

## From the Desk of the Editor

This issue of TPQ focuses on the interrelated themes of energy geopolitics, sustainable growth, political reform, and environmental protection in Turkey's neighborhood, from the Caspian across the Black Sea and the Mediterranean.

On the eve of his state visit to Turkey, scheduled for November 2012, we are honored to present the vision of H.S.H. Prince Albert II of Monaco to save the Mediterranean Sea and protect its fragile marine balances. The Sovereign Prince has long been dedicated to environmental conservation and the promotion of sustainable development on a global scale. In the footsteps of his great-great-grandfather Prince Albert I, Prince Albert II has not only been committed to oceanographic studies but has also taken part in documenting the effects of global warming, visiting the Arctic to assess the movements of the sea ice and glaciers. The Mediterranean basin and its marine biodiversity have been one of his leading priorities.

In his contribution to TPQ, Prince Albert II of Monaco highlights the challenges global warming, the erosion of biodiversity, and the reduction of freshwater resources pose for Earth and humanity - zooming into the microcosm of the Mediterranean Sea. The Prince emphasizes the need to replace the "senseless and short-sighted exploitation of nature" caused by human activities with a more sustainable approach to development, based on innovation in areas such as renewable energy. The complex challenge of reconciling the interests of current generations with those of future generations, while also defending the rights of those who live in different regions of the world, is analyzed in this insightful contribution.

The relative weakness of infrastructure in the countries on the southern shores of the Mediterranean affects all countries in the region, and requires joint efforts, support and solidarity. Turkey, surrounded by water on three sides, the Black Sea, Aegean and the Mediterranean, has a total coastline of over 8300 km. The country's role as a transport route for hydrocarbons destined to Europe from the Black Sea region, the Caspian sea, and the MENA geography renders Turkey particularly vulnerable to oil spills and other environmental effects of maritime traffic and the shipping of hazardous materials. Istanbul is especially vulnerable in this regard, with a high volume of oil being shipped through the Bosphorus straits by oil tankers. Intense public sector reform and awareness building will be necessary for Turkey to combat environmental threats and the intense pollution problem. The related regulations of the *acquis communautaire* provide important benchmarks to this end.

Kadir Topbaş, Mayor of the Istanbul Metropolitan Municipality, of the Justice and Development Party (AKP), relates his vision about the role of cities in the implementation of sustainable development policies. He outlines the steps his administration has taken to render Istanbul environmentally friendly, through new practices in the protection of water resources and energy conservation. As the mayor of a metropol which receives a high rate of influx from the countryside and smaller cities of Anatolia, Dr. Topbaş also underlines the important role of local governments in developing skills relevant to urban living and productivity.

A critical look at the governing AKP's economic policies is offered by Faik Öztrak, Vice President of the Republican People's Party (CHP), and former Undersecretary of the Treasury. Öztrak acknowledges the relatively high growth rate of the Turkish economy in the past decade; however, points to high current account deficits, excessive reliance on one-time revenues, and the fundamental weaknesses in the social and governance domains that curtail Turkey's future development prospects. Laying out CHP's vision, he underlines the need for a coherent set of employment and environment friendly, competitive, equitable and stable high growth policy instruments. According to Öztrak, good governance, transformation to a knowledge economy and convergence with the EU are essential.

While the region is rocked by turbulence, major breakthroughs appear to be in the making regarding the neighborhood's energy map. There is the changed debate about the Southern Corridor in line of the proposed TANAP (the Trans-Anatolian gas pipeline). Another natural gas dynamic high on the agenda is the opportunity of securing natural gas transport from northern Iraq through Turkey to European markets. A third related issue rocking the neighborhood comes from the southern Mediterranean where Greece, Cyprus and Israel are collaborating on natural gas extraction and transportation, raising tensions with Turkey. This issue of TPQ takes a look at all three heated debates through the lens of prominent experts and practitioners of the matter.

Energy security specialist at Platts, John Roberts, takes up the Southern Corridor. Roberts explains the long-discussed need for a dedicated line to carry Azerbaijani gas across Turkey to Southern and Central European markets. Due to its earnings from BTC (Baku-Tbilisi-Ceyhan) and BTE (Baku-Tbilisi-Erzurum), Azerbaijan can afford to build such a dedicated line without intermediaries, thus TANAP is now the most likely alternative – though there are still issues that need to be resolved to clear the way for this megaproject. Just as BTC affected the strategic map of this neighborhood, TANAP carries the potential to do so as well.

Turkey's expected rise of energy consumption means Turkey will need more profitable terms for its fossil fuel imports, as specialist of the Turkish energy market, Aura Sadabus argues. She points out that engagement with northern and southern Iraq may strengthen Turkey's hand in its negotiations for better terms with Russia, Iran and Azerbaijan.

In his contribution to this issue of TPQ, Matthew J. Bryza, Director of the International Centre for Defense Studies in Tallinn and former US Ambassador to Baku elaborates on the complexities of Turkey's "dramatic shift" towards Iraqi Kurdistan, explaining this as a factor of Turkey's aim to elevate its strategic significance and position as an energy transit hub for Europe, the Caspian, and the Middle East. Bryza argues that commercial momentum will provide a strong incentive for Ankara's collaboration with Erbil to continue; but, ultimately, politics, not "peace pipelines," will determine the future of Turkey's relations with Iraq's Kurds and whether Iraq enjoys an historic new Euro-Atlantic vector in its geopolitical orientation. Bryza warns, however, that with civil war in Syria, the risk of an autonomous Kurdish region favoring pan-Kurdish unity may lead Ankara to rethink its partnership with the KRG.

In his article for this issue of TPQ, George Stavris, a visiting researcher at Dundee University's Centre for Energy, Petroleum and Mineral Law and Policy, elaborates on the discovery of natural gas reserves and the effect that the "new energy triangle" between Greece, Cyprus, and Israel in the southeastern Mediterranean, is having on power dynamics in the neighborhood. He points out that it was the *Mavi Marmara* incident that sparked a partnership between Israel and Cyprus. Turkey is the "odd man out" in this new alliance of interest, Stavris explains, while he argues that an arrangement must be sought for these new resources to benefit both Turkish and Greek Cypriots alike. If Turkey is not brought in the fold, Greece and Cyprus will be hit by the negative effects, and the prospects of reunifying the Island may diminish. Meanwhile, pressure on the Greek government to delineate its exclusive economic zones in the Aegean sea is also rising – an issue that will open dormant confrontations with Ankara.

In particular, a question readers are left wondering about is what would have been different today had Turkey and Israel not fallen out as sharply as they did. Arguably, given the alignment shifts and power balance changes in the region, Ankara may have benefited from collaboration with Israel more at this juncture than ever before. To date the Arab street, ironically, has not delivered the strategic dividends Turkish leaders may have expected from positioning themselves against Israel.

Change in the Arab world is another theme that this issue of TPQ takes a unique look at. In his “progress report” of the Tunisian transition, Lotfi Maktouf, Founder and President of Almadanya –a Tunisian NGO formed after the Tunisian revolution–, relates a critical view. Though the “Jasmine Revolution” was not carried out by any political party or in the name of any ideology, it was taken over by Islamists, Ennahda and the Salafists, who are promoting totalitarian, backward-looking visions for the country and curbing universal human rights. Maktouf explains why Ennahda won a sweeping victory in the elections, and why he thinks that today, civil society is the only chance for democratic pluralism and development to take root in Tunisia. Though they are not able to deliver on employment or governance, they have used religion to brand themselves as trustworthy, and they tap into the sense of “humiliation” within the collective memory of Arabs, caused by centuries of defeat. Today in Tunisia, Sharia is presented as the solution, and an overhaul of society is being engineered. While Ennahda sees democracy as a stepping stone, the Salafists are open about the contradiction between Islamist ideology and democratic governance, thus they blatantly oppose democracy. A line is now drawn, Maktouf explains, between Islamists and the rest, in which “anyone against Ennahda would now be falsely labeled as ‘standing against Islam.’” As Ennahda deconstructs the old regime, they open space for their own – practicing impunity and finding intricate ways to curb fair competition for “the rest.” Given that Tunisia has had widely been considered a forerunner for positive change among the “Arab Awakening” countries, the dynamics related by this article are particularly worrisome. Maktouf’s piece also offers food for thought regarding similar patterns that are observed in Turkey on occasion – particularly in recent years.

In their joint article Aaron Stein of King’s College and EDAM and Şebnem Udum from Hacettepe University, examine Turkey’s nuclear policies to assess whether Turkey might opt for a nuclear weapons capability, particularly if Iran develops a nuclear arsenal. The authors also examine Turkey’s approach to Iran’s nuclear enrichment program, underlining that Ankara backs Iran’s right to enrichment for civilian and peaceful use. In contrast, the authors believe Tehran’s leadership should be incentivized not to develop nuclear weapons, and support international institutions and norms to prevent such an eventuality.

Looking at prospects for expanding economic opportunities in the wake of the Arab Spring, Serkan Elden, Managing Partner of capitAlinka investments, and Michael Lally, Commercial Counselor with the U.S. Embassy’s Commercial Service in Ankara “map” the American-Turkish business partnership in launching into regional markets since the 1990s. They argue that while Turkish firms have grown dramatic

ally by partnering with globally powerful U.S. brand-houses, U.S. firms have gained more opportunity to penetrate various markets, including Russia, Central Asia, the Middle East and Africa.

Asbed Kotchikian, political science lecturer at the Global Studies department at Bentley University and Spencer Smitherman, Business Development Consultant at GigaOM, explore the prospects of U.S. investment in post-revolution Egypt by examining U.S. economic, political, and military interactions over the past 50 years in the Middle East. Kotchikian and Smitherman raise the question of how the new ruling powers will assess U.S. contributions that helped sustain the Mubarak regime economically and militarily.

Our final two articles zoom deeper into the heart of Eurasia. Adam Balcer, Program Director at a Polish think tank demosEUROPA Centre for European Strategy points out that in the rivalry over influence in Central Asia, Turkey has remained second rank, although it may now be on the path to becoming a top contender. Its showing in the energy power play of the region and ability to overcome domestic challenges may very well determine how Turkey fares in Central Asia in the years ahead. Policy consultant and research fellow at the Association for International Affairs in the Czech Republic, Jakub Kulhanek takes up Vladimir Putin's return to presidency, arguing that any hope of change in Russia is dispelled for the time being. If it does not address its structural flaws, the author claims, the regime may bring about its own demise in the long run.

As TPQ, we have been present in a number of regional gatherings in the past few months, taking part in debates about the future of the European Union and its prospective growth strategies, the effectiveness of the EU's Neighborhood policies and potential synergy with Turkey, as well as how to most effectively foster reform in the Arab world.

One such event took place in July in Batumi, Georgia, entitled "Georgia's European Way – the EU and its European Neighbors." The absence of Turkish official participation (despite being invited) stood out, driving speculation as to whether this was a stance taken by Ankara to underline Turkey's rejection of being presented as part of the EU's "Neighborhood," as opposed to a candidate. The perception of higher interest in the EU towards the European destiny of some Eastern Partnership countries has fed into the bitterness among Ankara policy circles towards EU counterparts. However, it is also a two-way process. Unlike the vision pronounced by President Mikheil Saakashvili with the words "Europe for Georgia is not just a

matter of pragmatic choice. It is our essence, our identity,” discourse in Turkey about the EU sounds more like a ‘strategic partnership’ approach than a unity of values or identity. Likewise, EU member state politicians hardly ever present Turkey as ‘belonging’ to the European family. Re-conceptualization of identities needs to be geared at winning hearts and minds, particularly given the important role public opinion serves in the prospects of Turkey’s eventual EU membership. Interdependence in trade and energy, as well as stability in their joint neighborhoods are certainly strong mutual interests between Turkey and the EU. However, arguably, these interests need to be complemented by vision and leadership to extract and construct a sense of shared identity.

The 12th Economic Forum in Krynica, Poland this year offered an opportunity for participants from the EU and Eastern Partnership (EaP) countries to discuss the EU’s role in conflict resolution and fostering democratization among its neighbors, as well as the complicated interaction between the EU and Russia in this neighborhood.

As is the case in most such events, engagement over EU agendas and solidarity among EU-enthusiasts across this geography was palpable. While democracy deficits in Russia and the EaP countries were laid on the table in various panels, Turkey, despite its candidate status was taken up with a question of its strategic choice – would it chose the EU or the East.

One of the issues brought to the attention of participants was the advocacy of visa free travel and a free trade agreement between the EU and Russia, by President Vladimir Putin, to create a “harmonious economic community stretching from Lisbon to Vladivostok.” Russian membership in the World Trade Organization is an important recent development to take note of in Turkey’s neighborhood. Also at the forum, it was noted that Moscow’s pressure on Azerbaijan has hiked because of TANAP, and the Karabakh conflict is in absolute deadlock. It was stressed that a stronger EU presence and effective policy in the Caucasus is absolutely vital. Concerns and cynicism about the EU’s capacity to act in unity and play the global role expected of it was expressed.

Europe’s *niche* in global dynamics was one of the issues scrutinized at the “Unconventional EU Summit” organized by the Network of European Foundations (NEF) at the end of August at the Altenburg Abbey, Austria, where creative, multi-stakeholder dialog about the future of Europe was carried out. The values and interests that unite Europe and the paradigm changes needed for stalemates to

be overcome were explored. Being part of this soul-searching exercise evoked the sense that Europe indeed has the ingredients –critical thinking and intellectual capacity–, needed move forward with new models of economic and political governance for sustainable growth, stronger citizen participation, and cultural diversity. As encouraging as the vision uniting Europe's leading creative thinkers is, it is yet to be seen, whether in this phase of its recovery, Europe will already incur unrecoverable losses –of internal cohesion or of global strategic position and stature.

Eager to stimulate debate on renewable energy, we are delighted to be a media partner of the “3rd Annual Wind Summit” taking place on 27-28 September in Istanbul ([www.windsummitturkey.com](http://www.windsummitturkey.com)). We wholeheartedly subscribe to the vision laid out by the organizers, that renewable sources should be part of the overall energy matrix that fuels Turkey's growth in the years ahead. This is also in line with the expressed goal of the country to derive 30 percent of its energy from renewable sources by 2023.

This fall TPQ has the privilege to be a media partner of the 4th annual Atlantic Council conference in Istanbul – the Energy and Economy Summit. The Summit, which will take place on 15-16 November 2012, will bring together U.S., European and Eurasian leaders for a debate on energy, politics, and business in the broader Black Sea and Caspian region; from Central Asia to the Levant, the Balkans, and Central Europe. We are proud to be a part of this exciting event. For more information, please visit: <http://www.acus.org/event/energy-and-economic-summit-2012>

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