disguised annexation.23 The Duma’s action seemed designed to strengthen the rationale for a continued Russian military presence in Abkhazia and keep open the option of possibly detaching the two regions from Georgia at some point.

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Georgia’s independence is critical from the Turkish point of view. A serious shift in Georgia’s position back toward Russia could endanger the construction of Baku-Ceyhan. It would also leave Azerbaijan more exposed. As long as President Shevardnadze is in power, there is little likelihood of such a shift. Shevardnadze has pursued an increasingly pro-Western policy in recent years. However, Shevardnadze’s term runs out in April 2005 and under the Georgian constitution he can not run again. His departure could lead to renewed internal instability and weaken Georgia’s ability to resist Russian pressure.

**U.S.-TURKISH STRATEGIC COOPERATION IN EURASIA**

Turkey’s ability to pursue an active policy in Eurasia will be heavily influenced by the nature and strength of its ties to the United States. Since the mid-1990s, the United States has increasingly emerged as an important player in Eurasia. The United States has given strong diplomatic support to the construction of the Baku-Ceyhan pipeline, as well as the Trans-Caspian Gas Pipeline. Support for an East-West energy corridor has been seen as a way to support Turkish political ambitions while blocking Iran’s access to Caspian energy and preventing the reassertion of Russian hegemony in the region.

U.S.-Turkish cooperation has been particularly close in the Caucasus. Washington and Ankara have worked closely to strengthen ties to Georgia and Azerbaijan and encouraged both countries to adopt a stronger pro-Western position. In addition, the United States has lent strong support to Turkey’s effort to construct the Baku-Ceyhan pipeline, which it sees as an important means not only to expand Turkey’s role in the region but also to strengthen the independence of Georgia and Azerbaijan vis-à-vis Moscow.

The war on terrorism has given this strategic cooperation new momentum. The Caucasus has become an important factor in the struggle against international terrorism. As a result, the United States has stepped up its engagement, especially in Georgia. This increased military engagement, reflected in particular in the dispatch of special forces units to help train Georgian forces to combat Chechen rebels in the Pankisi Gorge along the Georgian-Chechen border, is another example of how the war on terrorism has begun to affect the balance of political power in Eurasia.
In addition, in December 2001, the Bush administration succeeded in getting Section 907 of the Freedom Support Act—which barred direct U.S. government support to Azerbaijan—repealed.\textsuperscript{24} The section, introduced under pressure from the American-Armenian lobby, significantly constrained U.S. freedom of action and policy options vis-à-vis Azerbaijan. With the lifting of the ban, U.S. relations with Azerbaijan are likely to receive new impetus.

The removal of the ban could also open up new avenues of cooperation between the United States and Armenia—including in the military area—and allow Armenia to gradually reduce its dependence on Moscow and expand ties to the West. This in turn could create the conditions for a gradual improvement in relations between Armenia and Turkey, although, as noted above, a serious rapprochement is likely to occur only after a settlement of the Nagorno-Karabakh conflict.

**IRAN’S ROLE**

Iran is potentially an important rival to Turkey for influence in Central Asia and the Caucasus. However, to date Iran has maintained a relatively low profile in Central Asia and the Caucasus and has not made a serious effort to spread its radical brand of Islam. Rather than trying to export revolution, it has concentrated on providing technical and financial assistance and expanding cultural ties.\textsuperscript{25}

Iran’s policy toward Central Asia and the Caucasus has been mainly driven by geopolitical considerations. Ideological goals such as the promotion of Islam have been of secondary importance.\textsuperscript{26} Tehran’s primary concern has been to prevent unrest in Central Asia and the Caucasus from spilling over and affecting Iran’s own minorities (50 percent of Iran’s population is of non-Persian origin and about 30

\textsuperscript{24}The administration succeeded in getting the ban lifted after the two main Armenian lobbies split on the issue. The mainstream Armenian Assembly of America supported the administration and the Armenian National Committee of America opposed lifting the ban.


percent are Azerbaijanis). This is the main reason why Iran supported Armenia against Azerbaijan in the Nagorno-Karabakh dispute. Religious and cultural affinity would have logically suggested that Iran would side with Azerbaijan. However, geostrategic considerations drove Tehran to support Armenia to keep Azerbaijan weak and ensure that Baku would not be in a position to stir up trouble among Iran’s large Azeri population.

For the near future, Iran’s influence in Central Asia and the Caucasus is likely to be limited for several reasons.

- The secularized Muslim elite in Central Asia and the Caucasus have little sympathy for Iran’s brand of radical Islam.
- Iran is likely to be preoccupied with its domestic priorities and with expanding its influence in the Persian Gulf. This will leave it little time and energy to pursue an active policy in Central Asia and the Caucasus.
- Iran must be sensitive to Russian security interests in Central Asia and the Caucasus. Iran’s growing reliance on Russian nuclear technology is likely to reinforce this caution.
- Like Turkey, Iran lacks the resources to be a major regional player.
- U.S. efforts to isolate Iran also weaken Iran’s ability to play a major regional role, especially in the energy field.

These factors are likely to limit Iran’s ability to play a significant role in Central Asia and the Caucasus in the near to medium term. This situation could change, however, if there were a thaw in U.S.-Iranian relations and the United States were to halt—or at least weaken—its efforts to exclude Iran from meaningful participation in the Caspian energy game. In such a case, Iran could become a much more important factor in the Caspian region. However, as noted above, such a reversal of U.S. policy is unlikely in the near future.

Russia’s effort to intensify ties to Iran in recent years has been viewed with concern in Ankara. 27 Moscow and Tehran share a common in-

\[27\] On the broader dimensions of this rapprochement, see Shaffer, Partners in Need: The Strategic Relationship of Russia and Iran. Also see Eugene Rumer, Dangerous
terest in preventing the expansion of U.S. and Turkish influence in the Caucasus and Central Asia. This has been an important impetus for the growing collaboration between the two countries. Both have sought to block the construction of the Baku-Ceyhan pipeline and prevent Ankara and Washington from expanding their influence in the Caspian basin.

Cooperation in the nuclear field has also intensified in recent years. Russia is helping Iran to build a nuclear reactor at Bushehr and in July 2002 Moscow signed a 10-year blueprint for expanding cooperation, which included plans to build five more nuclear reactors in Iran. Although Russia has insisted that its cooperation is limited to civilian development of nuclear energy, the growing nuclear cooperation with Iran has been a source of concern to officials in Washington, Ankara, and Jerusalem and a major irritant in U.S.-Russian relations.

At the same time, there are important obstacles to the development of a broader strategic relationship between Moscow and Tehran. Russia and Iran are potential competitors as oil producers and prospective alternative transit routes for the transport of gas and oil reserves. The two countries are also at odds over the division of the Caspian Sea bed. In addition, closer ties between Moscow and Washington, evident since the September 11 terrorist attacks on the United States, could constrain close collaboration with Iran, particularly in the nuclear field.


29 Russia, Kazakhstan, and Azerbaijan want the seabed to be divided into national sectors, which would give Iran only 13 percent of the seabed, whereas Iran wants the seabed to be equally divided among the five littoral states, which would give Iran control over 20 percent of the seabed. Turkmenistan’s position is less clear but Ashgabat appears to lean toward the Iranian position.

30 Although Russia insists its cooperation with Iran is limited to civilian development of nuclear energy, there have been some signs that Moscow might be willing to reconsider its plans to continue to build nuclear reactors in Iran, which U.S. officials fear could be used in a covert program to build nuclear weapons. See Steven Lee Myers, “Russia Says It May Reconsider Nuclear Deal with Iran,” New York Times, August 3, 2001.
Iran’s tense relations with Azerbaijan also are an obstacle to Tehran’s ability to play a larger regional role in the Caucasus. At present there is little likelihood that Iran and Azerbaijan will actually go to war, but this possibility cannot be entirely excluded if the idea of reuniting Azerbaijan with the Azerbaijani part of Iran—an idea advocated by Elchibey during his short-lived tenure as president of Azerbaijan—were to gain greater strength. Such a conflict would put Turkey in a difficult position and could create strains in Turkish-Azerbaijani relations.

Iran’s threat to use force to expel a British Petroleum–chartered oil exploration vessel in Azerbaijani waters in July 2001 raises broader questions about Iran’s longer-term goals in the Caspian region. Whether the move signals a shift in Iranian policy toward more coercive diplomacy or was simply designed to appease hard-liners in the Iranian leadership is not clear. But as Iran acquires progressively more capable missile and perhaps nuclear capabilities, its policy may become less circumspect and restrained. This could give Tehran’s policy in the Caspian—and Turkish-Iranian relations—a new, more assertive dynamic.

**THE TURKISH-ISRAELI CONNECTION**

One interesting aspect of the Eurasian equation has been the development of Israeli policy in the Caucasus and Central Asia and the role played by the Turkish-Israeli connection. In the last few years, Israel has expanded its role in Eurasia, especially with Azerbaijan. Israel strongly supported Azerbaijan in the Nagorno-Karabakh war and relations have warmed considerably since then. Cooperation in the intelligence field has intensified and there are some indications that Israel may have supplied arms to Azerbaijan. Israel has also expanded ties to Uzbekistan and Kazakhstan.

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There are several reasons for the rapprochement between Israel and the states in Central Asia and the Caucasus. One of the most important has been the fear of Islamic radicalism and a desire to contain Iranian expansion. Another has been Israel’s image as a strong, economically prosperous secular state. A third has been the Israeli-American connection. Many Central Asian and Caucasian states see improved ties to Israel as a means of indirectly strengthening ties to the United States. Finally, Israel is seen as an important source of economic assistance and investment by many countries in Central Asia.

At the same time, the Israeli connection has been instrumental in bringing Syria closer to Iran and Russia. Indeed, two axes have begun to emerge in the Caucasus and Central Asia: a pro-Western axis composed of the United States, Turkey, Georgia, Azerbaijan, and (increasingly) Israel and an anti-Western axis composed of Russia, Iran, Armenia, and Syria. These alignments highlight the degree to which alignments in Eurasia, particularly the Caucasus, are beginning to spill over into the Middle East, creating new political geometries and blurring hard and fast distinctions between the two regions.

Indeed, as Bülent Aras has argued, it is becoming increasingly difficult to separate the Caspian region from the geopolitics of the Middle East. Issues such as energy, the proliferation of weapons of mass destruction, and the resurgence of Islam are breaking down the boundaries between the two regions and reinforcing the argument for considering the regions as a geographic and political whole.

At the same time, the events of September 11 and the war on terrorism are weakening old alignments and creating new ones. President Putin’s decision to side with the United States in the war on terrorism could weaken the Russian-Armenian-Iranian-Syrian axis. On one hand, it may increase Armenia’s room for maneuver and lead to a gradual reduction of Yerevan’s dependence on Moscow. On the

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34 The Israeli lobby, for example, has been increasingly supportive of Azerbaijan. This has caused a split with the Armenian lobby, with which the Israeli lobby had previously closely cooperated. See David B. Ottoway and Dan Morgan, “Jewish-Armenian Split Spreads on the Hill—Strategic Issues Put Onetime Allies at Odds,” The Washington Post, February 9, 1999.

other hand, it could weaken Russian-Iranian cooperation, especially in the nuclear field. Both developments would work to Turkey’s advantage.

BLACK SEA ECONOMIC COOPERATION

As part of its growing interest in Eurasia, Turkey has played an active role in promoting closer cooperation in the Black Sea region. This has been reflected in particular in the high priority given to the Black Sea Economic Cooperation (BSEC). Launched by the late Turkish President Turgut Özal in 1989, BSEC is designed to promote private sector activity and stimulate the free movement of goods and services among member states.\(^{36}\) It also represented a hedge against Turkey’s difficulties with the EU at the time.

In June 1992, BSEC’s 11 member states\(^{37}\) formally signed an agreement in Istanbul to promote cooperation in the fields of energy, transportation, communications, information, and ecology. Since then, the group has taken on a stronger institutional identity. In 1994, a Permanent International Secretariat (PERMIS) was established and assumed duties. In June 1998, the group acquired concrete institutional form as the Black Sea Economic Cooperation Organization, giving it a legal basis and allowing it to establish cooperation with other regional and international organizations. In June 1999, the Black Sea Trade and Development Bank was opened in Thessaloniki.

In addition, at Turkey’s initiative, a Black Sea Naval Task Force (BLACKSEAFOR), composed of forces from Turkey, Ukraine, Russia, Bulgaria, Romania, and Georgia, has been set up.\(^{38}\) The force will fo-


\(^{37}\) In addition to Turkey, the other members are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, and Ukraine.

focus on search and rescue operations, humanitarian operations, anti-mine sweeping, environmental protection operations, and goodwill visits. BLACKSEAFOR may also be available for possible employment in operations mandated by the UN and OSCE.

However, although BSEC has provided a useful forum for discussing regional issues, it has a number of important weaknesses.

- Most of the members are poor and are at very difficult stages of development. This has inhibited effective economic cooperation.
- Geographically, the group is extremely heterogeneous. Some countries, such as Turkey, Russia, and Ukraine, border on the Black Sea; others, such as Armenia, Azerbaijan, and Albania, do not. Thus, the degree of commonality between members is limited.
- Deep-seated antagonisms and ethnic rivalries exist within the group. A number of members have long-standing disputes with their neighbors. These disputes make the development of any serious security component difficult.
- The organization lacks strong procedures for policy coordination. It also lacks strong and effective leadership.

These weaknesses have limited BSEC’s usefulness as a mechanism for fostering regional cooperation. As a result, Turkey’s interest in BSEC has diminished in recent years. Ankara continues to actively participate in the organization, but the initiative no longer has the same high priority it had during the first half of the 1990s.

DOMESTIC INFLUENCES

Turkey’s policy toward Eurasia also illustrates an important broader trend in Turkish foreign policy in recent years: the proliferation of new actors and institutions into the foreign policy arena. This has created a more varied and complex foreign policy environment. Today, foreign policy is no longer solely the prerogative of the Foreign Ministry and military. Domestic factors play an increasingly important role in shaping Turkish foreign policy.
This growing complexity and pluralism have been particularly evident in Turkish policy toward Central Asia and the Caucasus. A variety of ministries and nongovernmental agencies—particularly the Ministries of Culture and Energy—have exerted an important influence on policy toward Eurasia, as have outside interest groups such as the construction industry. Indeed, the Foreign Ministry appears to have largely lost the initiative in determining policy toward Central Asia and the Caucasus.

The Turkish International Cooperation Agency (TIKA), in particular, plays an important role in Central Asia. Set up in 1992, TIKA’s prime purpose is to facilitate the activities of businessmen in the Turkic states. TIKA also helps to organize exchanges of youth groups and other groups from Turkey and the Turkic states. The Ministry of Culture and the Office of Religious Affairs have also been active in the Turkic-speaking states in Central Asia, as have agencies such as the Atatürk Language, History and High Culture Council.

In addition, ethnic lobbies have begun to exert a growing influence on policy. There are an estimated five million Turkish citizens of North Caucasian background in Turkey. These groups have collected money and even sent volunteers to fight in Chechnya. Their activities are not controlled by the Turkish government, but they have an important effect on Turkish policy. In January 1996, for instance, Turkish citizens of North Caucasian origin hijacked a Turkish ferry to publicize the plight of the Chechens. Their action received considerable sympathy among the Turkish public. Such actions have complicated relations with Russia and resulted in demands by Moscow that the Turkish government take stronger action to control the activities of pro-Chechen groups in Turkey.

Officially, Turkey has eschewed any effort to promote Pan-Turkism. However, a number of nongovernmental groups advocate a closer association or cultural union encompassing the Turkic states of Central Asia and the Caucasus. The late Alparslan Turkes, the former head of the MHP, actively promoted a Pan-Turkic agenda.39 Turkes

39Turkes played a particularly important role in Turkish policy toward Azerbaijan in the period leading up to Elchibey’s election in June 1992 and was often used by the Turkish government as an unofficial emissary to the Turkic Republics in Central Asia.
organized annual meetings of Pan-Turkic groups to which representatives of the Soviet Republics were invited. Although these meetings were unofficial, they were often attended by high-level Turkish politicians.

Since Turkes’s death in 1997, the MHP has toned down its Pan-Turkism. However, the party continues to emphasize the need to strengthen Turkey’s ties to the Turkic states of Central Asia. Many observers worried that the entry of the MHP into the government after the April 1999 elections might lead to a greater emphasis on Pan-Turkic ideas. However, the party has had surprisingly little effect on Turkish policy toward the Turkic states in Central Asia, which continues to be characterized by pragmatism and realism rather than the promotion of Pan-Turkic goals.

The followers of Fethullah Gülen, the Turkish religious leader from the Nurcu sect, also play an important unofficial role in promoting Turkish interests in Central Asia. Gülen’s followers have founded more than 300 schools around the world, the majority of them in the newly independent Turkic states of the former Soviet Union. These schools promote a philosophy based on a synthesis of Turko-Ottoman nationalism rather than Islam. They have played a major role in transmitting Turkish cultural values in these countries. Indeed, their influence may be even greater than that of official Turkish policy.

The impact of domestic factors has been particularly evident in Turkey’s Caspian energy policy. In the contest for control of energy policy, the Ministry of Energy and the Foreign Ministry have often been on opposite sides of the policy fence. The Energy Ministry has strongly backed the construction of the Blue Stream gas pipeline, whereas the Foreign Ministry and Turkish military have opposed Blue Stream, arguing that it will increase Turkey’s dependence on Russian gas and endanger Turkish security.

For details, see Bal and Bal, “Rise and Fall of Elchibey and Turkey’s Central Asian Policy,” pp. 44–45.

Indeed, one main weakness of Turkey’s Eurasian policy has been the lack of overall policy coordination and direction. A large number of ministries and quasi-governmental bodies appear to pursue their own agenda with little overall coordination. There has been no clear-cut policy framework providing overall guidance for policy toward the Caucasus and Central Asia. In the absence of such guidance, Turkey’s policies toward the region have been dominated by personal whims and personalized connections. This has often resulted in various ministries and agencies working at cross-purposes and hampered the development of a coherent, overarching policy toward the region.

PROSPECTS FOR THE FUTURE

Turkey has found it harder to capitalize on the opportunities opened up by the collapse of the Soviet Union than it had initially anticipated. However, the events of September 11 have added a new dynamic to the Eurasian equation. In Central Asia and the Caucasus, the deck is being reshuffled, with uncertain consequences for politics in both regions. The war on terrorism could lead to a strengthening of U.S engagement in the region and a corresponding diminution of Russia’s influence, opening up new opportunities for Turkish diplomacy in both regions.

Whether Turkey will be able to exploit these new opportunities will depend in large part on Turkey’s own domestic evolution, particularly its ability to overcome its internal problems. A weak Turkey wracked by internal instability and preoccupied with domestic problems will have little capacity to pursue a coherent policy toward Eurasia. On the other hand, a Turkey that surmounts its internal difficulties would be in a good position to take advantage of the new opportunities opened up by the war on terrorism.

American policy in Central Asia will also be important. If the war on terrorism leads to deeper U.S. involvement in Central Asia, Turkey could be an important beneficiary. But if the United States washes

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41 See Aydin, “Turkish Foreign Policy Towards Central Asia and the Caucasus: Continuity and Change,” p. 43.
its hands of the region, either as a result of disinterest or a preoccupation with other priorities—as happened in Pakistan and Afghanistan after 1989—Turkey may find it difficult to make further inroads in Central Asia and the Caucasus.