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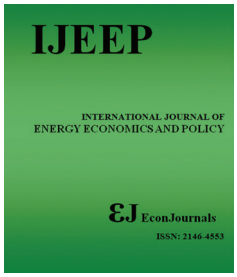

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Geopolitics of the Republic of Turkey's Energy Policy

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ABSTRACT

Since Turkish Republic has seen outstanding economic growth developments in recent years, the demand for energy sources has increased significantly. This development has motivated Turkey to create secure and reliable energy routes to its energy market. Turkey is now ranked as one of the largest energy consumers, and this consumption constantly continues to increase. Turkey currently depends on imported natural gas resources for 98% of its total consumption, which is supplied by Russia, Iran, Azerbaijan, etc., Turkey's accepted state program 2023, indicates the country's vision to become part of the top 10 economies in the world, and within the bounds of such a target, Turkey's demand for energy resources will increase even more in volume. The Turkish Republic has been very much aware of these situations and as such the country has used its unique geographic location to play an important role in implementing its energy strategy.

Keywords: Turkish Republic, Energy Security, Diplomacy, Geopolitics
JEL Classifications: Q4, F68, G18

1. INTRODUCTION

Throughout the last two decades, the Republic of Turkey has been experiencing impressive economic growth and development. As a result of this significant improvement, the country is currently ranked as the 16th largest economy in the world (Unay and Serif, 2016). Turkey's geographical location has played an important role in connecting the East to the West and the North to the South. Since the fall of the Ottoman Empire, Turkey has undergone political, social, and economic transformations. Turkey's strategic geographical location also formed a strong base for the economic development of various industries. Since the country has seen outstanding economic growth developments in recent years, the demand for energy sources has increased significantly. This development has motivated Turkey to create secure and reliable energy routes to its energy market. Turkey is now ranked as one of the largest energy consumers, and this consumption constantly continues to increase. Turkey currently depends on imported natural gas resources for 98% of its total consumption, which is supplied by Russia, Iran, Azerbaijan, etc., Turkey's accepted state program 2023, indicates the country's vision to become part of the top 10 economies in the world, and within the bounds of such a target, Turkey's demand for energy resources will increase even more in volume (Yasar, 2016). The Turkish Republic has been very much aware of these situations and as such the country has used its unique geographic location to play an important role in implementing its energy strategy. As a result, the government has created a stable and encouraging investment environment for all players who wish to invest in its energy strategy program. As a consequence of this, a country located at the crossroad between Asia and Europe has begun to structure its energy diplomacy. Turkey has been using its valuable location to implement such energy based geopolitical policies and due to this, the country is fast becoming one of the main energy routes for hydrocarbon resources from the Caspian basin and the middle East to the European energy market. Turkey's energy diplomacy has reached these goals with the implementation of the Baku-Tbilisi-Ceyhan (BTC) crude oil and Baku-Tbilisi-Erzurum (BTE) natural gas pipelines. These pipelines have helped Turkey to create close economic ties with Azerbaijan and Georgia, and most importantly to access the caspian energy resources. The successful operation of the existing energy infrastructure has pushed the proposal for the new energy projects and Turkey's active participation in the Southern Gas Corridor (SGC) has allowed new projects to be implemented and realized quickly. The construction of the Trans-Anatolian (TANAP) gas pipeline project (TANAP) and the development of SGC will not only promote Turkey to become a strategic transit country and an influential player in the European energy market, but it will also motivate other gas-rich

countries, such as Iran, Iraq, Turkmenistan, and Kazakhstan to join the project in delivering their gas reserves to the European energy market (Winrow, 2013).

During the period when relations between Russia and Turkey worsened over the jet crisis, Russia suspended the Turkish Stream Project and imposed a number of economic sanctions. Turkey's energy imports from Russia are estimated to be around $ 400 per/tcm of natural gas and due to worsening relations, Russia could implement further energy sanctions by increasing the price of energy resources, or even by cutting off 100% of energy supplies to Turkey, such as during the period when relations between Russia and Turkey worsened over the jet crisis (Yanik, 2015). Therefore, Turkey's strategy to diversify its imports and to build alternative energy supplies to its economy has empowered the strategic importance of the SGC project. As a result, the role of Azerbaijan in the diversification of energy resources has increased, and building much better energy security has become a vital policy for Turkey. Under the SGC project, Turkey would not only build diversified energy routes but also receive extra gas resources through TANAP, which would promote competition in the energy market and increase the pressure on other suppliers to both reduce the prices for gas and deter any chances of energy sanctions in future.

The Turkish republic is situated strategically between Asian, European, and Middle Eastern regions. As such, the country aspires to be an important energy transit corridor and energy hub with key access to energy pipelines. Furthermore, in order to secure its energy supplies, the country has diversified its gas and oil supplies and expanded its storage facilities. Turkey has signed agreements with the European Union to secure transit supplies and diversify European energy security. European dependency on Russian gas supplies, expensive gas prices, and the conflict between Russia and Ukraine has seriously threatened European energy security (Journal of European Studies, 2015). This has resulted in the implementation of a new strategy for European Union countries to develop innovative gas supply security policies. One of the major strategies of this policy is the European Commission's decision to fully support the SGC project's implementation. The European Commission's 2020 Energy Strategy program stated clearly that energy cooperation and construction of the TANAP and TAP gas pipeline projects under the SGC project would be supported (Floridan, 2013). In this strategy of the European Union, the SGC project has been seen as a potential link in reaching Caspian basin and Middle Eastern countries, such as Iran and Iraq. Since the sanctions on Iran have been lifted, it is expected that Iran, through the SGC project, will contribute to the European Union's energy market. Azerbaijan and Turkey's role in the implementation of such a strategy is very crucial and both of these countries have encouraged the surrounding gas-rich countries to join the SGC project. It is obvious that the SGC project will not result in a drastic decline in Russian natural gas imports in the near future. However, it will help in securing further demand for the energy security in Europe.

Surrounding energy-producing countries from the Caspian basin and Middle Eastern regions are seeking to reach the European energy market. They understand that Turkey will play a strategic role in the future and most are willing to take Turkish energy interests into consideration. Turkey wants to replace Ukraine's position and plans to become one of the major European energy transit countries (Schubert et al., 2014). Natural gas resources from Russia, Iran, Azerbaijan, Kazakhstan, Turkmenistan, and other countries would travel through Turkish territory to reach the stable European energy market. So far, Turkey is one of the best solutions to the European energy security concerns, and the country has started to play an active role in building a comfortable political climate for Iran and the Caspian basin countries to consider forging such an energy alliance. It is important to mention that Turkey also built the same political climate for Russia to reach the European energy market via its territory. The Turkish stream natural gas pipeline project was an important project for Russia to construct an alternative transit route to the European market, bypassing the Ukraine (Karagol and Mehmet, 2015). But during the jet crisis between Ankara and Moscow, the implementation of the Turkish Stream pipeline was postponed and as a result, Russia's plan to build an alternative pipeline through Ukrainian territory has temporarily come to a standstill. Turkey, being well aware of its key positioning for gas pipeline projects, wants to guarantee its demand for natural gas reserves. Turkey has been lobbying its interests in energy security to the European Union and the country wants to involve as many energy-rich countries to participate in regional energy projects as possible. As a result, with the exception of the White Stream project, all the remaining planned energy projects will pass through the Turkish Republic. Since the nuclear deal between the Euro-Atlantic community and the Islamic Republic of Iran, Turkey has started promoting the supply of natural gas from Iran. This support is certainly related to the ambition of Turkey to become the main corridor for the flow of Iranian natural gas imports. In general, Turkey with its energy policy strategy will become the center stage in the energy battle between the East-West and North-South energy cooperation crossroads (Souleimanov and Josef, 2012).

2. TURKEY AND AZERBAIJAN'S RELATIONS

During the Soviet Union period, Turkey had no opportunities to build strong economic relationships with the rest of the Turkic states. Despite the ethnic and linguistic similarities between Turkey and the Turkic states, the communist regimes operating in the Turkic states proved to be a huge obstacle in the advancement of economic relations with Turkey (Ruseckas, 2000). Since the fall of the Soviet Union, Turkey has entered the region and has started to build relations with Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, and Kyrgyzstan. But out of all the Turkic states, Azerbaijan obtained a unique country status for the Turkish Republic due to its geographic location in accessing Central Asian Turkic states via the Caspian Sea. Also, due to ethnic and linguistic affiliations, Azerbaijan automatically became the main platform in building such relationships. When Azerbaijan gained its independence in 1991, Turkey became the first country to officially recognize their sovereignty (Ruseckas, 2000). The development of political and economic relations between the two countries

has been conducted with the slogan of "one nation, two states" and until this period, relations have been on a constant increase. Under this motto, the two countries have created common energy projects and developed a strategy to create an alternative energy corridor between Asia and Europe.

In the last decade, both countries have experienced significant economic development. Currently, when looking at Gross National Product (GNPs) for 2016, Turkey ranked as the 16th and Azerbaijan ranked as the 65th largest economy in the world (Unay and Serif, 2016). The two countries have facilitated strong economic bases for trade relations and companies from both countries have invested significantly into each other's economies. The main areas of trade between Azerbaijan and Turkey range from the energy industry to retail, construction, and technological sectors. There are over 3000 Turkish companies operating in Azerbaijan and until today, together with energy investments, Turkish companies have exceeded over 6 billion USD in investment (Kirisci, 2013). The operational status of the existing BTC and the BTE energy pipelines has been instrumental in attracting greater investment from companies. Completion of the construction of the Baku-Tbilisi-Kars railway by the end of 2016 will promote a direct ground connection between the two countries and as a result, economic relations between the two countries will develop even further. According to the Turkish minister of Customs and Trade, Nurettin Canikli, the positive relations between the two countries have created a unique model for economic bilateral relations. As Canikli states "the exceptional development of bilateral relations in so many areas could serve as a role model for the entire international community" (Azpromo, 2015). From Canikli's statement, it is clearly seen that both Azerbaijan and Turkey have enjoyed the establishment of the Supreme Council on Strategic Partnership and this strategic cooperation will further assist in the development of strong relations. Currently, Turkey is the largest investor in Azerbaijan's non-oil sector, estimated to be around 4 billion USD/year, and by 2023 it is expected to triple (Azpromo, 2015). During the visit of the Azerbaijani President, Ilham Aliyev, to Turkey on March in 2016 for the fifth meeting of the Turkey-Azerbaijan high-level Strategic cooperation council, it was indicated that the strategic partnership would reach higher levels in the near future. Turkey has globally expressed its position in supporting Azerbaijan on a number of occasions (AzVision, 2016). Turkey's invitation of Azerbaijan to the 2016 G20 annual summit, and the participation of Azerbaijan in such an important event, is a great example of how both countries are supportive of each other on the international stage. Turkey has supported Azerbaijan's position in the Azerbaijani-Armenian Nagorno-Karabakh conflict and requests the international community to resolve the conflict under the territorial integrity of the Republic of Azerbaijan. In support of Azerbaijan, Turkey has closed its borders with Armenia and announced that the borders will reopen under one condition: The complete withdrawal of all Armenian troops from the internationally recognized territory of Azerbaijan (Koolaee and Mahnaz, 2015).

In general, Turkish-Azerbaijani relations in the last two decades have gone through major developments. Political, economic, and social areas have received important attention from both countries and this has provided the opportunity for the development of energy cooperation. This cooperation generally attracted regional and global countries attention to the region. Being an energy supplier and transit country for Central Asian states and Turkey, Azerbaijan is assisting in the realization of energy projects that promote the energy security of European countries. The South-Caucasus and Central-Asian countries are seeking a policy, which grants them access to the European energy market and for that reason they understand Turkey's importance in the realization of such a policy. Azerbaijan, together with Turkey, understands this policy very well and has announced to the world that both of the countries are ready to help all regional and non-regional countries in joining the SGC project. For this reason, the implementation of such an energy project and the construction of the TAP and TANAP projects indicate the importance of the alliance between Azerbaijan and Turkey.

3. TURKEY AND CENTRAL ASIA'S RELATIONS

When the countries in Central Asia gained their independence from the Soviet Union in 1991, Turkey started to build strong diplomatic relations as soon as possible. This strategy was followed by the integration of the central Asian states, namely Kazakhstan, Turkmenistan, Uzbekistan, and Kyrgyzstan towards the Turkish Republic via the South Caucasus, mainly through Azerbaijan (Feller, 1997). In the last two decades, because of ethnic and linguistic similarities, Turkey was able to invest in most of the political, economic, and social spheres of central Asian states without any major obstacles (Esen, 2016). It should not be forgotten that since the Central Asian republics' independence, Russian, Iranian, Chinese, and Euro-Atlantic communities' interests in the region have become very evident. Turkey's wide presence in the region has provoked the above-mentioned players to challenge Turkish integration in the region. For Central Asian republics, the presence of Turkey is also very vital because Turkey provides new economic opportunities, alternative trade routes, and energy markets to the region. However, for every Central Asian nation, as well as Turkey, the establishment of strong relationships with one another is viewed not just as business and new market opportunities, but also as an opportunity to build strategic alliances with countries who share common ethnic and cultural roots. Turkey's usage of its soft power in Central Asian states has been promoted through educational, cultural, business, and pop culture spheres. For this reason, common history, language, religious beliefs, and traditions have helped to not only deepen the partnerships on a bilateral level but also at a wider regional level with the involvement of the entire central Asian region. The establishment of multilateral institutions and organizations, such as the International Organization of Turkic Culture, founded in 1993, the Parliamentary Assembly of Turkic-Speaking Countries, founded in 2008, and the Turkic Council, founded in 2009, have promoted cooperation in social and political fields in strengthening historical ties. Currently, there are many academies, TV channels, and radio stations that operate with the intention of stimulating the creation of a common Turkic language (Kaplan et al., 2015).

Regional and global projects in all spheres would serve to facilitate the development of economic cooperation and integration. Boosting the relationship between Turkey and Central Asian states highly depends on the implementation of a diverse range of regional projects. The silk road project, which aims to boost trade and transportation routes by restoring the ancient silk road, which linked Europe with Asia, will eventually promote positive economic development on the entire continent. Turkey's presence in the region and its various projects will be affected by the involvement of China, Iran, Russia, as well as other significant players (Marketos, 2009). Therefore, both for the Turkish Republic and for Central Asian countries, cooperation in the energy sector and improvements in transportation routes, together with the political coalition, have become some of the most important policies to focus on. There is huge potential for Turkey and for Central Asian countries in developing their energy sectors together with the involvement of Azerbaijan and European countries. Due to Azerbaijan's geographic location and the constantly growing status of the country in economic and political spheres, Turkey together with Azerbaijan, have all the necessary requirements for becoming major partners with the central Asian states. But out of all the strategic partnership initiatives, potential cooperation in energy spheres and proven rich hydrocarbon resources in Central Asian states are the main factors for the implementation of this huge economic project. Turkmenistan has a proven 18,000-bcm natural gas reserves, which means that it is ranked 4th place globally. The country has been very ambitious in expanding and diversifying its energy routes over the last 10 years (Kolb, 2012). At present, the country only exports uncertain volumes of its energy resources to China, Iran, Russia, and Afghanistan. However, the country currently lacks any alternative routes toward European countries and therefore the country is highly dependent on the already existing infrastructure. This situation hinders the implementation of a strategy regarding the diversification of the energy routes. The same problem occurs with Kazakhstan, which mostly exports its hydrocarbon resources to the Russian Federation and the People's Republic of China (Khalid et al., 2016). Kazakhstan is very eager to build and diversify its energy routes in reaching new energy markets, especially the European energy market. This is where Turkey's increasing demand for natural gas reserves come to the forefront in implementing such a policy in Central Asian states. If we consider the high volume of natural gas exports from Kazakhstan and Turkmenistan to Turkey, these countries would not only reach the energy demanding and developing Turkish gas market, but they would also be provided with an opportunity to access the stable European energy market. Furthermore, the European Union is highly interested in receiving high volumes of natural gas into its energy market from Turkmenistan and Kazakhstan. Currently, the countries involved are continuing negotiations to deliver the central Asian gas reserves to Europe. Besides the implementation of the SGC (TANAP and TAP gas pipeline projects), the construction of the Trans-Caspian natural gas pipeline project is also one of the major proposed pipelines in accessing Turkmen gas for exporting to Europe via Azerbaijan, Georgia, and Turkey, effectively bypassing the Russian Federation and the Islamic Republic of Iran. Azerbaijan has welcomed the initiatives of the European Union and Turkey in supporting the construction of the Trans-Caspian pipeline. Turkey also announced that the country is ready to import natural gas not only as a consumer but also as a supplier to countries within the transit corridor for transportation of their energy resources. When Turkmenistan's president, Gurbanguly Berdimuhamedow, paid an official visit to Turkey in 2015, he stated that Turkmenistan is ready to create a mechanism with Azerbaijan and Turkey for the development of the Trans-Caspian pipeline project (Yeni Safak, 2015). Due to some disagreements between Azerbaijan and Turkmenistan over the ownership of certain energy fields in the Caspian Sea, the implementation of the Trans-Caspian gas pipeline project has been postponed until further notice. Turkey has also been attempting to mediate between Azerbaijan and Turkmenistan over the disputed oil and gas fields in the Caspian Sea. Westward transportation of natural gas reserves requires agreement and settlement of the issues and claims between Azerbaijan and Turkmenistan. Therefore, the European Commission and Turkey's contribution to resolving the disagreements have been playing an important role. If the negotiations conclude with an agreement, the Trans-Caspian pipeline will be used to supply natural gas from Turkmenistan to Azerbaijan and to Europe via Turkey.

4. THE RUSSIAN FEDERATION AND TURKEY'S RELATIONS

When conflict erupted between Turkey and Russia with the downing of a Russian SU-24 plane by a Turkish F-16 fighter jet in November of 2015, Ankara and Moscow froze their relations and each side started a blame campaign against the other (Tanrisever, 2016). Prior to this conflict, both countries' positions were united in many global events, and therefore Ankara had refused to join the Western sanctions against Russia when the Crimean conflict broke out. However, after the shooting down of a Russian SU-24 plane, their relations changed for the worst. The freezing of all economic and political relations resulted in Russian sanctions against Turkey and all of the planned energy, economic, social, and other projects had been postponed. Also, the proposed construction of the Turkish Stream natural gas pipeline had been postponed. In addition, the tension between the two countries negatively affected the surrounding regions including the Central Asian and South Caucasus regions. It was highly unlikely that countries in the region would choose a side in supporting either state. Moreover, all the surrounding countries did share a common interest-the improvement of the relations between both Moscow and Ankara. For example, the president of Kazakhstan, Nursultan Nazarbayev, announced his concern over the Russian-Turkish confrontation and said, "From the first days of our sovereignty, we have been making every effort to bring closer our brotherly people. Turkey means much for Kazakhstan and we will never give up the policy of cooperation. For us, the crisis in the relationship between Turkey and Russia has become a big problem. Both Countries are our important partners and allies" (Fedorenko, 2016). Also, the president of the Republic of Azerbaijan has stated, "Azerbaijan has had close ties with both Turkey and Russia, and that it regrets and is concerned about tension between the two countries" (CommonSpace, 2015). He added that Azerbaijan is willing to do everything within its power to reduce the tension between Moscow and Ankara.

Before the jet crisis between Turkey and Russia, various economic projects were planned to implement, and the Turkish Stream gas pipeline project was one of them. The Turkish Stream gas pipeline was a proposed project that would run across the Black Sea connecting Russia to Turkey and then on to Greek territory. The Turkish Stream project, with its offshore and onshore pipeline parts, planned to have a capacity of 63 billion cubic meters of natural gas annually (Karagol and Mehmet, 2015). This project would not only supply the European Union countries, but it also intends to deliver gas to the Turkish market as well. However, after the jet crisis, Russia announced that the Turkish Stream gas pipeline project had been suspended and in the future, if the relationship between Moscow and Ankara recovers, there will be a possibility for the project to resume. As a fast-developing country, Turkey is highly interested in diversifying its routes for energy demands. Because of this, Russia plays a very important role in Turkey meeting that demand. Turkey is likewise important to Russia in accessing and building new transit routes that reach the energy market of the European Union. In general, both countries need each other to develop important energy cooperation in accordance with meeting each other's demands.

Turkey wants to create a safe energy corridor between energy-producing countries and energy-consuming countries. The country is located near the wealthiest energy-rich countries of the world-Russia, the Caspian basin, and the Middle East-and has created its energy policy to play a dual role in this strategy, as a consumer and as a transit country. In this context, Turkey is interested in making agreements with all the energy-producing countries in developing that energy strategy. The main goal of the Turkish republic is to eliminate all possible threats to supply security and to reduce the energy supply deficiency. Russia is, without a doubt, one of the main countries that threaten Turkey's energy policy implementation objectives. Being 70% dependent on external energy resources, Turkey has been receiving most of its natural gas imports (60%) from the Russian federation and this figure clearly shows how Turkey is desperate to not only continue to receive Russian imports but also to diversify and build alternatives to Russian imports (Tunc, 2012). Considering the previous tension between the two countries, the impact on energy supply security has not created any problems for Turkey but it is expected that in the long run if the jet crisis continues, it would have a contrary effect on the Russian economy. When considering the situation in the Russian economy, for its energy exports, Turkey paid around 12.8 billion USD in 2014 (Kunu and Sertaç, 2016). Turkish dependence on Russian energy supplies has resulted in Turkey becoming the second largest natural gas market for the Russian Federation.

Turkey has now become the largest gas buyer on the European continent. Due to rapid economic development, Turkey's demand for natural gas supplies has recently increased to more than 48.7 billion cubic meters (Arinc and Levent, 2015). Due to increased industrial and urban gas consumption, Turkey is considering all possible routes in diversifying resources from Azerbaijan, Central Asia, and the Middle East. In the long run, if the beginning of 2016 did not normalize Russia's relations with Turkey, Russia could have decreased its share in the Turkish gas market. The completion of the TANAP gas pipeline project in 2018 and the agreement between Turkey and Iran in April of 2016 to renovate the existing energy pipeline to increase the gas flow to Turkey would encourage Russia to increase its supplies and decrease the price of gas exports (Alipour, 2015). Also, due to the normalization of Turkish-Israeli relations and the discovery of huge oil and gas fields in the Mediterranean Sea, Israel will export gas to Turkey and this will further weaken the Russian position in the Turkish gas market. According to some analysts, if Turkey and Israel make an agreement on the construction of a pipeline, Israel could initially export around 5 bcm by the end of 2019 (Sales, 2016). Also, it is very important to mention that Turkish and Iraqi sides have also agreed to negotiate on cooperation in the energy sector. The Iraqi representative has announced that around 10 bcm will be exported to Turkey annually if the agreement is established between the two countries (Efe, 2011). Taking into consideration the various options for Turkey, the country will be better off diversifying its portfolio instead of being dependent on the high cost of Russian gas in the long run. This policy of Turkey will definitely prompt Russia to reevaluate its dominant position in the Turkish gas market. The jet crisis period between Moscow and Ankara has not had such a negative effect on the energy field since the energy sector constitutes one of the main parts of the economic relationship between the two countries. Both countries had no other realistic option but to cooperate and rebuild their relations. As a result, in the beginning of 2016, both countries took the path to normalize the relations and bring back the previous relations, including the implementation of the energy pipeline project-South Stream natural gas pipeline.

In the next 3-4 years, when new energy projects (TANAP, TAP, and others) become operational, the risks in terms of energy supply security for Turkey will be eliminated. All of the new energy-rich countries and new alternative energy projects would guarantee that Turkey ensures the security of its supplies and diversifies its energy routes, while also serving as a transit country for the energy market supplies of the European Union. Under these circumstances, Russia could have potentially lost billions of dollars if the jet crisis had continued. The jet crisis could have resulted in Russia losing 50% of its share in Turkey's gas market (Tunc, 2012). It is clearly evident that Russia's stance during the jet crisis period could not only have hurt its energy exports to the Turkish energy market in the long run, but its stance could have also canceled the implementation of the Turkish Stream gas pipeline, which was supposed to transport upwards of 60 bcm of natural gas via Turkey to the European energy market (Karagol and Mehmet, 2015). As a result of the above-mentioned claims, recent events indicated clearly that leaders of the two countries understand the importance of the strong relationship between their two nations. In June 2016, the Turkish president, Recep Tayyip Erdogan, wrote a letter to the Russian president, Vladimir Putin, apologizing for the incident involving the downing of the Russian Su-24 Jet, and his deep sympathy and condolences for the deaths of the pilots. In his letter, President Erdogan stated, "We never had a desire or a deliberate intention to down an aircraft belonging to Russia" (Asharq, 2016). He went on to describe Russia as "a friend and a strategic partner" of the Turkish Republic and requested to rebuild political and economic relations between the two countries. On

its side, Russia has accepted the Turkish apology and welcomed the normalization of relations between the two nations. For many analysts, this positive Turkish move will not only lead to the restoration of relations but will also contribute to peace in the Middle East. As many analysists believe, the normalization process between Turkey and Russia will restart talks and negotiations on the EU gas pipeline. The Turkish Stream gas pipeline, which starts in Russia, runs under the Black Sea via Turkey to Greece and from there towards the EU energy market, is of vital importance to both sides. For Russia, The Turkish Stream pipeline is the alternative proposal to the South Stream pipeline, which was to run from Russia to Bulgaria (Karagol and Mehmet, 2015). Due to EU competition law and the Crimean conflict between the EU and Russia, Moscow has been pushed to propose the Turkish Stream gas pipeline (Bebler, 2017). It is expected that the normalization process will continue until when a number of Russian-imposed sanctions against Turkey will be completely lifted. Once Gazprom receives confirmation from Moscow, the talks and negotiations on the implementation of the Turkish Stream will recommence.

5. EUROPEAN UNION AND TURKEY

The Turkish Republic is considered to be an important energy hub country. Currently, a large volume of crude oil and natural gas resources are being transported via the BTC and BTE pipelines. This includes gas transported via the Turkish straits by tankers to the European energy market. Since the secured and continuous flow of energy is the main aspect of energy security, Turkey, with its stability and commitments, is seen as one of the primary countries involved in European Energy security policy. EU member states are seeking a policy, which offers diversification of their energy imports, and Turkey, with its strategic geographical location, is one of the most viable alternatives in the EU's diversification policy. Turkey already has existing regional pipeline infrastructure and has demonstrated that it will contribute even more to the proposed energy projects. Therefore, geopolitical and economic concerns that are related to the implementation of the energy projects have to be addressed to Turkey as an energy hub country. The status of Turkey is considered to be a "central country" as the previous Prime Minister, Ahmet Davutoglu, stated (Anadolu Agency, 2012). He argued that Turkey is in the center of the crossroads between Asia and Europe and major energy-producing and energy-consuming countries would need to come to terms with Turkey on energy security issues. From the Caspian basin and the Middle East to the Balkans and other European countries, Turkey is considered by many to be the primary energy-trading center in long-term policy building projects.

The European Union has been developing a strategic energy security policy, particularly due to the fear of being dependent on Russian natural gas imports. As such, European countries have strengthened their ties between the southeastern regions of the continent. Strategically located between the largest energy-producing and consuming states, Turkey has received significant attention from the European, South Caucasus, Central Asian, and Middle Eastern countries due to its energy pipeline project. Under the current circumstances, Turkey holds an important position in the diversification of the European Union's energy imports. Adding to this the Russia-Ukraine tension over the Crimean conflict, Turkey is going to become the country to replace Ukrainian territory as the European energy transit country in the transportation of Russian gas resources. However, worsening relations between Russia and Turkey over the shooting of a Russian military jet have postponed the implementation of the proposed Turkish Stream gas pipeline project. Despite the tension between the two countries, they have nonetheless announced that they have frozen energy relations. While Turkey remains open to all the energy-producing countries, it has implemented special energy policies seeking to target the European energy market with the Caspian basin and the Middle Eastern energy resources (Yesevi and Tiftikcigil, 2015). Turkey is well positioned to supply energy resources from Iran, Azerbaijan, Turkmenistan, and other energy-producing countries to the European energy market. The European Union also takes heed of Turkey's capacity to become an energy hub because of its energy diversification routes. For this reason, Turkey and the European Union have created a strategic energy partnership program for energy cooperation. In this regard, the interests of both sides overlap with each other in finding ways to secure natural gas supplies. This determination became clear after the events of 2006 when the Russia-Ukraine tension erupted over the Russian natural gas prices (Ugur, 2016). Since the cut-off of supplies to the Ukraine for three days, this has pushed the European Union to seek alternative ways of avoiding dependence on one producer. One of the main active scenarios in building such a strategy became visible with the support of the SGC. Turkey holds an important position in the SGC project and the European Union understands that a strategic partnership with Turkey would be very beneficial. In 2012, Turkey and the European Union created an agenda in building a strategic alliance for energy security policy. In this regard, Turkey and the European Union's positive agenda acts as an important road map for energy cooperation and includes: Strong evaluations on the development of common energy infrastructure and the promotion of energy efficiency and technologies (Aktar, 2012). Under this Agenda and proposed energy pipeline projects, Turkey would become a major part of a southern energy route. The European Commission's 2020 Energy Strategy is a great example of the significant role that Turkey would be playing in strengthening European energy security (Floridan, 2013). The SGC project in the 2020 Energy Strategy has been pointed out as not only a way of accessing the Caspian basin energy reserves, but also as a potential connection to Middle Eastern energy-producing countries. Especially with the lifting of the sanctions, Iran would be in a position in which it can join the SCG project and bring its huge natural gas reserves to the global stage. Turkish-Iranian cooperation would eventually promote the security of the energy policy of the European countries. The availability of South Caucasus, Central Asian, and Middle Eastern countries' energy resources, as well as an increasing demand from the European countries, would lead many proposed projects to run through Turkey en route to Europe.

It is also very important to mention that Turkey and Israel have recently restarted their diplomatic relations after a 6-year break due to the Gaza flotilla raid in 2010 (Kirshner, 2011). In 2016 diplomatic relations between the two countries started to warm again and the main reason behind this attitude change was

economic, humanitarian, and political interests. The Israeli Prime minister, Benjamin Netanyahu, has accepted the Turkish claims and therefore he has not only apologized to Turkey but has also paid 20 million USD in compensation to the families of the dead aid workers during the incident of the Gaza flotilla raid in 2010 (Middle East Eye, 2016). These two important countries of the Middle East will not be able to continue ignoring each other when many disagreements and conflicts of interest need to be discussed and resolved. From an economic point of view, in 2010 Israel discovered a large natural gas field in the Levant basin. For Israel, it was not only important to develop this gas field solely because of its own energy demands, but also as a means to transport the produced gas resources to the European market. This is because for Turkey it is all about becoming the energy hub for Europe, and Israeli gas would increase its importance further and give greater influence in relation to EU energy policy. The Turkish Republic, with its foreign policy, understands that Israeli gas reserves and new energy pipelines would help the country to have geostrategic influence in relation to EU strategy in the Middle East (Dagoumas and Floros, 2017). The 'under construction' status of the TANAP gas pipeline project and the restarting of negotiations on the construction of the Turkish Stream gas pipeline project after the normalization of Turkish-Russian relations has encouraged Turkey to involve Israeli gas reserves in its energy interests. So far, Turkey has been considering investing in Israeli gas infrastructure. Since there are already existing energy interests in Israel, the Turkish Republic will contribute more political and financial efforts to construct the potential gas pipeline project from the Levant basin. Of course, Israel now has the opportunity to export its natural gas reserves to neighboring Jordan and Egypt, but the ability to send its gas to the European energy market would make the country much more vital to the European Union (Siddig and Harald, 2013). Therefore, Turkey's role in reaching the European gas market has become very strategic for Israel. On the other hand, when looking at the facts, it is obvious that natural gas transportation from Israel would contribute to the reduction of European countries' dependence on Russian natural gas. Therefore, this will decrease Russia's influence on the European energy market. From a geopolitical point of view, Israel needs to consider Cyprus's position since the planned pipeline will run through its territorial waters. Therefore, due to the conflict in Northern Cyprus in 1978, Cyprus and Turkey will need to put aside political tensions and reap the benefits of economic cooperation (Jensehaugen, 2014). It is important to mention that in the Levant basin, Cyprus has also discovered its own gas field, which it has named Aphrodite. This gas field could also add additional natural gas to the planned pipeline between Israel and Turkey. This energy cooperation in the Levant basin would make the energy pipeline much more significant. Lastly, it is crucial to understand that the planned pipeline from Israel to Turkey would serve the interests of the Western world, and therefore Moscow and Tehran will be observing any developments concerning the construction of the pipeline between Israel and Turkey. The Israeli-Turkish energy alliance is a win for Western countries because it would allow for the implementation of pro-western pipeline cooperation in the Middle East. This situation is changing European energy dynamics in positive developments and is further contributing to the diversification of the energy routes.

6. CONCLUSION AND POLICY IMPLICATIONS

Turkey and Azerbaijan have been recognized as allies in implementing their foreign policy interests from a regional approach. The factor of energy plays an important part in their relations and due to the implementation of the common energy projects the construction of the TANAP project has increased the level of their relations. Turkey's successful energy cooperation with Azerbaijan on the BTE and BTC energy pipeline, the involvement of Georgia as a transit country, and the realization of the SGC bring the Turkish Republic to the forefront of the global energy trade. The relationship between Turkey and Azerbaijan defines the status of the European access to the Caspian basin, and therefore without these countries, the European countries would not have successful and stable energy access to the region. Hence, successful energy cooperation between Azerbaijan and Turkey since 1991 has impacted on the formation of regional cooperative organizations, such as The Organization of Black Sea Economic Cooperation and Transport Corridor Europe-Caucasus-Asia. These regional organizations support the corridor for European expansion all the way to the Chinese border via the Central Asian states. Via the TRACECA corridor, energy products are transported and this is stimulating the ongoing presence of the Turkish Republic and the European Union in the Caspian basin.

Turkey is currently the key country for Europe's energy diversification policy. European demand for energy resources and Turkey's geographical access to the Caspian basin and the Middle Eastern energy-rich countries has promoted the implementation of the energy diversification program. Turkey's role in bridging the European energy market with the Caspian and Middle Eastern regions will significantly increase the importance of the country. It is very obvious that Turkey is the solution for the diversification strategy of the energy supplies and therefore, all the existing and proposed pipelines will be implemented only with Turkey's support and desire. There has been a global shift in energy consumption from crude oil to natural gas resources, which initially stimulated the construction of the abovementioned pipelines. As such, most of the natural gas reserves from Central Asia, South Caucasus, and Middle East countries will have to be transported via gas pipelines in large volumes.

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