

# GEOPOLITICS OF ENERGY: THE CASE OF TURKEY

RISING TO CHALLENGES

by

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Submitted to the Graduate School of Faculty of Arts and Social Sciences

in partial fulfillment of

the requirements for the degree of

Master of Public Policy

Sabancı University

Spring 2015

GEOPOLITICS OF ENERGY: THE CASE OF TURKEY

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RISING TO CHALLENGES

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DATE OF APPROVAL: 05.08.2015



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# ABSTRACT

## GEOPOLITICS OF ENERGY: THE CASE OF TURKEY RISING TO CHALLENGES

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MA THESIS, September 2015

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Keywords: Energy Policies, Public Policy, Strategic Mentality, Strategic Planning, Geopolitics of energy

This research asks what geopolitics of energy will look like for Turkey in a global scale and provides an answer. The literature mainly focuses on the effects of Turkey's current investments to establish East-West Energy Corridor. Many studies, though, view the East-West Energy Corridor as a corridor from East to West. From this point of view, they conclude that Turkey will become geopolitically more important in the global energy arena in near future.

This thesis argues that there are some mistakes in this conclusion because of two stylized facts: 1. Turkey is increasingly dependent on energy imports and this trend is accelerating 2. The direction of energy transportation is globally changing from East-West to West-East. The literature gives mainly its focus to the first stylized fact and tries to decrease energy dependency of Turkey. However, the second stylized fact hasn't been sufficiently discussed. Therefore, this study puts forth in Chapter 1 that the second stylized fact will have a bigger importance for the place of Turkey in global geopolitics of energy. In Chapter 2, it advances a theoretical framework on how to improve a solution to possible problems that can stem from the second stylized fact. In Chapter 3, I apply the theory to Turkey's energy policies and determine how the theory relates to the current state of energy policies in Turkey. Finally, in Chapter 4, I suggest three possible scenarios and discuss those in terms of the theory advanced in Chapter 2. This thesis also contributes to the literature by stratifying strategic mentality in decisionmaking mechanism. This stratification helps me to understand the path of Turkey in energy policies.

## ÖZET

# ENERJİNİN JEOPOLİTİĞİ: TÜRKİYE ÖRNEĞİ

ZORLUKLARIN ÜSTESİNDEN GELMEK

ALİ İHSAN KAHRAMAN

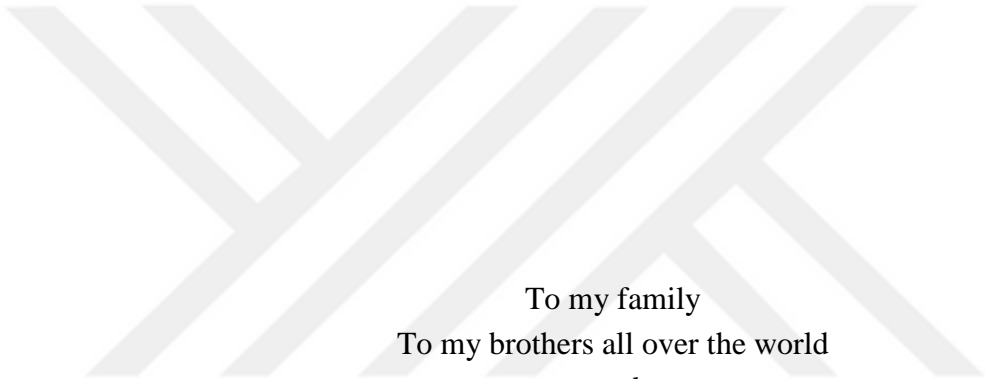
Yüksek Lisans Tezi, Eylül 2015

Tez Danışmanı: Prof. Dr. Ahmet Ö. Evin

Anahtar Kelimeler: Enerji Politikaları, Kamu Politikaları, Stratejik Zihniyet, Stratejik Planlama, Enerjinin Jeopolitiği

Bu çalışma, Türkiye'nin küresel enerji jeopolitiğindeki yerini sorgulamaktadır. Literatürdeki çalışmalar, Türkiye'nin bugün yaptığı yatırımların Doğu-Batı Enerji Koridorundaki yerine olan etkisine yoğunlaşmaktadır. Bu yolla, Türkiye'nin küresel enerji jeopolitiğindeki geleceğine yönelik olumlu tahminlerde bulunmaktadır. Fakat, birçok çalışma Doğu-Batı koridorunu Doğudan Batıya doğru düşünmektedir. Bunun sonucunda da Türkiye'nin küresel enerji jeopolitiğinde öneminin artacağını iddia etmektedirler.

Bu çalışma ise, küresel ve yerel iki gelişmeden dolayı farklı bir sonuca ulaşmaktadır: 1. Türkiye enerji ithalatına gün geçtikçe daha bağımlı hale gelmektedir. 2. Asya'nın yükselişi ile birlikte Doğu-Batı Enerji Koridoru, Doğu-Batı yönlü olmaktan çıkıp, Batı-Doğu yönlü olmaya başlamaktadır. Birçok çalışma, çoğunlukla birinci gelişme üzerine yoğunlaşmaktadır ve Türkiye'nin enerji bağımlılığını azaltmaya çalışmaktadır. Fakat elinizdeki tez birinci bölümünde, Türkiye'nin küresel enerji jeopolitiğindeki önemi üzerinde Doğu-Batı enerji koridorunun yönünün değişmesinin büyük bir etkisinin olduğunu/olacağını iddia etmektedir ve bu etkinin oluşturabileceği problemler ortaya konmaktadır. İkinci bölümde, oluşabilecek problemlere dair çözümler için teorik bir çerçeve oluşturulmaktadır. Üçüncü bölümde, bu teorik çerçeve Türkiye'nin enerji politikaları tarihçesine uyarlanmakta ve Türkiye'nin bugünkü durumu tahlil edilmektedir. Son olarak, dördüncü bölümde Türkiye'nin önündeki üç senaryo tartışılacaktır. Bu tez, karar verme sürecindeki stratejik zihniyeti sınıflandırarak literature katkıda bulunmaktadır. Bu sınıflandırma yolu ile Türkiye'nin enerji politikalarının daha iyi anlaşılabilmesini iddia etmektedir.



To my family  
To my brothers all over the world  
*and*  
To all the humanity

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## LIST OF ABBREVIATIONS

- CMF: Combined Maritime Forces
- EIA: Energy Information Administration
- EIEI: General Directorate of Electrical Power Resources Survey and Development Administration
- ETKB: Ministry of Energy and Natural Resources
- EU: European Union
- FSI: Fragile States Index
- GDP: Gross Domestic Product
- GHG: Greenhouse Gas Emissions
- GII: Global Innovation Index
- IEA: International Energy Agency
- IMF: International Monetary Fund
- MTA: General Directorate of Mineral Research and Exploration
- NATO: North Atlantic Treaty Organization
- OECD: Organization of Economic Cooperation and Development
- OPEC: Organization of Petroleum Exporting Countries
- R&D: Research and Development
- S&P: Standard and Poors
- TANAP: Trans-Anatolian Pipeline Project
- TAPI: Trans Afghanistan Pipeline
- TEK: Turkish Electricity Agency
- TPAO: Turkish Petroleum Corporation
- TUBITAK: Technological Research Council of Turkey
- UN: United Nation
- US: United States
- WEO-2013: World Energy Outlook 2013
- WTO: World Trade Organization

## CHAPTER 1

### INTRODUCTION

Public policy is a research field that affects all aspects of human life. It means that any policy decision, policy design, and even policy recommendation has an impact on any relevant aspect of daily life. At the end of the day, one of these issues may change the course of life, fundamentally or partially. Whether or not a policy recommendation is rigorously implemented, any policy implementation might address a change of life-style in the eyes of ordinary people. Therefore, people may think that they have the right to find a decision-maker as a responsible person who will take the decisions and actions in their life. It also means that that decision-maker will be brought to account for any bad decisions he makes, as well.<sup>1</sup>

Yet, since an average citizen would not evaluate policies academically, which is believed to be the right way to interpret the political arena, policy makers might think that they cannot be judged by those ordinary people. However, in my view, this dilemma between policy-makers and ordinary people causes these two groups of people to be disconnected. Policy-makers try to keep away from people's stress. On the other hand, ordinary people want to keep away from the restrictive behaviors of decision-makers.

I think that the inference of the standard political science model about the policy-making process gives us an idea about the consequence of such a disconnection between ordinary people and decision-makers. According to the model, 'the task of policy analysts is considered of as figuring out which is the right or best tool to use, and then fix mistakes when things don't go as planned' (Stone, 1997, p. 13). I argue that such a disconnection between ordinary people and decision-makers may lead decision-makers, who believe in the standard model of their task, not to be interested in the results of what they implemented. In this sense, they may design policies only according to their rights and wrongs. After a while, this attitude of decision-makers results in an environment in which no policies are carefully implemented by ordinary people, in contrast to what democracy aims for in public life.<sup>2</sup>

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<sup>1</sup> Bad policies are defined as policies that are perceived by the nation as harmful to the people's daily life. However, it doesn't mean the policy is also academically justified as a bad policy.

<sup>2</sup> I argue that, theoretically, democracy aims at a public life organized directly by ordinary people. However, if people are not carefully interested in policies, then it is impossible for them to organize public life directly.

On the other hand, I think that there are some fields that cannot accept such an environment because of their importance for daily life. I think that energy is such a field, and one mistake in the policy decision making process in energy may have huge costs. For instance, Atiyas and his colleagues suggested that the decision about building a nuclear facility in Akkuyu should be taken in coordination with the public (Atiyas, Cetin, & Gülen, 2012, p. 60).

All in all, here, I argue that there is a cross-point for decision-makers. They should either gain the trust of the public or take decisions together with the public. The former approach addresses representative democracy while the second refers to direct democracy. Since there is no example of direct democracy anywhere in the world, I think that decision-makers should gain the trust of their public. To gain the trust, an important question comes to the field, and it can also be asked for decision-makers in the energy field: how can they prevent their policies from failing? As a result of the prevention of failing policies, the public trust can be gained, in my opinion. But how? Scholars might find the answer in control mechanisms in institutions which are responsible for taking decisions. However, I think that the following sentences of Schneider and Ingram (1997) can give an answer:

“The lack of an adequate conceptual framework has contributed significantly to the inability of existing theories of public policy to provide adequate explanations for how and why certain kinds of designs are created or what their consequences will be” (Schneider & Ingram, 1997, p. 78)

I would like to explain this passage step by step. Firstly, this passage argues that theories of public policy aim to provide adequate explanations of policy designs. Secondly, to do this, theories should have an adequate conceptual framework. In other words, without an adequate conceptual framework, it is not possible to predict the consequences of a policy design and to provide adequate explanations for them. Consequently, the conceptual framework should be the basis of a rigorous policy design. Therefore, this thesis fundamentally aims to develop a conceptual framework for decision-makers in the energy sector, and by doing this, it intends to make it easier to predict the results of any decisions in energy.

However, I should underline that I tried to realize both parts of the sentence: “to provide adequate explanations for how and why certain kinds of designs are created *or* what their consequences will be”. Therefore, the conjunction ‘*or*’ is changed to ‘*and*’ in

this thesis, although Schneider and Ingram considered that one part of the sentence would be enough. As a result, I aim to present a conceptual framework, a coordinate plane of strategic mentality in public policy, in Chapter 2. And then, I will show what the consequences of decisions taken in accordance with this coordinate plane can be in the near future of the geopolitics of energy in Chapter 3.

Additionally, it should be pointed out that energy has two aspects: technological and geopolitical. I should emphasize that this thesis focuses on the latter. I will show the cause of my preference for geopolitics in Chapter 1. In Chapter 1, I will firstly focus on the two stylized facts that are the causes of the emergence of the conceptual framework in Chapter 2. I will show these stylized facts in terms of the International Energy Agency (IEA) forecasts to 2035. I will conclude that Turkey will most likely confront a danger of losing its geographical importance for global geopolitics. However, I should emphasize that I did not reach this conclusion from a perspective focusing only on the geopolitics of energy, but also I utilized the interpretations of Henry Kissinger and Zbigniew Brzezinski about global geopolitics, in general. By doing this, I will reach the conclusion that these two stylized facts will fundamentally, and presumably negatively, affect Turkish geopolitics of energy in the near future.

The first stylized fact is analyzed in section A of Chapter 1: *Perspectives on energy problems*. In conclusion, the geopolitics of energy will have greater importance all over the world. The second stylized fact is shown in section B: *'Regional Geopolitics vs. Global Geopolitics on the way towards 2035'*. In addition, 2035 is taken as the end of the near future, in order to coincide with the forecasts of IEA in World Energy Outlook-2013 (WEO-2013). I predicted that the negative effect for the importance of Turkey in the global geopolitics of energy can be understood more easily when I explain the triangle of horizon, discourse and political influential area of a country. The explanation of this triangle will be made in detail in Chapter 2, under the title *'Challenging Dynamics: Politics and Mismatches between Regional Potentials and Global Discourses'*.

Chapter 2 focuses on developing the conceptual framework in order to discuss how Turkish decision makers should look at the problems of Turkey in general. The conceptual framework is the coordinate plane of strategic mentality in public policy. The x-axis of the coordinate plane is between proactivity and reactivity, which are the most commonly used concepts in analyses of foreign policy. On the other hand, in the y-axis, I suggest a line between Aggressiveness and passivity, which has been only used in the

literature of behavioral science. As a matter of fact, Aggressiveness and passivity are related to the psychological conditions of people. Therefore, it can be thought that they are not related to the discipline of public policy.

However, I think that they are fundamentally related to decision making processes because it can be also named as management of people's psychologies. In order to manage people's psychologies, it is very important to keep people away from feeling a risk about their gains in the future, as the word 'stability' that is much used in social sciences disciplines implies. If they feel a risk, then people start to think negatively about their future and this panic will result in bad progress, and maybe in crisis. If decision makers do not want individuals to panic in the short term, then they have to convince them that they will gain in the long term. For instance, the following phrases of John Cochrane, Professor of Finance at the University of Chicago Booth School of Business, about what the world should do in order to end the global economic crisis makes the comparison between looking for long-term/short-term and individuals' panic:

"Above all, we need to return to long-term growth. Tax revenue is equal to the tax rate multiplied by income, so there is nothing like more income to raise government revenues. And small changes in growth rates imply dramatic changes in income when they compound over a few decades. Conversely, a consensus that we are entering a lost decade of no or low growth could be the disastrous budget news that pushes us to a crisis" (Cochrane, 2011, p. 77).

Here he argues that the world would need to return to long-term growth; otherwise, if people have a 'consensus that we are entering a lost decade of no or low growth could be the disastrous budget news that pushes the world to a crisis'. Therefore, in order to provide an environment without any crisis, people should be persuaded that they will gain in the long-term. From here, I make a generalization from the inference of Cochrane in economics to all aspects of human life and conclude that, '*if decision makers don't want individuals to panic in any aspect of life, then they have to convince them that they will gain in the long term in the related aspect*'. Then, I termed this proposed attitude of decision makers 'Aggressiveness'. On the other hand, passivity has the reverse meaning. In the last section of Chapter 2, I will explain the meanings of aggressiveness and passivity for the coordinate plane in more details. As a result, the coordinate plane of strategic mentality for public policy will show us how to manage the psychologies of individuals.

In Chapter 3, I will make a re-reading of the energy policies history of Turkey from her establishment to today. In this attempt at re-reading, I will give attention to what the attempt will be in accordance with the coordinate plane in Chapter 2. I will also discuss three possible scenarios that Turkey may follow. As the consequence, I aim to illustrate how the coordinate plane of strategic mentality might result in policy implementation.

Finally, in Chapter 4, I will show an example of the implementation of the three scenarios. These scenarios are: a. coming back to aggressive reactivity b. staying in passive proactivity c. crossing to aggressive proactivity. Details of those scenarios can be found in the related section. At the end of this thesis, I will have concluding remarks.

If the reader would like to see very briefly what this thesis tries to do, the following four items may help:

1. The direction of energy transportation is not only from East to West, but also from West to East. The change in direction is gaining and will gain more importance in energy transportation because of the increase in energy demand of Asia.-The stylized facts.
2. In recent years, energy has started to be ruled by political targets. As a result, it will be a failure to read energy policies only from an economic perspective.- The Coordinate plane
3. While looking at the history of Turkey's energy policies from an economic perspective, it can be thought that Turkey is vulnerable in terms of energy. However, when the history is read from the perspective of the coordinate plane, then I suggest that there is a continuity in Turkey's energy policy: The Re-reading
4. The geopolitics of energy cannot be evaluated from an instant perspective. Forecasts about the future can give very important aspects of probable destinies.- The Scenarios

Finally, I would like to thank, first of all, my family: my mother, my father, my brother and his wife, my sister and her husband because of their incredible and continuous support to me. I owe this thesis to their patience. ☺. Additionally, I'm grateful to my advisor, Emeritus Prof. Ahmet O. Evin for his patience in listening to me and for his encouragement.



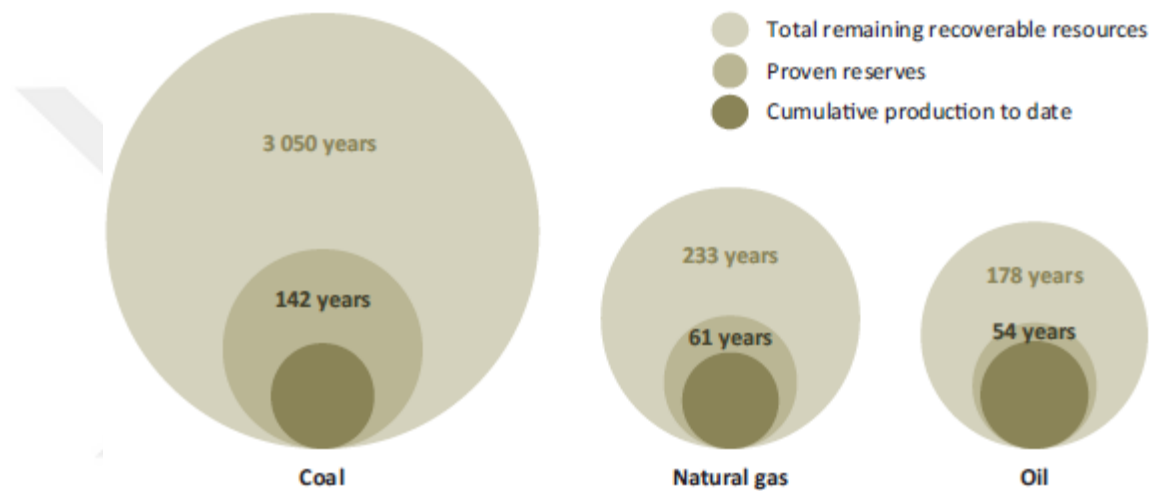
## CHAPTER 2

# GEOPOLITICS OF ENERGY AND CHALLENGES FOR TURKEY

### A) Perspectives on Worldwide Energy Problems

#### A1) Resource Scarcity Problem of the World: Technological Improvement vs. Ending Reserves

**Figure 2.10** ▶ Fossil energy resources by type



Notes: All bubbles are expressed as a number of years of production based on estimated production in 2013. The size of the bubble for total remaining recoverable resources of coal is illustrative and is not proportional to the others. The figure specifies the status of reserves for coal as of end-2011, and gas and oil as of end-2012. Sources: BGR (2012); O&GJ (2012); USGS (2000, 2012a and 2012b); IEA estimates and analysis.

Figure 1: Fossil Energy Resources by Type

Source: IEA, 2013, s. 72

How much fuel remains in the world is one of the fundamental questions of many studies in energy. Prospects are essential elements of attempts to answer this question. World Energy Outlook-2013 (WEO-2013) is one of studies that has those prospects and draws out the implications of the prospects for energy security, environmental protection and economic development. It has drawn Figure 1 as an answer to for how many years remaining reserves will be enough at the current consumption rate. It takes reserves for oil, gas and coal as three parts, which are recoverable reserves, proven reserves and cumulative production to date. According to Figure 1, cumulative production to date is enough to meet the demand for only 54 years more, gas reserves for 61 years more, and

coal reserves for 142 years more, if current consumption continues (IEA, 2013, p. 72). At the first glance at Figure 1, it is urgent for our planet that we find an alternative energy source which will be sustainable, efficient and as cost effective as conventional resources like oil. Researchers who try to find such an alternative energy source have accelerated their studies and some of them have pulled ahead. Salameh (2003), Veziroglu and Şahin (2008), Ploeg and Withagen (2011), and Yegorov (2014) have proved that renewables could be the alternative resource to fossil fuels. However, there are serious problems about the cost-efficiency and affordability of renewables and, therefore, researchers are trying to find a way to employ renewables with less fixed costs. On the other hand, total transformation from fossil fuels to renewables can last for a long time and it makes the problem harder in such a way that our children, moreover our grand-children, will be obliged to live in a worse world than that we live in today. For instance, Withagen and Ploeg suggested that ‘if no breakthrough on inventing viable and cost-effective carbon-free energy [based on renewables] has been realized by then, the world has to make do with coal which could last for another three or four centuries’ (Withagen & Ploeg, 2011, p. 1). It means that climate change will continue to be the most important challenge for the next generations, as it is for us. As a result of such warnings, the term ‘sustainable development’, which has been defined in the Brundtland report as ‘a development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (WCED, 1987, p. 16) as cited by (Drexhage & Murphy, 2010, p. 6)), is increasing its importance day by day. In this sense, investing in renewables infrastructure and its technological improvement are urgent for us and future generations. Although, as Shi Zhengrong who is the founder of Suntech Power Co. stated, ‘the only barrier to renewable energy is cost’ (Yergin, 2011, p. 580), Federal Ministry for the Environment, Nature Conversation and Nuclear Safety in Germany also addressed the urgency, due to the resource scarcity of fossil fuels all over the world in the following statement:

“Conventional mineral oil constitutes 20% of the remaining reserves, and is therefore the most-exploited energy carrier of all the fossil energy sources. Comparing this fact with the major significance assigned to mineral oil, with a 35% share of the global energy supply, it becomes clear that, in the foreseeable future, we will also have to resort to exploiting non-conventional oil reserves (heavy oil, oil shale, oil sands) and costly resources, if we are to continue meeting the (still increasing) demand in the future... The limitations and the geographical distribution of energy reserves thus emphasize how important it is to begin as early as possible with setting up a sustainable energy supply system” (BMU, 2004, pp. 8-9).

This report can be seen as old and passé. But, in my opinion, it also represents the current energy vision of many European countries like Germany, Denmark and the Netherlands. According to this report, if Europeans want to establish a sustainable future and to fill the energy gap, they have to make a transition from a fossil fuel-based energy supply system to a more affordable and permanent one. On the other hand, this inference about the urgency of renewables is valid all over the world. For instance, Veziroğlu and Şahin concluded that ‘the solar-hydrogen energy system, produced from renewable energy, is the best to ascertain a sustainable future and it should replace the fossil fuel system’ (Şahin & Veziroğlu, 2008, p. 1820). In addition, according to Mamdouh Salameh, ‘the transition from fossil fuels to renewable energy is inevitable’ (Salameh, 2002, p. 33). The results of the German Ministry in 2004, Salameh in 2003 and Veziroğlu and Şahin in 2008 are refreshed by Greenpeace in its Energy Revolution report in 2014, which has taken the Energy Revolution Report in 2007 as a basis (Teske, 2014, p. 31):

“Energy Security comes to the top of the energy policy agenda because of the sharp increase in oil prices in recent years. One of the reasons for this increase is that fossil fuels reserves become scarce and its extraction and processing cost are increasing. On the other hand, renewable energy reserves, whose access is globally possible, are big as much as it meets the global energy demand for six times; and permanent as well” (Teske, Zervos, & Schafer, 2007, p. 9).

Greenpeace claimed in this report that renewable energy reserves are quite extensive, so they can meet the global demand six times. This claim brings to mind the question why fossil energy is still being used despite ‘its negative environmental effects through greenhouse gases’ (Şahin & Veziroğlu, 2008, pp. 1821-1822). That is why many protests have been organized in many parts of the world by many civil organizations. Maybe thanks to those protests, many states including the United States (US) and the European Union (EU), which aim to reduce greenhouse gas emissions, try to reduce the environmental costs of greenhouse gas emissions on their lands by making domestic and international rules that commit to making CCS common in their domestic markets as well as all over the world.

On the other hand, regardless of what researchers discover with regard to renewables, all roads lead to a resource scarcity problem for fossil fuels and the main question of the energy sector does not seem to be how it can transform itself into renewables. The main question seems to be how to overcome the scarcity problem of fossil fuel resources and to realize the hope of return of those cheap oil days like in the 1960s.

Although it is inevitable to ask the question what to do when the world comes to the end of fossil fuel reserves, and it may be late to do something after that day, Daniel Yergin, the Pulitzer prizewinning author, asked the same question in his famous book, *The Quest*. It seems that he does not agree with the German Ministry, Salameh, or Veziroğlu and Şahin on the predictions about the end-time of fossil fuel reserves. Notably, this thesis shares the ideas of Yergin. It means that the world may not live any crisis for availability of fossil fuel resources in the 21<sup>st</sup> century. Although it seems like a dangerous assumption for future generations, the following historical perspective that Yergin emphasized supports the reverse argument on the scarcity of resources to that which is claimed by the Ministry and others. Yergin stated that the ‘oil industry has been established in 1859 in Pennsylvania and, from that day, the same question about the scarcity of resources has been asked in each period of increasing oil prices’ (Yergin, 2011). For Yergin, raising the question for how many years fossil fuel resources can meet world demand is a mis-focusing on scarcity. This question has been asked for a long time and King Hubbert’s Peak Theory that argued global oil resources would end one day and ever-increasing oil prices could make this day closer might be the first scientific and persuasive answer. However, for Yergin, Hubbert has failed because he assumed that oil reserves are constant. While this scientific argument of Hubbert has been commonly accepted in the energy world, technology which can change everything has come into being. At all times when oil reserves started to be questioned, proven reserves have increased through technological innovations. Therefore, Yergin stated that technology has changed everything in the past and it will most likely continue its “*changer*” role in future. Yergin concluded his evaluations about the questions on availability of fossil fuels as the following:

“In increasing periods of oil prices, people start to improve technology. New oil fields are, therefore, discovered or the existing ones are improved to be recoverable... The conclusion is that the world is clearly not running out of oil. Far from it. The estimates for the world’s total stock of oil keeping growing” (Yergin, 2011, pp. 237-239).

Faruk Demir, a Turkish Professor on Energy Politics, has raised another supporting idea for Yergin’s conclusions:

“There is a general agreement that fossil fuels have a dominant role on the energy markets, today and beyond. Although discussions about the end of fossil fuel resources, or its possibility, are sometimes raised, there isn’t any evidence that the game is over for fossil fuels. In one conference, a precious energy expert has made a great evaluation, such that the Stone Age didn’t end because stone ended; otherwise, because a substitutable and more affordable tool than stone was founded. In the same sense, the oil age won’t end

because oil ends. When a tool which is more affordable than and substitutable for oil can be found, then the oil age will end” (Demir, 2010, p. 39).

What is the conclusion of this thesis for the resource scarcity problem of the world? With huge population growth and an incredible urbanization tendency all over the world, I think that it is very normal to query the limits of our planet. Like everything, fossil fuel resources also have a limit and humanity can reach the end point of those resources at any time regardless of technological improvements. This fact might encourage people to ask for alternative resources. By taking discussions on climate change together with the argument on the limits of fossil fuels, a concrete conclusion can be that the 21<sup>st</sup> century will be a transformation century from fossil fuels to renewables. However, I think that there is another reality beyond technological improvements that supports the inverse argument of Yergin and Demir. It is that with the passing of time, ever-increasing demand for energy has to be met by any type of energy source. Given this discouraging human characteristic to utilize energy from any supply system, any country that can find any way to meet its domestic energy demand at reasonable prices at any time will not be disposed to totally transform its infrastructure to another one that may have unreasonable prices. When energy transformation is dropped from the agenda, then scarcity will most likely continue to hound governments throughout the 21<sup>st</sup> century. Therefore, the first conclusion of this thesis is that the world will continue to have a resource scarcity problem. Although Yergin and Demir do seem to address such questions with technology, which is a famous answer for any scientific field, the next question would be what the limits of technology are to expand our opportunities. Another question can be how technology can change the reality that our reserves will end one day.

Whether such questions can be answered or not, there is a certain reality today. It is that there are some countries which are abundant in energy resources today and some that have scarce energy resources. This reality never changes. That is why I argue that scarcity will continue to be a problem which will probably have very important consequences on geopolitics. Notice that Turkey is one of those countries with scarce resources and she will probably witness those important consequences more intensely in coming decades.

## **A2) Dependency Problem: Geopolitics Rises Again**

After the arguments of Yergin and Demir claiming that the world may not have any scarcity problem in the near future are explored, another question should be raised:

So, what is the problem? At this point, *WEO-2013* gives the answer of this question and argues that the main problem circles around some human issues:

“The energy resources remaining in the world will not constrain the projected growth in energy demand to 2035 and well beyond. However, the scale of investment required to exploit them is huge and there are many factors that will determine the exact pace at which differing energy resources will be developed, such as uncertainty around economic outlook, the investment climate and availability of financing, prevailing geopolitics, energy and climate change policies, depletion policies in key producing regions, advances in technology and changes to fiscal and regulatory regimes” (IEA, 2013, p. 71).

Similar discussions have been made in Turkey for some time now, as well. She does not have fossil fuel resources for self-sufficiency and her main dilemma occurs between environment security and energy security. Faced with this dilemma, Turkey needs to make a decision about the future of her energy policies. The first option is whether she will build all her energy policies on the transformation of its energy supply infrastructure to renewable energy in order to provide a totally self-sufficient energy supply system or not. The other option is to develop reasonable policies to solve the dependency on other countries, especially in the conventional energy resources problem. Although, in recent decades, arguments supporting the first option have become more common, this thesis argues that we should re-think that option. The reason is that if conventional energy technologies can succeed in producing ‘clean-energy’ like clean-coal technologies, then the policy decision process based on renewable energy will avoid seeing the implications of the progress of the rest of the world in conventional energy resources. However, I should note at this point in order not to be mis-evaluated, that the argument here is not raised from a technical view, but from a geopolitical perspective. In that sense, I argue that renewable energy will lead to saving ‘\$12.52 per GJ of petroleum consumed, \$14.51 per GJ of coal consumed and \$8.26 per GJ of natural gas consumed’ (Şahin & Veziroğlu, 2008, p. 1822) which represents the environmental damage of fossil fuel-based energy system in total. However, the main argument of this thesis is that, even if Turkey can transform its energy infrastructure totally to renewable energy resources and save the amounts Veziroğlu and Şahin calculated, she cannot keep away from effects of change in the geopolitical balances of the world because of her geographic position. As a result of Yergin, Demir and IEA’s studies, I suggest that one of the most important implications of progress in energy-technology will come to the fore in the geopolitical balances of the world, as discussed later in this chapter. All in all, one of the main assumptions of this thesis is that the geopolitical balances of the world will be dominated

by fossil fuel resources in the next century. In consequence, this thesis tries to call the attention of Turkish policymakers, which totally focuses on the transformation to renewable energy, to the geopolitical opportunity cost of revolution in fossil fuel resources, technologically as well as geopolitically. Renewable energy focuses on the solution of the dependency problem in a fundamental way, whereas geopolitics can be thought of as 'management of dependency'.

Before getting to the details of the geopolitical concerns of this thesis, I think that I need to clarify the answer to the question why Turkey is interested so much in renewables rather than geopolitics.

There are three reasons, in my opinion. The first one is Turkish dependency on imports of fossil fuels, which addresses the macro-economic perspective. Turkey is a resource-poor country and this fact results in a huge cost for the Turkish economy (Şekercioğlu & Yılmaz, 2012, p. 233). Figure 2 very clearly illustrates this result. There are two important components in the current account deficit of Turkey: energy and gold imports. The deficit excluding energy is drawn with the blue line in the Figure 2, whereas the orange line shows the situation of the deficit when gold imports are ignored. According to the Figure 2, since March 2005, the current account excluding energy has seen positive numbers twice. The first time occurred in September 2009 and the current account surplus has been calculated as 2 percentage share of the total gross domestic product (GDP) of Turkey. The second one was in March 2013 and, in that year, the surplus was approximately 0,5 percentage of GDP of Turkey. On the other hand, when energy is included in the deficit, then the picture changes. For instance, the current account continuously has deficit and its share in GDP has changed within a range between 4 and 10 percentages, as can be seen from the orange line. This range was said to pose a big threat to the Turkish economy by Moodys, Standard and Poors (S&P), and Fitch, all credible institutions. In addition to the share of energy in the current account, I would like to draw attention to the breakdown of parallel trends of the two components of the current account. In Figure 2, there is a clear parallel trend of current account balance, except energy and of total current account balance.

However, when energy comes into play, the parallel trend breaks down and the balance starts to have a different path. It means that volatility in energy prices has been an important determinant of current account balance. As a result, energy expenditure, which is the main factor in the current account deficit, is the biggest structural problem

of the Turkish economy (Karagöl & Mihçioğur, 2013, p. 6). Therefore, Turkey has tried to find a fundamental solution for its dependency on fossil fuel imports, and this urgent need causes the answer to be in favor of renewable energy resources. In addition, the argument of Ali Bilginoğlu, a professor in economics, that ‘Turkish dependency on fossil fuel imports is increasing even though huge investments [in fossil fuels] started to be made’ (Bilginoğlu) also advocates the transformation to renewable energy. Besides, the historical trend of self-sufficiency ratio for Turkey that I calculated based on the data from the Energy Information Administration (EIA), shown in Figure 3, confirms the argument of Bilginoğlu. According to Figure 3, Turkey becomes less self-sufficient, day by day, and it also means an increase in conventional energy resource imports, which are additional costs for the Turkish economy.

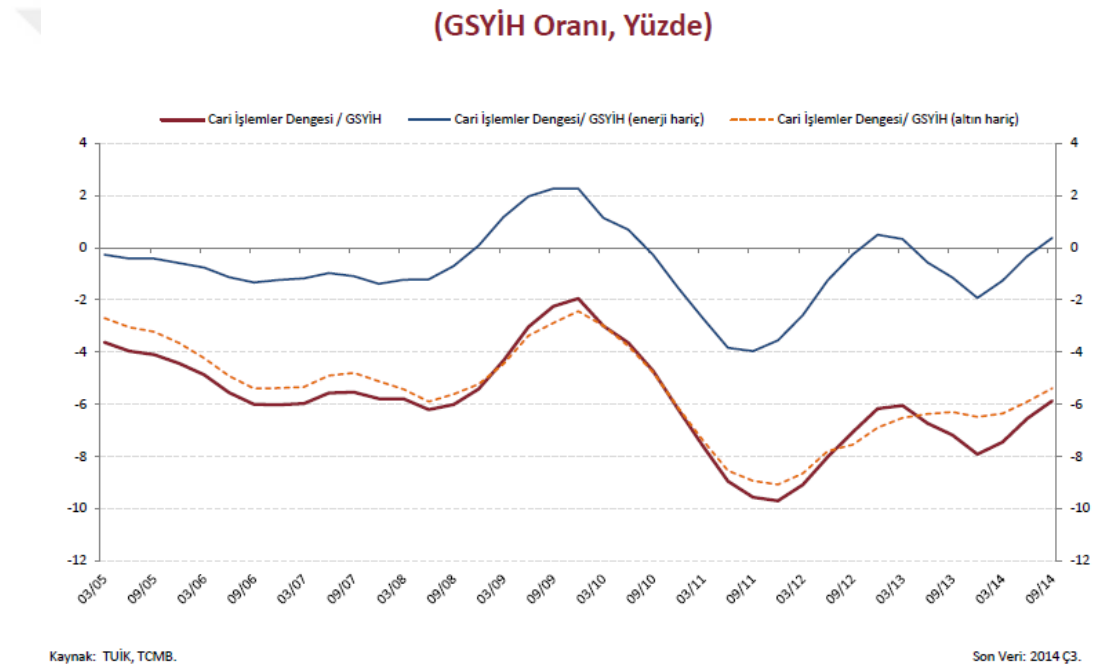


Figure 2: Current Account Deficit, by Sources  
Source: Başçı, 2015, p. 72

There are also environmental reasons. All over the world, reduction in greenhouse gas emissions has become the main target of many governments. IEA and many other international non-governmental organizations (NGOs) include reduction in GHG in their master plans (IEA, 2013, p. 2). Renewable energy whose emission level of GHG is near to zero (Teske, Zervos, & Schafer, 2007, p. 5) (Şahin & Veziroğlu, 2008, p. 1828) seems inevitable, not only for Turkey, but also all over the world, as the Ministry for the Environment, Nature Conversation and Nuclear Safety in Germany argued in the first



section of this chapter.

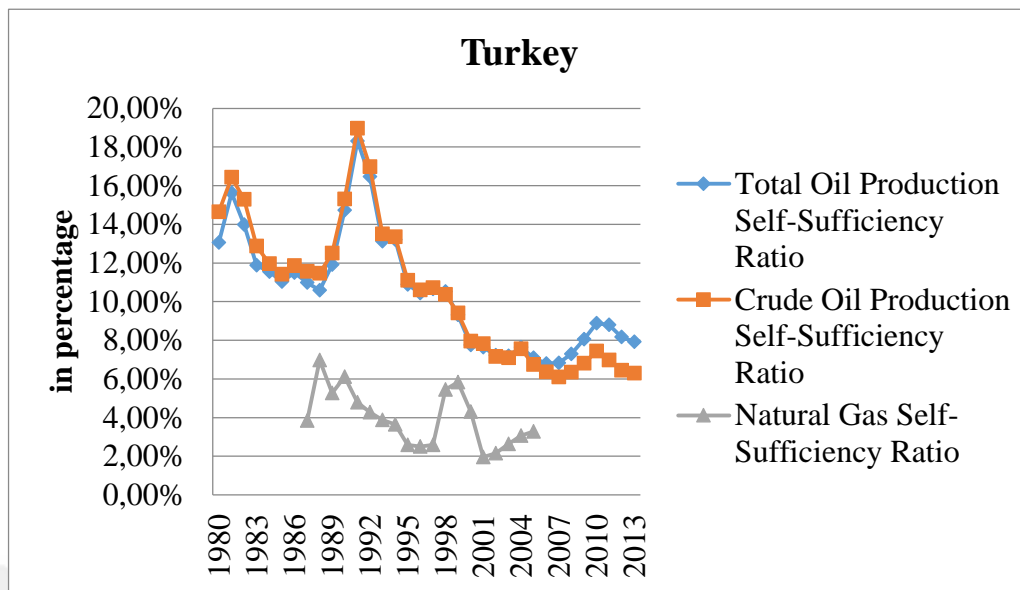


Figure 3: Self Sufficiency Ratios for Turkey  
Source: Author's Calculations (based on EIA Data)

That Turkey is a rich country for renewable energy resources (ETKB, 2013, p. 68) is the third reason, which addresses the micro-economic perspective. Actually, every country wants to benefit from its domestic energy resources. The more a country uses its domestic resources, the more its dependence may decrease, which means added economic room for maneuver. For example, in economics, if domestic energy resources can meet domestic electricity demand, especially in industrial production, then production costs in each sector may diminish and it may also provide the competitive power of domestic goods in international markets. In this regard, Turkey wants to get energy security, and to do that, renewable energy has the biggest potential to reduce energy dependence on others (ETKB, 2013, p. 68).

Because of these macro-economic, micro-economic and environmental reasons, Turkey tends to favor renewable energy. Becoming self-sufficient, if successful, will provide Turkey huge economic room for maneuver in other investment fields and raise its negotiation power in energy markets. However, energy is not a game which is played only by economic rules like supply-demand mechanism. Energy has also political concerns and it is seriously perceived as a tool for foreign policy. Many examples can be given from history. For instance, American foreign policy in the Gulf War in 1992 and 'Russian use of her petro-power to extend her influence on her friends and her enemies energy as a power source in her foreign affairs' (Newnham, 2011, p. 142) are some recent ones, and I argue that they changed energy-geopolitics balances, and this change should

be investigated in the world's change of fossil fuels, as can be derived from what Yergin (2011) and Ploeg and Withagen explored in *The Quest* and in *Too Little Oil, Too Much Coal* (Withagen & Ploeg, 2011, p. 1), respectively. Additionally, this idea has also been supported by German economist Frederick William Engdahl: 'in recent 100 years [sic] of world history was a competitive history for the oil, and oil politics is determining the new world order' ((Engdahl, 2012) as cited by (Wang, 2014, p. 49)). As a result, the coming decades are likely to witness international competition and games via the geopolitics of energy and Turkey, whose economy is sensitive to energy expenditures, cannot avoid the predicted impact of energy on world geopolitics.

### **A3) The Compound Set of Problems for Turkey: Resource Scarcity as well as Dependency**

Turkey, which understands this fact and which wants to take her part in the energy-geopolitics balances in the near future, cannot keep herself away from the ongoing situation in the fossil fuels world. I should note again that the position of this thesis is not that investing in renewable energy will be a false policy decision. On the contrary, it claims that successful investments in renewable energy will make Turkey bail out of the dangerous geopolitical transformation in 2035. However, it should not be overlooked that focusing only on the transformation of the energy supply system will result in missing the impacts of transformation in fossil fuels and it will be costly, especially for Turkish foreign policy.

I should raise another question based on the human issues in *WEO-2013* in the page 5 of this thesis. This question is from which factor Turkey will face a big obligation to take positive steps in the energy world. The answer is geopolitics again, and I think of it as the first priority of Turkish energy policy behind investments in renewable energy. The reason is that the other issues in the statement on *WEO-2013* do not share the same uncontrollable dimension for Turkey as geopolitics. In other words, Turkey can have the least control on geopolitics compared to other dimensions written in the *WEO-2013*. For instance, the investment climate and availability of financing can be improved despite the worst trends in the international arena, economically and politically. Evidently, until the Global Economic Crisis in 2007, 'the pull factors are in general dominant over push factors in determining capital flows into Turkey' (Çulha, 2006, p. 11). After the 2001 crisis, the improvement in fiscal discipline and in the banking system of Turkey resulted

in that achievement. However, this improvement in capital inflows, which is accepted as a sign of improvement in growth of an emerging economy<sup>3</sup> coincided with the US occupation of Iraq, which created a long-term unstable political environment in a neighbor of Turkey. As a result, Turkey could improve her investment climate and availability of financing despite the Iraqi occupation and the Global Financial Crisis in 2007. I conclude that investment climate and availability of financing are dependent more on domestic economic dynamics.

In addition, advances in technology and changes to legal, fiscal and regulatory environments are also examples of factors that are mostly internal, not international. Each country can make technological improvements in its own institutions without any pressure from other countries. Also, theoretically, such a pressure is not possible in a democratic world at all. In fact, another human issue, regulation, can be perceived as the field in which countries are sometimes pressured, especially by international mechanisms like United Nation (UN), International Monetary Fund (IMF), World Bank, World Trade Organization (WTO) etc. for related topics about the international arena. However, parliaments are *de jure* free from international pressures to make any bill of law, which is the main resource of regulation. For example, the Turkish rejection of totally implementing EU energy regulations causes the opening of accession negotiations on energy between Turkey and the EU to be delayed.

Yet, geopolitics is not such a field. In geopolitics, the position of a country may be determined by external factors, no matter whether the country has made improvements in its domestic environment, as in the case of Turkey. She might have made many improvements in terms of democracy since her first application for membership, in 1959; however, geopolitically, it could not be a part of the European community because of some reasons such as culture, as discussed by Ahmet Evin, (Evin, 1990, p. 25). Similarly, energy is another issue that is mostly impacted by world geopolitical balances. Abdurrahman Satman, professor at Istanbul Technical University, also addressed the importance of geopolitics in energy issues, as in the following lines:

“According to the report of IEA, methods based on scientific researches and long-term energy strategies, which are looking for the interests of foreign politics, economic

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<sup>3</sup> Please note that here I am away from the discussion of capital flows and their outcome, transparency in financial markets, on economic stability (Stiglitz, 2000, p. 1084)

and environment, should be followed in order to reduce the energy dependency of Turkey” (Satman, 2007, p. 11).

The argument of Satman in 2007 is also valid for today, in my opinion, because the relationship between geopolitics and energy gets stronger day by day. As a result, Turkey should prioritize a perspective based on energy-geopolitics for the period to 2035, besides energy efficiency and transformation of energy infrastructure, which can only affect the technical and internal dimensions of energy.

Today, the main aim of all countries is to be able to meet their domestic energy demand of their growing and urbanized populations and developing industry, theoretically. It can be achieved mainly by using its domestic resources to produce energy or import energy resources, conventional or unconventional. Resource-rich countries can fulfill this aim if they can process their own resources at affordable prices and can gain advantages for balance of payments by exporting their excess of supply. On the other hand, resource-poor countries need to import from the excess supply of resource-rich countries and try to compensate the economic burden on its balance of payments by capital markets. By the way, the three issues below, which are considered to be the fundamental problems of Turkey in terms of energy, can be raised as the general problems of energy-importing countries: a. Access to energy resources; b. Energy pricing and c. Energy efficiency. Except energy pricing, the other two are mostly dependent on geopolitics, because when a resource-poor country has bad relations with its supplier, then energy prices will probably go up. It is possible to give many examples. The Russia-Ukraine in 2014 and Russia-Poland crises in 2006 and indirectly with the European Union; the crisis between the US and OPEC in 1973, the US-Iraq crises in the 1980s which ended with the occupation of Iraqi lands by the US , and crises between Turkey and Syria on electricity transmission from Turkey to Syria in the 1990s. In these events, I think the first two issues have important effects. For example, discussions about diversification of energy suppliers in the European Union started to be made much more after the crisis with Russia in 2004. Diversification came to the policy agenda of the US after OPEC, which was its main supplier, imposed an embargo in 1973. In fact, energy efficiency also started to be discussed in the Energy Reorganization Act in 1974 in the US (Executive Office, 1974, p. 3). However, energy efficiency was the first logical policy option for precaution against a possible increase in the importance of the first two issues, which are access to energy resources and energy pricing.

The reason is that the need to access energy resources decreases and the negotiation power of the importing country in energy pricing settlements increases, as the result of more efficient use of energy. In addition, energy efficiency will lead self-sufficiency to increase. However, when we look at the historical trends of self-sufficiency ratios at country-level and regional level in Appendix 1, it is clear that there is not any historical evidence to believe that energy importing countries can achieve self-sufficiency in the near future. For example, the average regional oil self-sufficiency ratio of Asia, calculated by taking the average of ratios of oil and gas importing countries, experienced a sharp decrease between 1980 and 2012. This sharp decrease was from 250 percent to less than 100 percent, which is a complete self-sufficiency ratio. A similar decrease is also valid for the Middle East, which is the most resource-rich region all over the world. The natural gas self-sufficiency ratio fell down from 120 percent to 80 percent.

In the light of the IEA estimates in *WEO-2013*, these numbers are expected to go on the same decreasing path. This probable result can be also re-read such that the world will become more interdependent, which is the compound set of resource scarcity and dependency. Interdependency brings to mind the obligation to make a choice between two options: cooperation or competition. Intuitively and theoretically, anyone in the world will take his/her position on the side of cooperation; however, in international relations, this is not the general case. For example, while the US blamed China for not imposing policies to reduce GHG, China accused the US of aiming to constrain the development of Chinese industry. Such statements by China and the US are competitive in nature. However, these two countries are in cooperation with respect to globalizing the struggle to counter climate change. In this framework, the reason why China and the US use competitive discourses while agreeing on cooperation is geopolitical instability across the globe. If the unstable geopolitical environment, which will be discussed in Chapter 3 in more detail, continues at least until 2035, in other words, while there are no hopeful developments to end the unstable geopolitical environment, it can be concluded that geopolitics seems most likely to have the dominance on global determination of energy policies, at least until 2035.

For Turkey, the case is not different. In Figure 3, the self-sufficiency ratio of Turkey is illustrated for crude oil consumption, total oil consumption and natural gas consumption between 1980 and 2012. The highest level of self-sufficiency ratio had been reached in oil consumption in 1992. However, Turkey could only meet 18% of her total

oil consumption by her own resources, which is a very low level. This level is trying to be increased by investments in energy efficiency, discoveries of new oil, natural gas and unconventional fields. For example, since 2011, investigating shale gas and shale oil reserves, especially in the South East and Marmara regions, have been started and, as a result, signs of reserves have been discovered in wells *Caliktepe-2*, *Goksu-1*, *Bahar-1* and *Ciksor-3* (ETKB, 2013, p. 64).

Yet, hopes may decrease for the discovery of shale oil and shale gas fields that can raise Turkey's self-sufficient ratio very sharply, unfortunately. It can be thought of as a supporting argument that Turkey does not have a chance for fossil fuel resources to date, although she is a neighbor of Iraq, Iran and Azerbaijan, which have many fossil fuel resources. That is why the same compound set of resource scarcity and dependency for the world can also be inferred for Turkey: Turkey should focus more on geopolitics. But there is an important question here: Geopolitics where: regional or global?

## **B) Regional Geopolitics vs. Global Geopolitics**

### **B1) Increasing Importance of Turkey for European Markets: Regional Geopolitics for Turkey**

Integration with the European Union has been a crucial target for Turkey for a long time. In order to achieve this aim, Turkey always used its economic advantages and tried to serve as a significant economic and political partner of European Union since the signing of the Ankara Agreement in 1963. A recent example can be given from Turkish claims, such that the EU can only avoid its economic crisis by accepting Turkey, with her dynamic and young population, as a member. With such claims, Turkey is trying to use its potentials for the accession.

Since then, Turkey's attempts to show its importance for the EU have continued. However, I think that one of the most concrete advantages of Turkey is her geographical location. It has a significant and unavoidable role for the energy security of the European Union as, indirectly, accepted by the European Council and Parliament in clause 7 of its decision no 1364/2006:

“Indeed, the Community's neighboring countries play a vital role in its energy policy. They supply a major part of the Community's natural gas requirements, are key partners for the transit of primary energy to the Community and will progressively become more important players in its internal gas and electricity markets” (European Council and Parliament, 2006, p. 262/2).

As addressed in the decision, neighboring countries have a vital role, and Turkey is one of those neighbors of the European Union. Therefore, Turkey is a key partner for the transit of primary energy to the Community. Turkish governments that know this reality always try to keep this advantage on the table. The last example in the energy world is the Trans-Anatolian Pipeline Project, whose aim is to transport natural gas from Shah Sea Gas Field II, firstly to Turkey, then to Europe (TANAP, 2015). As a result, this aim shows the attempt of Turkey to utilize its geographical place between the East, the homeland of energy suppliers, and the West, the homeland of energy consumers.

Despite this fact, Turkey's importance for European energy markets has been a vital topic of discussion. TANAP is a case in point. Normally, TANAP is projected to provide 10 billion m<sup>3</sup> of gas to transit to European gas markets, whose gas demand is projected to grow by 0.5 percent between 2011 and 2035 (IEA, 2013), as seen in the Table 1. This number is just 2% of the projected gas demand of Europe in 2035. Maybe therefore, Günther Oettinger declared in 2013, 'TANAP is nuts for European gas consumption needs' (Roberts, 2013). In addition, Figure 4 supports Oettinger's argument. According to it, TANAP's share of European gas consumption will be likely to decrease from 2.45% in 2020 to 2.19% in 2035 at the projected level by IEA.

On the other hand, 'only after 3 months, Paula Abreu Marques, the incumbent Head of the Unit for International Relations and Enlargement of the European Council, declared that European Council appreciated the assignment of the agreement of TANAP which is the essential part of the projected South Stream Gas Corridor between Azerbaijan and Turkish governments' (Roberts, 2013, p. 28). In addition, Roberts also agreed with Marques saying that:

"Maybe, the statements of Oettinger are true. The projected gas transition, 10 billion m<sup>3</sup>, is a small part of what EU consumers need. However, TANAP is a project of forthcoming bigger projects from East to West. That's why TANAP is very important for EU. [On the other hand] without TANAP which is the crucial part of the transition of gas via Turkey, it isn't meaningful that South Gas Corridor holds this name" (Roberts, 2013, p. 28).

## European Union: New Policies Scenario

	Energy demand (Mtoe)						Shares (%)		CAAGR (%)
	1990	2011	2020	2025	2030	2035	2011	2035	2011-35
<b>TPED</b>	<b>1 642</b>	<b>1 659</b>	<b>1 614</b>	<b>1 584</b>	<b>1 556</b>	<b>1 541</b>	<b>100</b>	<b>100</b>	<b>-0.3</b>
Coal	456	286	249	210	175	145	17	9	-2.8
Oil	607	549	473	437	399	367	33	24	-1.7
Gas	297	404	407	430	442	455	24	30	0.5
Nuclear	207	236	226	213	213	212	14	14	-0.5
Hydro	25	27	33	34	34	35	2	2	1.1
Bioenergy	47	129	166	183	199	215	8	14	2.2
Other renewables	3	28	61	77	94	112	2	7	6.0

Table 1: Energy Demand of Europe (2011-2035)

Source: World Energy Outlook-2013, p. 592

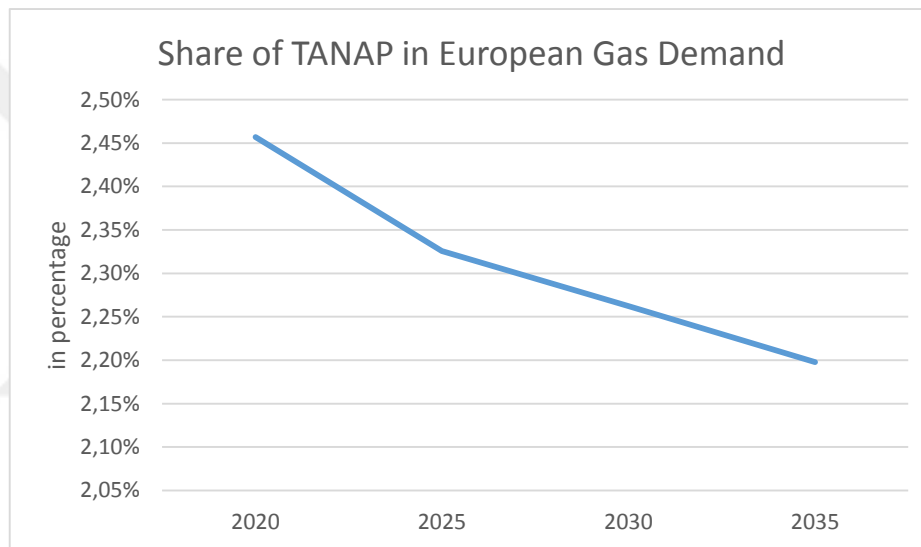


Figure 4: Share of TANAP in European Gas Demand

Source: IEA Projections and Author's Calculations

TANAP has such significance for the relationships between Turkey and the EU. It will provide energy security for the EU, and also will contribute to the accession of Turkey into the EU. However, looking at the vision and descriptions of the project on the project's web-site, I argue that there are some different meanings of the project for the parties that have signed on to it. In the vision statement, it is said that 'TANAP aims to encourage economic cooperation between countries on the supply chain of the pipeline' (TANAP, 2015). The expression 'economic cooperation between countries on the supply chain' also refers to the fact that Turkish parties to this project do not see this project only as an advantage in the negotiation process with the EU, but also consider it as a link to other neighbors of Turkey. This vision means that Turkey is aiming to build an energy



infrastructure which improves bilateral relations with its neighbors, but not focusing only on gaining their support, directly or indirectly, for Turkey's EU accession talks.

Because the supplier of the project is Azerbaijan, the project also gains importance for the stability problem in the Caucasus. To provide political stability in the Caucasus, one of the important conflicts which should be solved is Turkish-Armenian conflict. Resolution of this conflict is also expected by the European Union, because a case of instability in the region would also affect the energy security of the European Union. However TANAP, which encourages the alliance between Azerbaijan and Turkey, may discourage Armenia from improving its relations with Turkey. I think the process, which ended with the withdrawal of the 2009 peace protocols between Turkey and Armenia from the Armenian Parliament in February, 2015, may be closely related to energy issues in the region. This should be researched in more detail elsewhere, but is not germane to this thesis. As a result, from the perspective of Azerbaijan, TANAP is likely providing political stability in the region. From the perspective of Armenia, this project does not have such a contribution.

In addition to the vision statement of TANAP, its descriptions like 'Silk Road of Energy' give an idea for other expectations from that project. Historically, from ancient times to the geographical discoveries in the sixteenth century, the Silk Road had major importance in the trade from East to west and vice versa. The dominance of that trade-path meant that a dominant country has the key of trade between East and West. Anatolia, historically, was one of the key geographies that provided dominance of that trade-path. Turks experienced this in history, as well. When Turks began the conquest of Anatolia in 1071, they started to be richer and could make military investments to conquer other lands. Until the sixteenth century, this political situation had gone on in this way. However, geographical discoveries in that century gave commercial opportunities to find alternative trade-pathways, particularly via the Cape of Good Hope. Thereafter, Anatolia started to lose its importance in East-West trade and it caused Anatolian communities under the umbrella of the Ottoman Empire to become poorer. After centuries of such a story, the aim to raise 'the Silk Road' may mean that the parties to the TANAP project have a dream of a world under their influence again. For instance China, which has 'a tendency to view energy security in geopolitical and strategical terms rather than purely economic terms [...] began to refer to this approach as the Silk Road strategy' (Lin, 2011, p. xv) 'in order to evoke common historical ties along the Silk Road as they pursue

expanded relations with countries in Central Asia, the Caucasus, and the Middle East' (Lin, 2011, p. 4). As a result, using the expression 'Silk Road' has geopolitical and strategic meanings, and it is also valid for the TANAP Project.

While TANAP's tender process has just started (TANAP, 2015), another important development showing the increasing importance of Turkey for European energy markets has been recently announced by Putin, the President of Russian Federation, amid his visit to Turkey, after his worsening relations with EU due to the Ukraine crisis. The name of the development is Turkish Stream. The Russian Federation has cancelled the South Stream Pipeline project, which aimed at bypassing Ukraine for the transit of gas to Europe. According to the new Russian plan, Russia will integrate into the TANAP project and aim that 'Europe will not receive any deliveries of gas via Ukraine after a current transit contract expires at the end of 2019' (Lewis, Chestney, & Golubkova, 2015). Such a development seems likely to have significant implications for the EU. For instance, the EU must make huge investments in new pipelines or LNG transportation. Pipelines via Ukraine supply a third of total European Gas demand. On the other hand, according to Lewis, Chestney and Golubkova, Russia is planning to shift its gas supplies totally to Turkey (Lewis, Chestney, & Golubkova, 2015). Such a shift will probably make Turkey a key role-player in the eyes of European policy-makers. On the other hand, according to some other analysts, 'construction of the necessary infrastructure for Turkish Stream will take a long time and until that time, many events can occur that make the Russian decision change' (Enerji Enstitüsü, 2015). As a result, the increasing importance of Turkey for European energy markets based upon Turkish Stream can be also considered as a cyclical development. However, Turkey's geographical importance for the European energy market will increase according to 2035 forecasts by IEA, regardless of what will form the paths of energy trade from East to West.

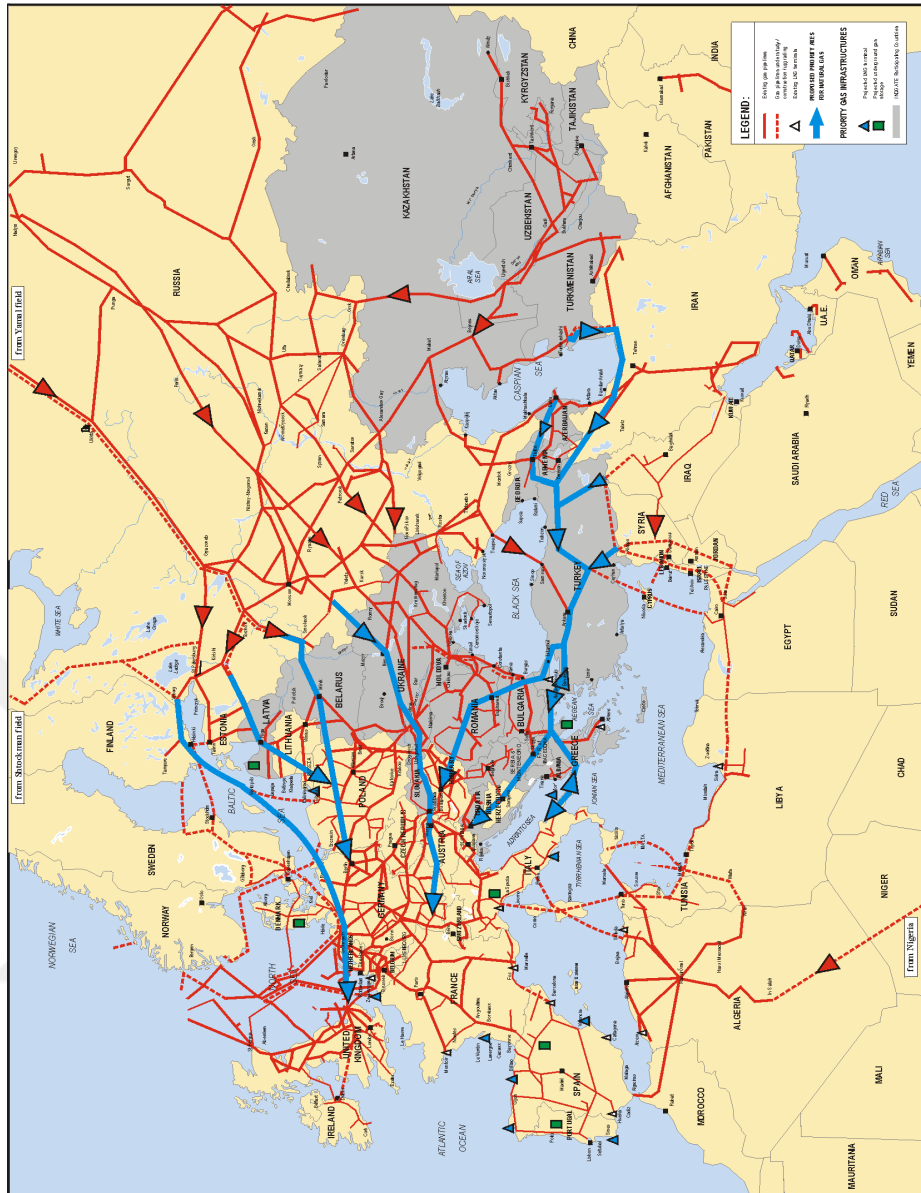


Figure 5: Gas Pipelines to Europe  
 Source: IEA, 2015

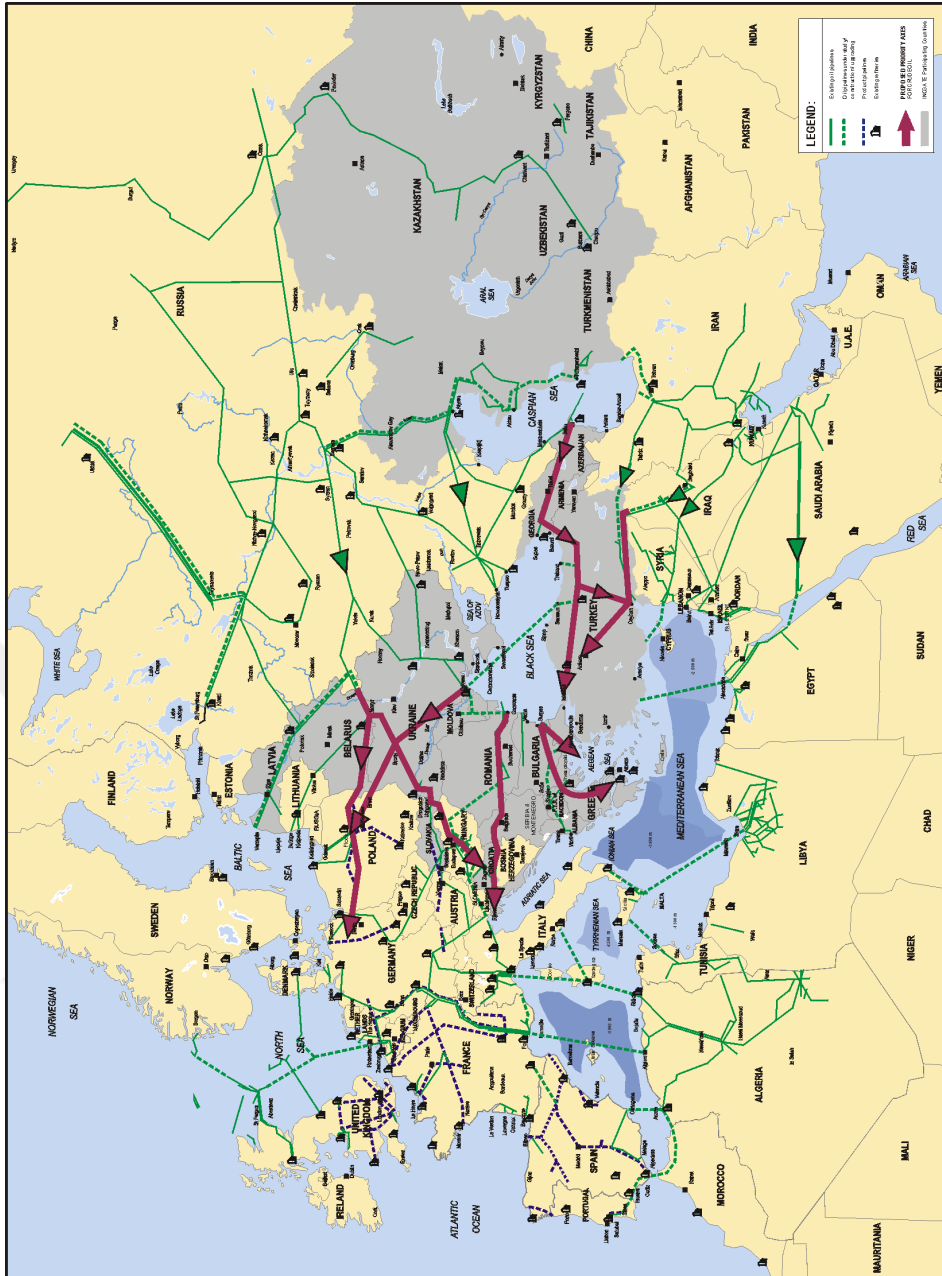


Figure 6: Crude Oil Pipelines to Europe

Source: IEA, 2015

## B2) Rising Energy Markets and Their Potential Economic and Political Alliances: Global Geopolitics

In this thesis, I argue that Turkey should have also a geopolitical perspective in her energy policies, besides technological perspectives and new energy field discoveries within her borders. I suggest that estimates about the energy-geopolitical order of the world in 2035 should be on the origin of energy policy decisions. This will probably be important progress for Turkey in order to avoid the dangers to be created by new energy-geopolitical balances of the world towards 2035. As a result, this is this section attempts

to predict possible dangers in front of Turkish global energy-geopolitical position towards 2035.

The estimations of the International Energy Agency about 2035 in *World Energy Outlook-2013* are the basis for the new energy-geopolitics of the world. In *WEO-2013*, countries are mainly divided into OECD and Non-OECD. This result is not related directly to energy-geopolitics, but related to methodological approach, in my opinion. For example, in the Cold War era, this division was made as communist/capitalist countries, or differently named as Western/Eastern Blocs. All in all, I think the main function of such divisions is only the capability to see differences between countries for some criteria. As a result, OECD-Non OECD is one of such methodological divisions, and in this methodological division countries are divided according to their development level.

However, in this thesis, I take other criteria for dividing countries into different groups, because countries in each bloc, OECD and Non-OECD, can be different from each other within their groups as well. For example, as can be seen in Table T, it is stated in *WEO-2013*, that the growth rate of energy demand in OECD countries will decrease by 0.9% between 2012 and 2035 (IEA, 2013, p. 65). This is valid for the US and many EU countries which are OECD members as well. However, the US is not expected to have a similar trend with those European countries in terms of energy production. While the US is becoming self-sufficient and one of the major gas exporters of the world thanks to the shale gas boost, European Union countries are not expected to have such an improvement. They can only get progress on self-sufficiency due to renewables; but it will not bring geopolitical power to European countries in a direct way as in the case of the US. Therefore, we should think of the US not in the same way as the EU. In addition, OECD or Non-OECD countries cannot be treated as solid blocs. In consequence, in this thesis, which is looking at new geopolitics and the effects of energy on it, evaluating each country separately and forecasting potential alliances and disputes between them will be truer. Therefore, I chose the US, Asian countries – particularly China - the Middle East, and Russia separately because they are great players in the energy world and individual partners or competitors of Turkey. In addition, except the Middle East in current conditions, the other three may be considered as candidates to be super-powers of the world in 2035. Firstly, I will look at the potential alliance between the US and China on energy; then I will discuss energy supply from the Middle East to Asian markets.

## **B2i) New world order and new path of alliance between the US and Asian countries**

In the energy-geopolitics in 2035, three different regions which have different characteristics from each other, economically, culturally, politically, technologically, militarily etc. can be expected to emerge in the geopolitical balances of the world, in my opinion. These differences give us the opportunity to evaluate countries from a more comprehensive perspective rather than only through energy-geopolitics. In addition, this comprehensiveness will give us the opportunity to take advantage of the capability to see countries outside of daily events, which disciplines like political science and history would like to do. In this regard, I think the grand strategies of Henry Kissinger and Zbigniew Brzezinski in their famous books, *Diplomacy* in 2011, *World Order* in 2014, *The Grand Chess Board* in 2007, and *Strategic Vision* in 2012, can serve as the basis of this comprehensive method. In this sub-section, I will bring together Kissinger's and Brzezinski's views and their predictions on the next 50 years of the world and my energy geopolitical arguments.

The main question of Kissinger and Brzezinski is: Can the US continue to be a global super-power in the next 50 years? They started to analyze the position of the US in the current world order. The common point in Kissinger's and Brzezinski's analysis is that the US has confronted global competition in the 21st century. According to Brzezinski, the resource of this competition is 'political consciousness raised by jauntily activating millions of people all over the world for a better future' (Brzezinski, 2014, p. 225). For Kissinger, it is that technology which makes welfare common all over the world is more accessible all over the world, and economic growth which has never been experienced, even in the Cold War Era (Kissinger, 2012, p. 786). These two strategists have another common argument and it will serve as the intersection set of the new world order and geopolitics of energy: Eurasia. Brzezinski pointed out the importance of Eurasia in global geopolitics as the following:

“Both the most immediate foreign policy threat to America's global status and the longer-range challenge to global geopolitical stability arise on the Eurasian continent. The immediate threat is currently located in the region east of Egypt's Suez Canal, West of China's Xinpiang Province, and South of Russia's post-Soviet frontiers in the Caucasus and with the new central Asian states. The longer-range challenge to global stability arises out of the still-continuing and consequentially unpredictable shift in the global center of gravity from the West to the East (or from Europe to Asia and perhaps even from America to China)” (Brzezinski, 2012, p. 123)

While Kissinger has agreed with Brzezinski, he also gives another perspective for the importance of Eurasia by defining the national interests of the US:

“The domination by a single power of either of Eurasia’s two principal spheres – Europe or Asia- remains a good definition of strategic danger for America –Cold war or no Cold war. For such a grouping would have the capacity to outstrip America economically and, in the end, militarily” (Kissinger, 2011, p. 813).

Although the establishment of such a political power in Eurasia does not seem likely to happen in the short term, Kissinger suggested that the US should also take precautions today against a possible danger of such a great political power in Eurasia in the long term. Kissinger’s focus on the short term can be understood by the following sentence:

“The US should lay great stress on something in the short term and that she promotes something in the long term” (Kissinger, 2012, p. 810).

According to Kissinger, ‘the US should resist such a political power in Eurasia even if it is well-intentioned, because the US cannot keep her power in the region when intentions change’ (Kissinger, 2011, p. 813).

In this regard, both strategists have concluded that the US should develop her relationships with these two *globes* of Eurasia, Asia and Europe, in order to avoid the challenges coming from these globes. In conclusion, for Brzezinski as well as Kissinger, Eurasia should be followed very closely in the short term. There are two targets of this close follow-up: 1. The development of interrelationships, and 2. Establishment of cooperation mechanisms between the US and countries in these regions. The first target will provide continuity of the global supremacy of the US, according to these strategists. At this point, this thesis should ask the question what kind of role energy can have in the second target, cooperation mechanisms. In my opinion, John Podesta and Peter Ogden give the answer in their article in the book, *The Global Politics of Energy*.

The President of the Center of American Progress, John Podesta, and Senior Analyst Peter Ogden have summarized five ways that the US should follow in the energy world in their article, *A Blueprint for Energy Security*:

1. Confront the threat posed by climate change
2. Reduce the dependence on foreign oil without jeopardizing economic growth
3. Elimination of key proliferation threats posed by nuclear energy technologies
4. Protect and modernize global energy infrastructure and its distribution channels

5. Strengthen energy relationships with China, India and other developing countries (Podesta & Ogden, 2008, pp. 231-237)

When Podesta and Ogden wrote these lines, it was the eve of the 2008 elections. Barack Hussain Obama, who took the presidency on November 4th, 2008, published the *Climate Action Plan* in 2013 and there were three targets:

1. Reduce the carbon emissions in the US
2. Prepare the US for the impacts of climate change
3. Lead international efforts to address global climate change

(Executive Office, 2013, p. 5)

These three targets show that the recommendations of Podesta and Ogden were embarked on by the Obama administration. That is why analyzing the recommendations of Podesta and Ogden is reasonable to understand the relationship between energy and the grand strategies of the US. The authors expressed the following statements before they wrote down the recommendations:

“For the past 30 years, the energy security strategy of the United States has revolved around the issue of access to oil. This model, clearly, is failing. The next administration must instead implement a strategy that is oriented toward the goal of climate security” (Podesta & Ogden, 2008, p. 230)

In this statement, I think the authors have given important clues about the strategies of the US in the new energy balances. For them, accessing oil was the first priority of the US before; however climate security should replace accessing oil hereafter. Maybe by replacing global climate security, the US can find a solution to its fundamental problem, which is named by Brzezinski as ‘dispersal of geopolitical power of the US’ (Brzezinski, 2012, p. 16). The step can be taken by improving the relationships of the US with the rest of the world, and this improvement can be provided in the two following ways: a. Leading to international climate security efforts b. Security of sea lanes (Podesta & Ogden, 2008, pp. 231-237). The attempts to establish strategic cooperation with China for international climate security and to protect the Strait of Malacca can be treated as examples of the two ways of Podesta and Ogden in Asia-Pacific. In addition, the presence of the US military power in the Strait of Hormuz to provide security of sea lanes in the Gulf, and the cooperation between them for climate security, are other examples of Podesta and Ogden’s recommendations. As a result, the energy policies of the US are predicted to be at the center of the three new emerging regions in the new energy balances of the world. Those will be based on global climate security and securitization of sea



lanes. This kind of a strategy for the geopolitics of energy will give the opportunity for the US to avoid the expected threats by Kissinger and Brzezinski from Asia-Pacific and Eurasia. On the other hand, Faruk Demir has also supported the relationship between global climate security and the geopolitical targets of the US as follows:

“Geopolitics of energy doesn’t relate only to territories that have fossil fuel resources, but also to geographies through which the energy trade occurs... [On the other hand] Geopolitics doesn’t address ‘desire of dominance’ only in its word sense, but also in the sense of accumulative historical experiences... [If ways for realizing ‘the desire of the past centuries cannot be implemented] is there a new way for geopolitical dominance? We will make this question clearer: Can global dominance be obtained through ‘gaining prosperity of energy resources’ or ‘controlling of energy trade’? The answer is none of them. Hereafter, ‘global control’ can be obtained through new and more transparent policies. But how? The length of the shadow of sun can be zero when the sun is on the top. However, absence of the shadow won’t mean that the sun is also absent” (Demir, 2010, pp. 43, 44, 61)

By summarizing the ideas of Podesta and Ogden, Demir, Kissinger and Brzezinski, I can show the big picture. The US has the desire for global geopolitical dominance. However, “its legitimacy, effectiveness, and sustainability of its leadership is increasingly questioned in a global scale” (Brzezinski, 2012, p. 21) (Kissinger, 2012). Moreover, the classic way to provide global dominance, such as owning energy fields in the world or controlling the energy trade are failing (Demir, 2010). It is impossible to get global dominance in these two ways anymore. As a result, the US should create a new strategy and, according to Podesta and Ogden, it is twofold: global climate energy security and security of sea lanes.

As a matter of fact, Demir has indirectly supported Podesta and Ogden by suggesting more transparency, because the increased cooperation on global climate security recommended by Podesta and Ogden can provide more transparency, as suggested by Demir. In this regard, shifting the focus of the international arena from accessing energy resources to struggling against climate change will cause the international arena to be more transparent. When the international arena is more transparent, then the US can see the whole picture and can take precautions for the continuation of her global dominance. That is why it is reasonable to expect that the US will implement policies to struggle against climate change and encourage other countries to implement similar policies. In addition to Podesta and Ogden, Robert Kaplan has focused on another development that can lead the US to continue her geopolitical dominance all over the world. According to Robert Kaplan, the boost in the production

of shale resources since 2006 in the US will probably bring the opportunity to be the world's leading geopolitical power well into the new century.

After expressing the role of energy in the establishment of cooperation mechanisms - climate security and securitization of sea lanes - between Eurasia and the US, the implementation of these two policy recommendations have to be discussed. In this discussion, firstly, policy environment should be analyzed, and to do this I should return to the world orders of Brzezinski and Kissinger.

For them, the world is going to *raison d'état* (balance of powers). However, the world still needs the global supremacy of the US because a world without dominance of the US will probably be worse than that with the dominance of the US ((Huntington, 1993, s. 83); as cited by (Brzezinski, 2014, p. 52)). Brzezinski has also supported this idea of Huntington by saying that “more immediate risk of the ongoing dispersal of power is a potentially unstable global hierarchy in which the US is preeminent” (Brzezinski, 2012, p. 21). In order to continue her global supremacy, the US has to do two jobs: 1. Strengthen collaboration with Europe 2. Improve relations with the Asia-Pacific. The development in the shale industry of the US may contribute to the development of relationships between the US and Europe, because it is expected that the shale boost in the US will provide the energy security of Europe by diversifying its energy suppliers (Erbach, 2014, p. 22). Robert Kaplan has summarized the possible contribution of the boost in the shale industry for the US as the following:

“Indeed, just after other countries and America's own elites were consigning the United States to a period of decline, news began to emerge of vast shale gas discoveries in a host of states, especially Texas. The discovery of natural gas could make the United States the world's leading geopolitical power well into the new century” (Kaplan, 2014)

On the other hand, if the Transatlantic Trade and Investment Partnership, which is in negotiation progress, is agreed between the parties, then the European gas market will be opened to the US energy companies. Moreover, it is reasonable to expect that tax rates in each industry will be zero in order to allow markets to be more competitive. The reason behind this expectation is very simple. When competition is provided, then prices will probably fall, as will inflation, which economy-policymakers in each industry are trying after the Global Financial Crisis in 2007 to prevent from being an important problem. In addition to this economic reason, there are also political causes. For instance, after Russia has used its energy resources as a foreign policy tool, especially on Ukraine, Europe needs the support of the US with which it has ‘moral ties and common tradition’

(Kissinger, 2012, p. 796) for its energy security. On the other hand, European leaders will probably not think that the US will use its shale gas resources as a foreign policy tool against them as Russia did during the 2000s and as Saudi Arabia did in 1973. As a result, boosting the shale industry will help the US to improve its relationship with Europe, which is one of the globes of Eurasia.

However, according to Brzezinski and Kissinger, Asia is the other region with which the US should improve its relationships. The most important country in this region for the US seems to be China, because China is the most growing country among all major and potentially major countries in the world (Kissinger, 2012, p. 806). In this regard, US-China relations have the potential to shape all geopolitics of the region, if we take into consideration that the idea that the US will play a balancing power role is dominant in the region (Brzezinski, 2014, p. 195). There are two scenarios. Firstly, the relationships between the US and China will be better, and the second is that they will be worse than today. If the first option occurs, then there will be no problem for the region. However, if the second option comes to pass, the question will be how smaller countries in the region will react to any conflict between the US and China. In such a case, Kissinger expects that any smaller country in the region would not support the US in a conflicting case between the US and China (Kissinger, 2014, p. 806). In this sense, it can be expected that the relationships between the US and China will improve on the basis of cooperation. But how? Surely, possible mechanisms to cooperate will have a very important role for realizing cooperation between the US and China. In my opinion, the recommendations of Podesta and Ogden will offer two basic mechanisms for improving relations: 1. Climate security and 2. Securitization of the sea lanes.

The first one shows a probable supporting mechanism from China to the US in the continuation of the global dominance of the US; the second one displays a political supporting mechanism of the US for China. However, the US restricts her political support for China only to energy-geopolitics. In the sense of their recommendations, the US-China relations will build upon the two cooperation mechanisms in order to split the differences – or delay the cost of possible conflict between them.

At this point, several questions should be raised. How will this cooperation mechanism operate? What are benefits to China and the US respectively? China's benefits from such a bilateral supporting mechanism with the US will be discussed in the next sub-section. On the other hand, China's support for US leadership in global climate

security can be named differently as China's silence on the US global supremacy. From the silence of China, the US will have a benefit because a possible opposition from a big power in Asia-Pacific will be partially avoided. Funds established between Chinese and the American civil institutions to provide financial support to efforts on improving issues, from technology transfer to policy recommendation, show the dimensions of the silence of China. Maybe the silence of China cannot be enough for the US to continue its global supremacy; however, it can gain increased respect among other states to reverse the perception of its decline after the Afghanistan and Iraqi occupations in 2002 and 2003 and by increasing its credibility generally in energy that everyone needs.

The critical words here are 'everyone needs'. Generally speaking, anybody who takes the lead to meet others' needs can be dominant among others. In this sense, if a country wants to be the leader of the world, then it should take the lead for meeting the needs of other countries. Therefore, the US used to claim leadership in protecting human rights all over the world. On the other hand, its leadership was globally accepted since the end of the World War II and her credibility was indisputable. However, especially after the Iraqi occupation in 2003, because of the data on American soldiers persecution of people, the leadership of the US for encouraging human rights has started to be discussed and her credibility has declined. For example, China responded the US' claims on the human rights abuses of China with the claims on US abuses of human rights, and the incumbent Chinese Foreign Ministry spokesman Qin Gang said that:

"The United States always wants to gossip and remark about other countries' situations, but ignores its own issues. This is a classic double standard" (Reuters, 2014).

One of those issues is violation of human rights by American soldiers in the Iraq War. However, I argue that climate security efforts contributed the declining relations between the US and. In addition, international climate security efforts led by the US will constitute a reasonable basis for the US to re-gain its credibility in the eyes of people all over the world. The cause of the decline can be understood when the statement of Kissinger below is critically analyzed:

"Since the American tradition emphasizes universal truths rather than national characteristics, American policymakers have generally preferred multilateral approaches to national ones: the agendas of disarmament, nonproliferation, and human rights rather than essentially national, geopolitical and strategic issues" (Kissinger, 2011, p. 832-3)

One of the fundamental reasons for the decline in US credibility is that people all over the world have not believed that universal values are as important as the US used to claim. The discussions between Noam Chomsky and his opposers, Christopher Hitchens and Johann Hari, can be considered as an example of this fact. Noam Chomsky claimed that there is a '*moral equivalency*' between the US crimes and 9/11 and some people accused him of Islamic fascism (Chomsky, 2005). The moral equivalency claimed by Noam Chomsky shows the decline in US credibility in terms of her commitment to universal values. On the other hand, global climate security can be treated by people all over the world as a much more important topic than human rights for humanity; therefore it can be thought of as a universal value. As a consequence, the policy recommendation of Podesta and Ogden on global climate security can give the opportunity to the US to re-gain its credibility on protecting universal values in the eyes of people. In this regard, the Chinese silence on the United States leadership for climate security can contribute to the re-gaining of its credibility.

In conclusion, by the policy recommendations of Podesta and Ogden, the US can avoid or delay the threats recognized by Kissinger and Brzezinski in the short term. At this point, energy opens a few doors for the US because it is unavoidable for humanity. All countries in the world need energy as well as energy security. On the other hand, the US can meet this need by sustaining its leadership role in the world. As a result of the help of the US to countries for their energy security, she can have the opportunity to control the rising activities of her potential rivalries in the global order. All in all, whereas *raison d'état* is one of the fundamental assumptions of international politics that is also valid for today in my opinion, energy can allow the hegemon (the US) to delay dispersion of power. Therefore, I can give an answer to the 'grand' question of Kissinger and Brzezinski in the beginning of this sub-section, B2i:

- Can the US continue as a global superpower?
- Yes.
- How?
- By cooperation mechanisms based also on the energy security of other countries, as suggested by Podesta and Ogden.

At this point, where is Turkey in this global picture? This is a very important question, and in the next subsection I will try to show the rest of the big picture, whose importance is increasing for energy security and which Turkey is not in.

## **B2ii) Energy supply from the Middle East and Central Asia including Russia to Asian markets**

As a matter of fact, the rise of Asian markets is not new for the world. As will be discussed in more detail in Chapter 3, different countries from Asia came into the world political agenda throughout the 20<sup>th</sup> century. One of those countries was Japan until the end of World War II. Throughout the 1990s, the Asian Tigers (Singapore, South Korea, Taiwan and Hong Kong) became other examples of those countries, until the Asian Financial Crisis. Recently, the Chinese rise started to be involved after Deng Xiaoping's post-Maoist revolution.

In my opinion, it lies behind discussions on the rise of Asian Powers what such a rise would mean for the stability of the world. For some balance of power theorists, stability of the world means warless circumstances between the great powers in the world. According to them, there are two options as a result of the rise of alternative powers to the hegemon. The first one is what if rising powers tried to be armed with hostility and revenge. If the rise brought big wars between developed and developing countries due to the military ambitions of rising countries in Asia, then the stability of the world would be threatened. Furthermore, the current militarizing trend among Asian Powers, moreover among Middle Eastern countries, has been causing those balance of power theorists to give warnings.

On the other hand, there is another issue that may have the same conclusion for balance of power theorists. It is the possible success of regional unity movements in developing countries without an alliance with the western world. For example, Kissinger suggested that such a movement in one part of Eurasia (Europe or Asia) would be sufficient to be defined as a threat to American national interests.

At this point, it should be asked how a regional unity movement can be successful in Eurasia. Is it possible or not? Regional unity movements could likely start when the interests of regional actors are common. Then, interests are more likely common on items that one party has a lot of and the other party has none. In Eurasia, energy is such an item and, due to this fact, I will focus on how energy relations can contribute to regional unity movements by utilizing the literature of conflict resolution. Why conflict resolution? Because I think that energy can contribute to the resolution of conflicts among Asian countries. Therefore, an academic study that tries to work on energy from an academic view should interconnect with the conflict resolution discipline.

The escalation model and materialization of issues are two explanatory models in the conflict resolution discipline. Although the two models seem mutual to each other, I think that there is a closer relationship between them. Below, I will try to very briefly show the closer relationship and, then, apply it to understanding academically the role of energy in Asian countries. Firstly, I will address escalation model of Glasl, then the concept of materialization of issues.

In Figure 7, the escalation model of Glasl is illustrated. According to this model, when two parties lose face each other, they will not desire to choose ‘diplomatic ways’ to resolve a dispute (Mason & Rychard, 2005, p. 6). After this level, they will prefer alternative methods, from using accusatory symbols about the other one of the dispute, to seeing the other one as an enemy. That is why it is very important for a mediator in any conflict to prevent parties from going beyond the level of loss of face, towards the right-hand side of the continuum in Figure 7.

At this point, materialization of issues is suggested as a good method for prevention. It means that by materializing of issues, the parties of any dispute can understand each other. In other words, they can see the expectations of others in a more understandable way. On the other hand, I am making an addition at this point. The addition is based on the Hechscher-Ohlin model about international trade patterns in the international economics discipline. According to them, countries tend to export goods whose production is intensive in factors with which the countries are abundantly endowed ((Deardoff, 1982) as cited by (Krugman, Obstfeld, & Melitz, 2012, p. 121)). This inference gives a clue about the demand elasticity of energy importing countries for energy resources and the supply elasticity of energy producing countries for energy markets.

Demand elasticity of energy importing countries addresses the point that energy importing countries have inelastic demand for energy resources. This fact forces them to compromise with their energy suppliers even if they have major political problems with those energy suppliers. The reason beyond this engagement to compromise despite major problems can be explained as the following: Countries with inelastic demand for energy resources seek solutions to their urgent need for energy. Maybe the solutions have huge political costs for them, either in their domestic politics or in international politics; or maybe in both. For instance, as a result, the fact that energy resources are inelastic makes energy consuming countries avoid bad relations with their energy suppliers.

However, a similar logic is also valid for energy producing countries. These states must sell their resources and, for instance, natural gas cannot be sold unless a market for it can be found. If we think that most resource-rich countries are dependent on returns of their natural resources in order to maintain their being, it is true to infer that they are also inelastic to supply their resources. As a consequence, this inelasticity may force energy producing countries to seek solutions for the selling of their energy resources, and they may be forced to compromise with energy consuming countries even if it has some political costs. In conclusion, because of inelastic cases of energy producing and consuming countries to each other, they can more easily get rid of or delay their political expectations from each other and can be encouraged to make a deal. I can call this case the materialization of political expectations of energy producing and consuming countries.

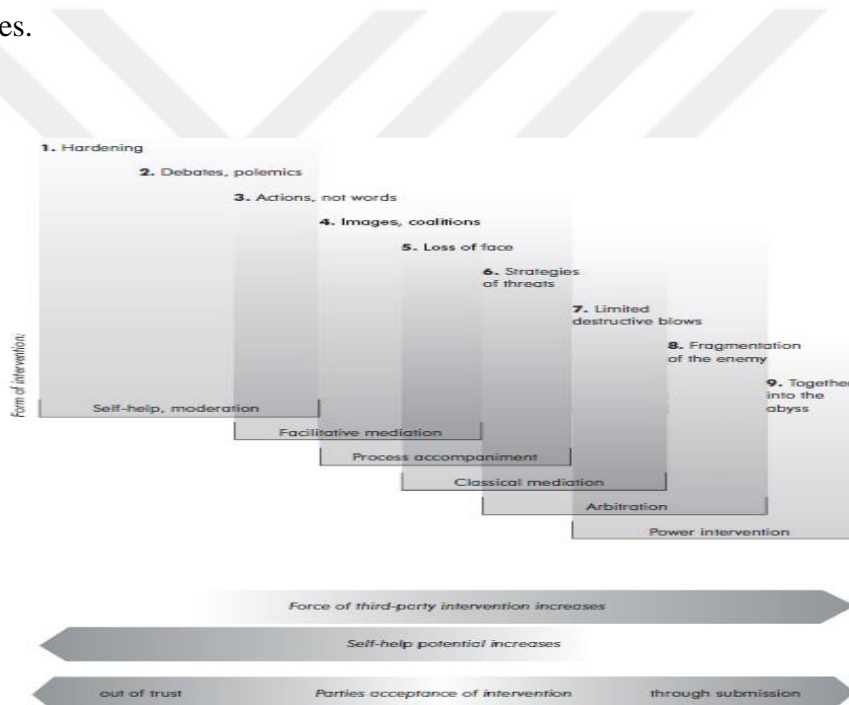


Figure 7: Glasl's Escalation Model (*Mason & Rychard, 2005, p. 7*)

In this regard, I think that the deals and potential alliances in the triangle Asian markets-Central Asian suppliers-Middle Eastern suppliers can be read in this context. Relationships between Russia and China, Iran and India, India and Afghanistan can be thought as examples.

Proposed pipelines among these countries are illustrated in Figures 8 and 9. In those figures, there are two important pipelines from North to South: the Trans-Afghan Pipeline (TAPI) in Figure 8 and the Power of Siberia in Figure 9. TAPI, firstly called TAP, was signed in 2002 between Turkmenistan, Afghanistan and Pakistan. India, then,



was invited to join the Project in 2006. Thereafter, the project started to be called TAPI. TAPI has been considered as a project that can contribute to an armless environment between India and Pakistan, which are two nuclear powers (Grossman, 2014), in coincidence with the understanding of materialization of the issues that I named. Additionally, Imran Khan has argued that ‘upstaged by rival pipeline plans, the proposition of a trans-Afghan gas pipeline, and the geopolitics it has ushered in, has manifested a historical reversal of fortunes and an epochal change of roles for Central Asian and South Asian energy economies’ (Khan, 2007). On the other hand, Khan has also recognized that TAPI is just a dream unless the unstable environment in Afghanistan is solved. From the date Khan suggested this argument, nothing has changed in Afghanistan in terms of instability. However, ‘geological, geographical (distance, not disputes), geo-economics and energy-economic feasibility determinants’ of TAPI (Khan, 2007) will cause it to be kept as an option on the table. When the instability in Afghanistan is solved by its own internal dynamics, then I think TAPI will start to be constructed.

Another important pipeline project is the Power of Siberia, Figure 9. At the end of this project, the two separate gas productions in Yakutia and in Irkutsk will be integrated with each other. There are 1.2 trillion cubic meters and 1.5 trillion cubic meters of gas reserves, respectively. In fact, this pipeline will integrate with the operating pipeline between Okha and Vladivostok, in which there is an LNG plant. As a result, it can be said that Russia wants to sell her gas via sea lines. Therefore, the security and stability of sea routes, especially in the Japan Sea, in the South China Sea, and also in the Strait of Malacca will be very important for Russia. In addition, Russia also wants a weapon-free environment in these regions. If a weapon cannot be provided, then she will have to have good relations with her neighbors in order to sell her gas, because the biggest gas consumers are nearby. But any weapon-free environment between any states in the region may result in a dispute between regional powers, like Russia and China. In accordance with the ‘materialization of issues’ concept, I argue that the Power of Siberia Pipeline project aims at preventing possible disputes between Russia and China.



Figure 8: Gas Pipelines to China

Source: IEA, 2015

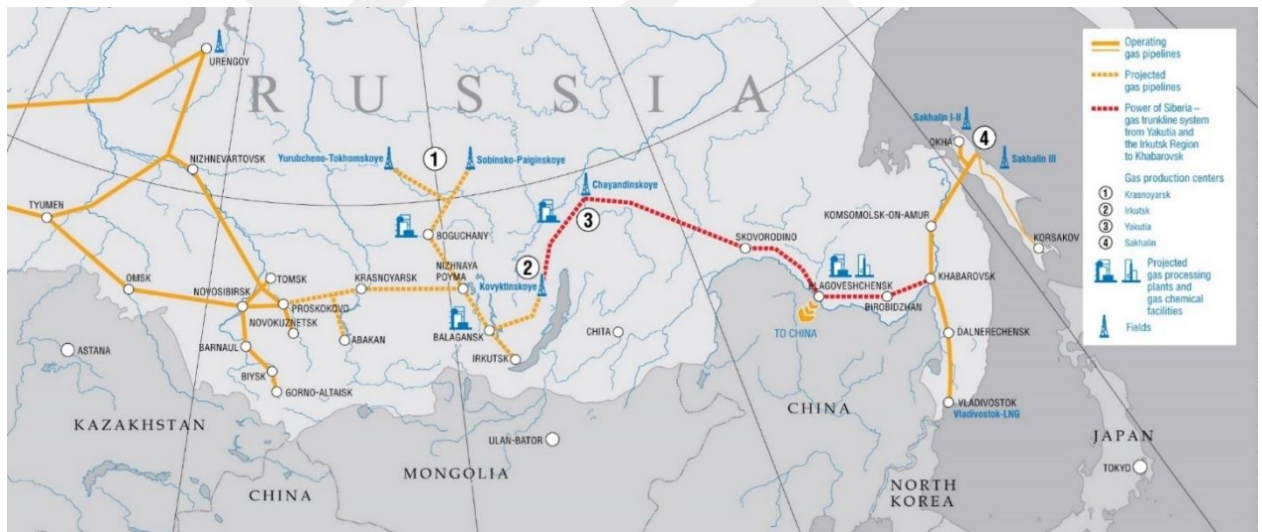


Figure 9: Power of Siberia

Source: Gazprom, 2015

### **B3) The Compound Set of Stylized Facts: Regional Geopolitics, not a Global One**

In subsections B1 and B2, I have reached two important results: 1. rising energy markets have bigger importance in global geopolitics 2. Turkey's geographical importance for these markets is not as much as she has for European energy markets. These two results constitute stylized facts of my thesis. These results can be called for Turkey under just one title, like that of this section: regional geopolitics, not a global one.

In this section, I will discuss what this result means for the place of Turkey in the structure of energy geo-politics. I think that the most important thing for Turkey is to see what would happen under different scenarios. That is why, in this section, I will only take two different understandings in those debates, being a regional power or being beyond a regional power, under the assumption that all states aim at being a global power.<sup>4</sup> As a matter of fact, 'being beyond a regional power' corresponds to 'being a global power' in literature. However, I will use the concept 'being beyond a regional power' because I accept that no country can be a global power in the coming decades, especially after the collapse of the American ambition to be the sole power of the world. On the other hand, this section also serves as an introduction to Chapter 3. I argue that there are two different options open to any state aiming to be a global power in the coming decades: becoming a regional power first, or going beyond being a regional power. In the first option, if a country succeeds in being a regional power, it can affect the foreign policies of countries in its region in global politics. Under this option, regional cooperation will have a greater role in global politics because 'the regional power' can encourage/force other countries in the region to be a part of the regional alliance in its mind. As a result, under this option regional alliances can have the power to be dominant in the global arena, rather than when one country dominates global politics like after the collapse of Soviet Union. I think the reason behind negotiations between the US and the EU to establish TTIP is such a thing.<sup>5</sup>

That is why it can be said that, for any country, the most realistic strategy will be to lead a regional alliance near it, or to choose an existing regional alliance and try to be an influential power in that alliance. For instance, I think Turkey's persistence in

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<sup>4</sup> This assumption will be discussed in Chapter 3 in more detail.

<sup>5</sup> For more details of the negotiation process, please look at following websites:

<http://ec.europa.eu/trade/policy/in-focus/ttip/>

<https://ustr.gov/ttip>

pursuing membership of the EU stems from such a strategic mentality. Moreover, the reason why Turkey challenges the EU with being a member of another regional alliance can be understood in this reading. She tries to make the EU members feel that the union will lose a very important country that could contribute to the power of the EU. However, at the end of the day, the target of Turkey is not to be out of a regional alliance. In that sense, Turkey seems to have chosen the first option: to be a regional power. Projects like TANAP and Turkish Stream seem to be supporting this aim, rather than that of seeking to become a global power.

To speak honestly, Turkey's attempts to become a regional power were more common when Davutoğlu's "*Zero Problems with neighbors*" perspective was valid. For instance, Turkey was exerting efforts to be a regional power in Europe, as well as in the Middle East, also in the Caucasus and in the Balkans. However, as will be addressed in Chapter 3, Davutoğlu also accepted that "everything changed" after the Arab Uprising which started in 2010. Because of the rising there is instability in the Middle East today, and because this unstable environment does not allow any power that can shape regional politics, Turkey no longer has a choice to be a regional power of that region, at least until the environment changes. The same approach can also be shown in other regions geographically surrounding Turkey. All in all, the European Union seems like the only region in which Turkey can make her presence felt through energy projects.

However, there is an important geopolitical question here: In which direction is the structure of the geopolitics of energy going? If there is an association between Turkey's choice of Turkey and the structure's continuity, there will be no problem for Turkey. On the other hand, if there is a disassociation between them, then it will mean that there is a possible problem for Turkey because disassociation with the structure is similar to going against the wind. So, what should Turkey do? In the previous lines, I said that this section is far away from the ongoing debates on what the structure is. Therefore, in the next chapter, I will discuss what Turkey can do in order to protect herself from possible problems under the two scenarios, rather than discussing which scenario will occur.

“Our understanding of the energy sector must therefore evolve if we are to take the best policy and investment decisions”

WEO-2013

“Turkey can catch the opportunity to increase its international position and to create its sphere of influence only if she succeed in combining her historical accumulation, her geopolitical and geo-economics’ facilities with an efficient and consistent internal transformation”

Prof. Dr. Ahmet Davutoğlu

## **CHAPTER 3**

### **MENTAL TRANSFORMATION AND THE COORDINATE PLANE OF STRATEGICAL MENTALITY IN PUBLIC POLICY AND ITS IMPLICATIONS FOR TURKEY**

The first sentence at the top of this page exhibits a very important vision for the world energy sector. Although it gives a general message to the world, it is an undeniable reality that Turkish policymakers cannot keep themselves away from this message. As a result of the discussion in Chapter 1, I think it has been supported that Turkish policymakers should take the message and transform the mentality in the energy sector of the Turkish state so that the importance of Turkey in international politics will not be negatively affected. On the other hand, due to the current Turkish mentality that only prioritizes energy resource accessibility, it seems almost impossible to prevent the dangers of new energy-geopolitics in 2035.

In this chapter, I will firstly discuss the dynamics of the energy sector and which dynamics the Turkish state will likely confront towards 2035. Secondly, I will theorize ‘the new coordinate plane of strategic mentality’. By doing this, I am aiming to show how Turkish policymakers can behave in the new geopolitics of energy of 2035. Then finally, I will suggest to which directions Turkey can change her understanding by the help of that coordinate plane.

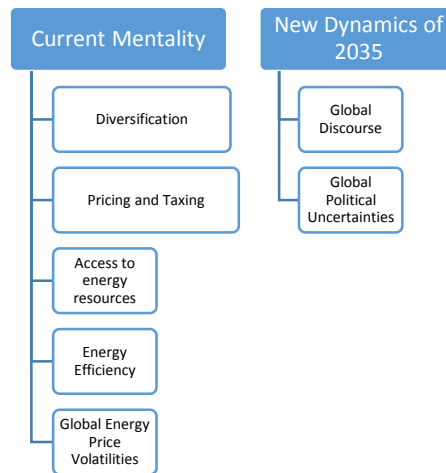


Figure 10: Dimensions of Turkish Energy Markets

### A) Dynamics of Turkish Energy Sector

The current mentality of the Turkish state on the energy sector can be named as the outcome of the traditional discussions on global energy issues. While discussing global energy issues, I think that populist discussions are traditionally surrounded by the question of which factors dominate energy relations between countries. Economic and geopolitical factors are prominent ones and the main discussion is which one determines energy relations between countries.

However, the failure in such populist discussions is that researchers try to find a sole determinant of energy relations. However, in my opinion, the answer changes according to the context. Sometimes, context may require that decision-makers take economic perspectives on energy issues so that their country will not be negatively affected by economic vulnerabilities in the energy sector. On the other hand, they should sometimes focus on geopolitical incidents so that they prevent geopolitical threats based on energy issues. I think most of time decision-makers should tackle energy issues from economic and geopolitical perspectives at the same time.

For instance, Saudi decision-makers decided that Saudi Arabia wouldn't decrease her supply of crude-oil in the last months of 2014. The US opposed this decision. For some analysts, the decision of Saudi Arabia was completely geopolitical because it aimed at Iran's political decline in the region. As a result of the decrease in oil prices, Iran's return would diminish and she would not be able to support Shiite-sympathizers. On the other hand, for some other analysts, the Saudi decision targeted the shale industry of the US, which is expected to be a big competitor for the Saudi oil sector. According to this

perspective, due to the decrease in oil prices, the shale industry in the US could not continue to be a competitor against the crude sector of Saudi Arabia. From such an understanding, the decision was completely economic. However, I argue that Saudi decision makers had both aims in mind. In other words, they had economic as well as geopolitical targets in reduced oil prices.

As a result of this dynamic answer, I think there is a more important question than the traditional one: *When* must policy-makers prioritize economic factors regarding energy issues; *when* must they prioritize geopolitical factors? The same question was asked by Frances, and he has given the answer as the following:

“However, the characterization of energy scenarios has moved towards a less quantitative<sup>6</sup> and probability based approach, with alternative narratives being drawn up for key uncertainties with the aim of generating consistent ‘global visions’. These kind of scenarios resort to geopolitics and international political economy to tackle uncertainties and explore possible strategic responses, more creatively... Uncertainty over which scenario will emerge in the future is made more acute by one of the fundamental conclusions of international economic politics: in times of structural change in the global balance of power, nationalist competition tends to intensify” (Frances, 2011, pp. 42-44)

As can be seen in the discussions in Chapter 1, it is clear that our world is experiencing another structural change in the global balance of power. Frances has two conclusions for such periods:

1. In times of structural change in the global balance of power, nationalist competition tends to intensify.
2. Geopolitics can explore strategic responses to tackle uncertainties [which leads to the first conclusion emerging] ((Gilpin, 1987) as cited by (Frances, 2011, p. 44)).

By putting together the two conclusions of Frances and applying them to the energy relations of Turkey with other countries, I conclude that Turkey should take energy issues in the 2035 forecast by the IEA into consideration from a geopolitical point of view. The discussion on the current mentality and new dimensions illustrated in Figure 10 will be made under this conclusion. Therefore, I argue that the current mentality of the Turkish state on energy issues is mainly dominated by economic dimensions; however Turkey must change its understanding from economic dynamics to geopolitical dynamics.<sup>7</sup>

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<sup>6</sup> I think, here, “quantitative approach” addresses economic dynamics.

<sup>7</sup> On the other hand, this conclusion does not mean that Turkey should ignore the economic dynamics of energy issues. In contrast, it means that it is not sufficient to tackle only the economic dimensions of energy issues;

## **A1) Challenging Dynamics: Politics, Mismatches between Potentials and Discourse, and Implications for Turkey**

As discussed by Frances, structural change in the global balance of power is one of the main characteristics of today's world. Additionally, I suggest that the following question preoccupies the relevant people: who will be the next leader of the world? In other words, who will dominate next 'balance of power'?

Based on this question, there are two options in front of leaders of all countries who aim to take a part in the big picture. The first one is that a country can be a candidate to be the next leader of the world. The other option is that that country stays close by the leader country. I will name the first option as 'global leadership'; and the other one is 'partnership of global leadership'. I argue that a country can make its choice between these two options. The criterion is whether there is an association between its potentials and discourses. If there is an association between its potentials and discourses, then this country can be the next global leader. If there is not, then it should comply with being a partner of a global leader. Like every country, Turkey should also seek an answer to this question. The rest of this section will be seek to answer this. In the rest of this section, I will firstly focus on how a country can be the global leader in a structural change period. My answer is 'by having a global discourse', rather than having global military/or economic power. Secondly, I will try to find an answer to whether there is an association between the potentials and global discourse of Turkey. I will assess this topic under four titles: relationships between having a global discourse and 1. Military power, 2. Cultural power, 3. Technological power, and 4. Economic power.

### **A1i) Having a global discourse**

I suggest that having a global discourse is one of the obligations for a country which tries to be the global leader of the world in which the structural change of Frances occurs. Without a global discourse, a country cannot be a global leader in real sense. Ulrich Brand, from the University of Kassel, supported this argument with the following sentences in his article which 'is concerned with the importance of global governance] as a discourse in the context of globalization and its restructuring of the political, particularly at the international level':

"It is argued that the former [Global Governance] articulates itself with the structural transformations of the political, integrates dominant meanings of these

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rather, geopolitical factors will likely determine the success of a country in the process of structural change in global politics.



transformations and its problems, offers a broadly accepted concept of politics, bridges existing and developing contradictions and, therefore, is able to ‘frame’ the dominant political transformations. In this sense, the discourse is sorting complex societal relations, makes them plausible and serves as a point of orientation for political action” (Brand, 2005, p. 156).

This expression gives us a clue to the relationship between the concepts ‘global’ and ‘discourse’. However, at this point, I should clarify a major difference between arguments of Brand and my suggestions. In Brand’s article, he argued that ‘global governance’ itself became the global discourse and determined the politics of states superior to their individual discourses. In other words, in his argument, states could not develop any discourse that does not address their opinions to shape the ‘global governance’ in the international level. Countries should take it as given. Maybe this inference could have been true in 2005, during which Brand wrote this article. However, the political situation has changed, especially after the Global Economic Crisis in 2008 and the Arab Spring in 2010. I suggest that there cannot be any discourse superior to states; in contrast, the discourse of any states can be superior to other states after these two important key-points of world history. For instance, after the collapse of the Soviet Union, the global discourse of the US highlighting globalization was superior to other states throughout the 1990s. The same case also continued until the mid-2000s. President Bush could divide the world into countries with the United States and countries against the US after 9/11.

On the other hand, not only were the discourses of the US superior to others, but also there are other examples. For instance, a similar supremacy was valid for the Soviet Union in the era of communism. States in the communist bloc and allying with the USSR could not develop any discourse which challenged the discourse of the USSR. The same thing can be mentioned for British colonialism. Any colony of Britain could not say anything that was against Britain’s position in the international arena. As in these examples, global governance can be thought of as a concept that has the opportunity to undertake hierarchical relations between countries, as can be inferred from Brand. However, I do not argue that this will be the result. In my opinion, global governance is merely a utopian ideal. So, what caused the failure of the dream of global governance? As aforementioned, the answer is a common and recent incident which started in financial markets: the Global Economic Crisis in 2007. I think that there was a consensus before the crisis that globalization of financial markets is what the world society needed for a wealthier life. For example, from 9/11 to the economic crisis, the global average annual

growth rate was 4.83%, according to the World Bank Data, and the contribution of technical improvements in financial markets to this number was often addressed.

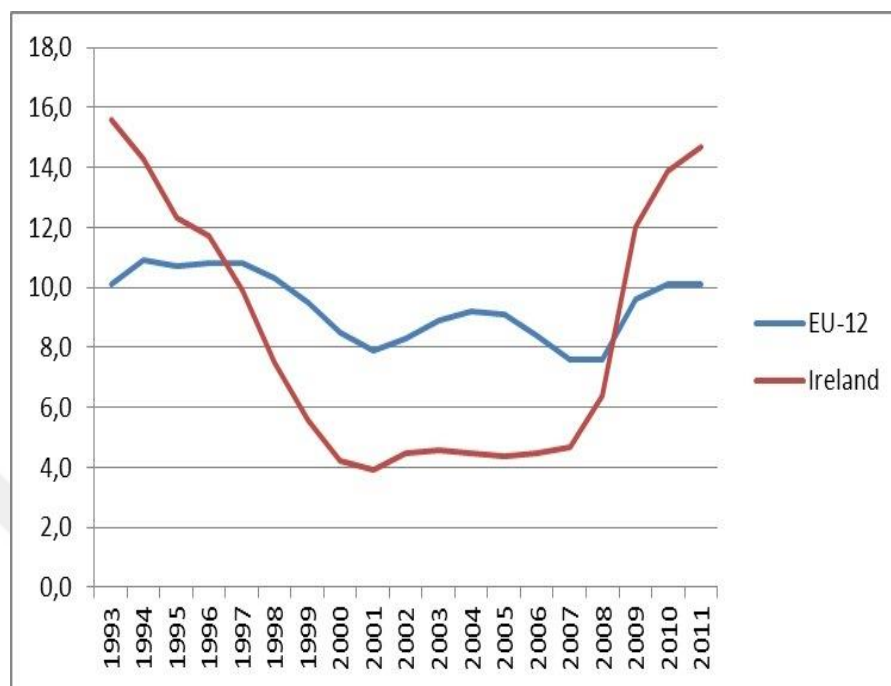


Figure 11: Unemployment rates in Ireland and 12 euro area countries 1993 – 2011

Source: Eurostat

For instance, Ireland was given as a model for developing countries to increase their welfare level. In Figure 11, the reason is very clearly seen. From 1997 to the Global Economic Crisis, Ireland could succeed in decreasing unemployment rates to around 4 percent, which economists consider as ‘full employment’ (Commission, 2012). While Ireland was at a very low level of unemployment, 12 Euro Zone countries could not achieve unemployment levels lower than 8 percent. However, the case has changed since the 2008 Global Economic Crisis. The Commission has explained the reason as following:

“However, greater financial integration, spurred in part by the birth of the euro, allowed them to turn more and more to short-term borrowing from abroad, from so-called wholesale money markets. This period [post-2008 period] also saw a global increase in risk appetite by financial markets, and Irish banks were caught up in this” (Commission, 2012)

However, the global average annual growth rate was 1.8% from the crisis until the end of 2014, according to data of the World Bank (World Bank, 2015). However, the same rate was 3.34% between 2000 and 2006. As in the case of Ireland, the contribution of financial flows to increasing growth rates of developing countries as a result of the

globalization of financial markets was evident. The contribution of financial flows was valid especially for the period between 2002 and 2008 in which technological progress made easier the globalization of financial markets. I think Lothian referred to this fact as the following:

“The number of markets and types of instruments issued and traded has grown enormously, even during the course of the last three decades. Information is now transmitted in seconds rather than in days, weeks or months” (Lothian, 2002, p. 723).

Besides, I think that it also cannot be denied that the globalization of financial markets affected almost the entire world. The effect of globalization of financial markets on the entire world can be explained thanks to Paul Krugman:

“Across much of the business sector, companies told stories about how new technology changed everything, how old rules about the limits to their profits and growth no longer applied. In more than a few cases, we learned, these feel-good stories were buttressed by accounting fraud. But the main point was that investors, having seen the huge gains made by the early buyers of Microsoft and other entrants in the IT field, were ready to believe that many other companies could achieve the same kind of miracle. There was, of course, an adding-up fallacy in all of this: there wasn't room in the economy for all the future Microsofts people thought they saw. But hype springs eternal, and people are willing to suspend their rational faculties” (Krugman, 2008, pp. 145-6)

As Krugman explained, the new technological improvement made people believe in ‘incredible profits’. Intuitively, this belief resulted in huge financial flows. Investors all over the world also believed in this kind of stories and I think that there was a ‘financial flow’ trend globally. In earlier times, financial flows were contributing to the increase in growth rates. However, like everything, financial flows should be governed. I think that such a kind of belief also was common in the world, once upon a time. As in financial markets, people started to believe that global political problems could be solved only in a global political system. This belief emerged thanks to the ‘Unipolar World System’ after the end of the Cold War. In this sense, the need for global governance to meet a better world became the determination dynamic of international politics.

Then, there is a question: Who governs and in what scale? It might be believed that globalization of financial markets requires global governance, as in the story explained by Krugman. According to the story (Krugman P. , 2010, p. 89), once upon a time only one currency was in circulation all over the world and its name was ‘globo’. This currency regime was governed only by the ‘Global Central Bank’ under presidency of Alan Globespan. The executive board of the Global Central Bank only focused on growth and inflation. Very briefly, the rest of the story is about the failure of this ‘globo’

system because it could protect the world from crises ‘as an entire unit’, but it could not protect the parts of this entire unit. Krugman told this story as an answer to the question why an international monetary system cannot be established.

As in this story, a global system could not be achieved in international politics because the unipolar system had failed (Brzezinski, 2012) (Kissinger, 2012) (Davutoğlu, 2008), as commonly accepted by the three strategists cited by this thesis. Therefore, I agree with Frances, who argued that the general rule of international political economy is that national competitions are the basis of international political economy in the structural change of balance of power. As Kalin argued, the Global Financial Crisis can be evaluated as a milestone of international politics (Kalin, 2012), it can be considered as the milestone that caused national interest, as a result national competitions, to re-emerge. Therefore, while I agree with Brand on the need for a global discourse in our world, I think that the change in the structure of international politics after the economic crisis in 2007 falsifies the result of Brand for the resource of the global discourse.

Additionally, the following suggestion of Friedberg about possible relations between the US and China after the Global Financial Crisis may be taken as a support to my argument against Brand’s:

“Among the many potential consequences of the recent downturn and its aftermath could be increased friction between the United States and China and an intensification in their evolving military and diplomatic rivalry” (Friedberg, 2010, p. 31)

Therefore, the difference between Brand’s argumentation and mine can be summarized in the following statements:

Brand: The discourse of a nation state is externally shaped and it should be taken by that nation state. It should be associated with the ‘global governance’ idea. Therefore, nation states could not make anything on the formation of their global discourse.

Me: Global discourse actually addresses the globalization of nation states. Therefore, nation states are the key-players in the formation of their global discourse.

At this point, another general question gains importance: how can a state be the global leader in a geopolitical context that is dominated by national competitions or, in my words, globalization of nation states? What should their grand strategy be? On the other hand, how can achieving global leadership be possible with nuclear weapons and impressive technological improvements? I think the answer is given by Faruk Demir, again, as the following:

“Geopolitics is a symbol of tempting desire of dominance not only in its word-sense, but also in its historical meaning... The dominance seeking of the new geopolitical environment [after the collapse of Soviet Union] is requiring integration of regions and discussions not at the regional level, but at the global level... Hereafter, the global dominance cannot be obtained by ‘possessing’ or ‘controlling’; however, ‘global control’ is possible through more transparent policies. But how? When the sun is at the top, the length of shadow may be zero, but it doesn’t mean shadow’s absence” (Demir, 2010, pp. 43, 44, 61).

In this regard, while states could set the length of their shadow as they want in the past, they must shorten the length of their shadows in the contemporary world, even if they do not want to. The reason is that states which can set the length of their shadow at zero level can satisfy their *dominance wishes*. In other words, the states which adopt full transparency in their internal or external policies can be candidates for global leadership. This inference can be more easily explained by the help of a basic definition of politics:

“We noted that politics involves making common decisions for a group or groups of people, and that the exercise of power in making those decisions can range from influence to coercion. Influence is the ability to persuade or convince others to accept certain objectives or behave in a certain way. On the other hand, coercion is the opposite extreme of influence. It involves control by force” (Jackson & Jackson, 1997, pp. 9-10).

However, what is the main driver for a country from coercion to influence or in the opposite direction? I think the development of information technologies is the only way for this transformation of a coercive power. As a consequence of the fact that information can be reached by many people, the coercive power cannot continue to use coercion as a source of power because of the possibility of insurgency against the coercion. That is why the coercive power is obliged to implement more transparent policies. I think this is the general case both for internal and external relations of a country. As a result of such a case, the British had to withdraw from India as the result of a highly impressive opposition by Gandhi. The Shah Pahlavi had to abandon the regime of his dynasty because of such an insurgency of coerced people. The insurgency against the Mubarak regime in 2010 was the consequence of using coercion in internal relations of the country for approximately 33 years.

On the other hand, these examples can be given for the internal relations of countries. So, is it possible to use these examples for international politics? I think the case of the US is a good example. Recently, the withdrawal of the US from Vietnam, Afghanistan and Iraq can be read as yet another set of examples of transformation from coercion to influence in international politics. Additionally, the US could not provide transparency in its foreign policies towards the Iraqi and Afghan people, especially in the

prisons of Guantanamo and Abu Ghraib, since the beginning of those occupations. Recently and finally, the documents about the Iraq and Afghan wars publicized by WikiLeaks constituted another difficulty for Hillary Clinton, who was the Secretary of State of the US, to make an explanation to the world. As a result, she cannot go on to hold international public authority. Maybe the reason behind the decline in the credibility of the US discussed by Brzezinski, which is explained in Chapter 1 of this thesis, can be explained through an encouragement mechanism from coercion to influence. With respect to the US, I think that this mechanism lies behind the discussions in the US regarding ‘interventionist or noninterventionist grand strategies’ (Reveron & Gvosdev, 2015). As a general conclusion with respect to each country, I think that the more transformation from coercion to influence gains validity, the more countries will be obliged to seek global discourses, rather than struggling to be a global power.

From the beginning of B2i until here, I have made the discussion with Brand on the concept ‘global discourse’ and revealed Demir’s ideas and the basic definition of politics as a support to my argument. Hereafter, I will go on with the question of what a country should have in order to achieve a global discourse. Then, I will look at the case of Turkey and whether she has the necessities.

The necessities for achieving a global discourse can be analyzed in four elements, actually suggested by Brzezinski, for being a global power: to have the military, economic, technological and cultural power. Brzezinski has given the reason behind these elements as the following:

“In brief, America stands supreme in the four decisive dimensions of global power; militarily, it has an unmatched global reach; economically, it remains the locomotive of global growth, even if challenged in some aspects by Japan and Germany (neither of which enjoys the other attributes of global might); technologically, it retains the overall lead in the cutting-edge areas of innovation; and culturally, despite some crassness, it enjoys an appeal that is unrivaled, especially among the world’s youth –all of which gives the United States a political clout that no other state comes close to matching. It is the combination of all four that makes America the only comprehensive global superpower” (Brzezinski, 2007, p. 21-2)

In this statement, Brzezinski has shown the reasons of American global supremacy in the past decades and present, in other words the length of a global power’s shadow. On the other hand, Demir has given the answer only to the question how the length of shadow of states can be shortened. I think there is an absence while considering the arguments of Brzezinski and Demir together: the point-form of shadow, which is the shortest form. At this point, I’m arguing that *having a global discourse* is the answer. Only by *having global*

*discourse*, can a country which is obliged to provide transparency in her policies - internally, internationally and globally- continue her survival at global level.

### **A1ii) Turkey and having a global discourse**

Theoretically, each state has a desire to become global leader. However, some states cannot reach this aim because of insufficiency of their potentials. It means that a country can reach its aim if its potentials are sufficient. Turkey is a country which, theoretically, desires to be global leader, and in this section, I will make an assessment as to whether Turkey's potentials are sufficient to have a global discourse in accordance with the conclusion of B2i. The potentials are Brzezinski's four elements: military power, technological power, cultural power and economic power, and those will be my criteria for the evaluation.

#### **(1) Relationship between global discourse and military power: diversification of international military missions of Turkey**

In a world which is in a dilemma between globalization and national competitions, I think that military power starts to stem from two dimensions: domestic military power and international military missions. The former shows how a country can protect itself from outer challenges. On the other hand, the latter gives a clue about the contribution of that country to the security of the world. Only if a country can contribute to the security of the world, can this country have global power, because a country without a warning about the security of the world cannot have a global discourse. In order to evaluate the military power of Turkey from a comprehensive perspective, I should look at both dimensions because the more domestic military power a country has, the more it can contribute to world security.

In this regard, I need to estimate domestic military power, and some kinds of information like the following can be proxies for this, in my view. In recent years, the attempt of Turkey to improve her domestic military production started to give its first results. I think that the following can be important criteria about how Turkey improved her military industry: 1) Imports in defense industry 2) Coverage ratio of international sales to imports 3) Investments in research and technological development in defense industry. According to the sectoral report of the Defense and Aerospace Industry Manufacturers Association in 2014 (SASAD, 2014), Turkey's imports have been declining between 2012 and 2014. It was 1351 million dollars in 2014, whereas the same number was 1409 in 2012. In addition, the coverage ratio of international sales to imports is also getting better. It was 90% in 2012; 118% in 2013; and 137% in 2014. Also, there is a

development in the third criterion. Investments in research and technological development increased from 666 million dollars in 2010 to 887 million dollars in 2014. On the other hand, 39% of these investments were financed through owners' equities, whereas the same number was 21% in 2010. As a result, I can conclude that domestic military production improved. This can be considered as a step further towards having a global discourse, because 'in the world of diplomacy, a loaded gun is often more potent than a legal brief' (Kissinger, 2011, p. 808-9). Therefore, I think that deterrent hard power is a requirement for any country to secure its global discourse.

On the other hand, international missions of military power are another important element of military power. Today, being a partner of an international military mission like NATO is the common way of achieving security. However, in my opinion, there are two different scenarios in front of nation states aiming for global leadership in a world that encourages national interests, as Frances argued:

1. To improve alternative military missions on their own or with other groups of people.
2. To become a partner of existing international military mission groups.

There are different examples of both scenarios. For the former, North Korea can be thought as the recent one. She tries to find a way for self-sufficiency in her self-protection. However, she does not have any military partner that supports her in the international arena. As a matter of fact, the Organization for Security and Cooperation in Europe (OSCE) and North Atlantic TO (NATO) can be considered as examples of international military missions that try to establish, and are partially successful, international military missions. However, in time, different international military organizations started to be substitutive to each other. It means that one may cause the other one to weaken. Moreover, if an international military mission failed in an international issue, then it would weaken and the other one might become popular in the eyes of member countries of the failed institution. For instance, the OSCE could not demonstrate 'its efficiency to prevent international wars and conflicts like in its missions on South Ossetia and Nagorno-Karabakh'. Additionally, 'On the other hand, the fact that many member states of the OSCE are also members of EU and NATO causes this institution to lose its credibility even in the eyes of its members' (Karabulut, 2011, p. 70).

Despite the substitutive effect between different international military missions, it is a fact that there are not any such institutions outside the Western World. All efficient international military missions seem to be dominated by Western countries. Surely, domestic military production has a huge impact on the military power of the Western



countries. However, I think that White gives another clue about why it is very difficult to establish international military missions which are away from Western influence:

“What developed instead, starting with Korea in 1950, was a partially decentralized system of collective security whereby the UN delegated authority to a state or a group of states acting under Chapter VII to take military enforcement action on behalf of the UN... [However] Article 53 of Chapter VIII provides that the Security Council shall, where appropriate, utilize such regional arrangements or agencies for enforcement action under its authority. The UN’s supremacy in collective security matters of a coercive nature is underlined by the same article when it goes on to state that no enforcement action shall be taken under regional arrangements or by regional arrangements without the authorization of Security Council” (White, 2011, pp. 2-3).

The Security Council consists of five permanent members and ten non-permanent members. The ten non-permanent members are selected by the General Assembly only for two years. On the other hand, non-permanent countries do not have a right to veto. It means that the permanent members have an undeniable supremacy over the other 60 members of the General Assembly, from a power-based approach. This fact causes the establishment of any regional/international military mission without the permission of five permanent members to be harder. Such a permanency of five countries has an impact on the relationship between having a global discourse and the military power of non-permanent members. Wisotzki, author of the book *Cooperate without America*, has supportively written:

“The institutional setting of the UN negotiations provided the disinclined hegemon with powerful influence that couldn’t be countered by the second best hegemon or any group of like-minded states. While regimes can and have been founded in non-hegemonic settings, the institution-building process lacks success when the leading hegemon opposes compromises” (Wisotzki, 2009).

In such a global framework, the Turkish attempts to have a ‘national military sector’ can be called an improvement, but a small improvement. Maybe this improvement can contribute to Turkey having partial independence from abroad in its military power. However, I think that it is far from being sufficient for a global discourse.

In order to evaluate the case of Turkey, I should ask the question at this point: *Is the establishment of alternative military missions enough to have a military global discourse?* I think that the answer is embedded in the transformation of world politics from non-transparency to transparency, as Demir suggested. In a non-transparent world politics, the main question was the impact of military power in the present real-politics. However, I think in transparent world politics the main question will become the impact of military power in shaping future real-politics. In other words, whereas it was required

that the army of a country should be physically in a region to be influential on it in non-transparent world politics, physical presence in a region will not be a requirement in a transparent world. Therefore, a country which has militaristic potential to immediately respond to any crisis in any part of the world can have a global militaristic discourse. This transformation can be seen as a move from an interventionist approach to a preventive approach. I think that we can read the recent withdrawals of the US from Afghan and Iraqi lands through this transformation. Actually, I argue that such a transformation of military power from an interventionist approach to preventive approach in real-politics started to occur while nuclear weapons dominated the international world politics in the Cold War era. Therefore, I think that it will be more true to say that the already started transformation from *interventionism* to *preventionism* in military-based international politics will be accelerated by the claimed transformation from global power to global discourse in international politics.

On the other hand, for my analysis of the case of Turkey in terms of the relationship between her military power and having a global discourse, the process of this transformation is not important, but rather its consequences. As a result, in a real-political environment which asks the effective size of military power in shaping future politics, independence from the international security sector will not bring a solid and sufficient basis for a global discourse. On the other hand, the preventive power of the Turkish Army will determine the strength of Turkish militaristic discourse. If the Turkish government can prevent any crisis anywhere in the world, then Turkey can produce a militaristic discourse at global level. If the Turkish government can prevent any crisis anywhere in her region, then Turkey can produce a militaristic discourse at regional level. If the Turkish government cannot prevent any crisis, then Turkey cannot have any militaristic discourse on any level and she will have to turn to security policies only for her boundaries, like in the Syrian case between 2011 and 2013, and the ISIS case since 2013. In such a global framework, I think that only the second option is available for Turkey in the foreseeable future: To become a partner of existing international military mission groups. Although I cannot deny the first option for Turkey, to improve alternative international military missions, in my opinion, the second option seems likely to have more cost than the first option.

## **(2) Relationship between having a global discourse and cultural power**

Culture is another important dimension of being a global power, according to Brzezinski. In this sense, there are two possible answers to the question whether Turkey has the potential to have a cultural discourse at global level. The first one is 'Yes' and the second one is 'No'. It seems that the answer can be found on an identity-based approach because culture is directly related to identity. In this sense, I should confirm with which identities in the world Turkey can establish a cultural connection. However, I should reveal criteria to have a cultural discourse at global level before determination of those identities. The first criterion is that the identity which Turkey directly connects to itself should be common at the global level in order to have global cultural discourse. The second criterion is that Turkey have a leading role in having a global cultural discourse if she wants to be a global power. These criteria can be derived with the help of Kissinger. According to Kissinger, 'democratic identity is unavoidable for the United States because democracy is generally perceived all around the world as the best regime type of polities and the leading role of the US brings her to have impact on global society' (Kissinger, *Diplomasi*, 2012, p. 842). It means, by this leading role, the US can have a discourse at global level. As a result, the US also tries to find a common-shared idea, value etc. for people all around the world and, when she finds it, she tries to have a leading role on that issue. Therefore, commonly-sharing and leading role are unavoidable criteria for a cultural discourse and for a country, respectively.

Through these criteria, it seems that the most possible identity through which Turkey can reach the global level in cultural discourse is Islam. If Turkey can reach every Muslim community all around the world with a common-shared cultural basis, then her discourse can be influential at the global level. All around the World, according to CIA World Factbook, 22.74% of the world population are Muslims. As a result, Islam is the second most common religion in the world. Therefore, it seems reasonable to have an Islam-based cultural discourse in order to have a global cultural discourse. In addition, Pew Research Center also underlines that Islam is the fastest growing religion all around the world. Maybe the increasing tension in the discourse of the Turkish government over suffering Muslim geographies from the Middle East to South Asia and over Islamophobia should be read under this understanding. However, the decline in the votes of the Justice and Development Party in the June 7 2015 general election may cause this state to change. In addition, I should emphasize that there are external factors that negatively impact Turkey's determination of her cultural discourse in favor of Islam, like political

vulnerabilities in the Islamic world. For instance, unstoppable wars among Muslims make a possible cultural discourse that Turkey can achieve on the Muslim population weaker.

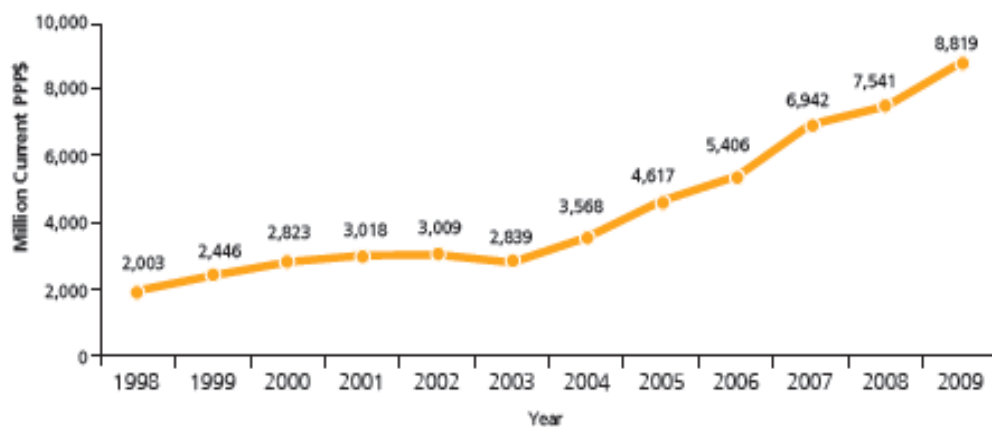
On the other hand, if Turkey does not seek any kind of common-shared cultural discourse on Islam beyond its borders, then the globally-common identity for Turkey will change. I think the second identity can be social democracy. If Turkey can lead a common idea shared by social democrats all around the world, then she can have a cultural discourse at global level as well. In addition, if it is thought that the idea in favor of wealthier societies is getting more accepted all around the world, then it will also be reasonable for Turkey to have a cultural discourse on social democracy. This is because Turkey can also reach many people through a ‘social democratic’ discourse. However, it is hard to say that social democracy is an identity which is commonly shared by Turkish people as much as Islam. In addition, it is also getting harder to have a social-democratic discourse at global level while Turkish political elites have witnessed a deep transformation from Kemalist identity to Islamic identity. However, the recent election results in which the votes of the Justice and Development Party (JDP) have declined may be considered as a signal of decline in Islamic identity. In such a decline of Islamists in Turkey, I think that the turn will be social democrats’. Because such kinds of external factors are not the focus of this thesis, I won’t make any deep discussion on them. However, study of these issues should be expanded.

### **(3) Relationship between having a global discourse and technological power**

Technology can be thought of as Turkey’s weakest field, although technology is the most effective way to have a global discourse. The US, Japan and Korea are the most known example countries that have a story of technological improvements. The success stories of technology companies like Google, Apple, Twitter and Facebook have caused a perception to emerge in favor of the US. Actually, these companies do not belong to the government of the US. However, when the founders of those companies are citizens of the US, technological improvements are perceived as belonging to the whole nation. Then, it is thought that technological improvements are the job of the US citizens. This perception also contributes to the global power of the US. As a result, reflections showing the weaknesses of Turkey in technological improvement, such as ‘why Turkey doesn’t have an Apple Inc.’, should be taken more into consideration.

On the other hand, what is Turkey doing in this field? Investments by the Scientific and Technological Research Council of Turkey (TUBITAK) on technological

improvement in recent decades can be perceived as the response to this weakness of Turkey. For example, as a consequence of the increase in those investments, Figure 12 can be reported by TUBITAK in 2010. According to the numbers, gross domestic expenditure on research and development (R&D) increased by 147% between 2003 and 2009 and this growth rate was the highest among OECD members. However, is this really addressing an improvement in technology so that the Turkish case in technology will support its global technological discourse? I argue that this result cannot be doubtlessly concluded, according to the following arguments of McArthur and Sachs.



**Figure 3.1:** R&D expenditures of Turkey (Million current PPP \$) (Source: TurkStat)

Note: Gross salaries are used for the calculation of R&D labour cost in higher education sector after the year 2006.

#### Figure 12: R&D Expenditures of Turkey

Source: TUBITAK, 2011, s. 13

According to McArthur and Sachs, ‘improvements in technology (both new goods and better ways of producing goods) can be achieved by creating a truly new technology, or by adopting (and adapting) a technology that has been developed abroad. The first process is called technological innovation; the second, technological diffusion.’ (McArthur & Sachs, 2001). When I looked at the Global Innovation Index 2014 (GII) for estimating what the output of the investments reported by TUBITAK is, my major question was whether Turkish technological progress can be analyzed as a technological innovation or as a technological diffusion. There can be two proxies in GII for my estimation: 1. high-tech/medium-tech output and 2. high-tech exports. The former addresses the situation of Turkey in terms of technological diffusion, while the latter reflects technological innovation.

The results are as follows. For high-tech and medium-tech output, Turkey ranked 14<sup>th</sup> out of ninety countries and its score is 37.9 over 100. For high-tech exports, her rank is 67 out of 127 countries and her score is 3.7 over 100. By assuming that tax burdens across countries are at an ignorable level, high-tech exports can be taken as a proxy for the Turkish situation on technological innovation. This is intuitively because a country can export its goods abroad if it has good infrastructure for technological innovation. On the other hand, high-tech and medium-tech output reflects the total technological progress of Turkey and it is significantly better than the level for technological innovation which is signaled by high-tech exports. As a result, by assuming that the difference between high-tech and medium-tech output from high-tech exports shows the situation of Turkey in terms of technological diffusion, then I can conclude that Turkish investments in R&D on technology in Figure 12 resulted from technological diffusion, the adaptation or adoption of technology from abroad. If I assume that only technology developers can take a step further to have a global discourse, it cannot be expected that Turkey will have a technological discourse at global level, at least if she will not make an incredible improvement.

#### **(4) Relationship between having a global discourse and economic power**

In the discussion of the current mentality of Turkey, economic decisions are mainly related directly to the energy sector. However, in this dimension, economic decisions are mostly related to future economic growth targets. Rather than any discussion of whether the economic targets of Turkey to be among the ten biggest countries in the world are possible or not, I will make a theoretical discussion about the impacts of economy on having a global discourse.

When a country wants to have a global discourse, then its economic position gains major importance. If a country does not have a growing economy which takes the attention of its probable competitors, then it is impossible to have an economic discourse at global level. For instance, China started to be perceived as a challenge to the global leadership of the US after she began growing very fast. The same case was also valid in the nineteenth century. After Germany had started to improve its economic situation incredibly, Great Britain gave her political attention to this country. As a result, generally, after economic progress, the attentions of competitors start to turn to that country with economic progress and global discourse can then be achieved.

On the other hand, I argue that it is possible that a country with economic progress can have no global discourse. A country must have leverage in geopolitical concerns so

that its economic progress has significance in the international arena. For instance, Mexico is one of the richest countries of the world in terms of its gross domestic product according to the CIA World Factbook 2013. It was the eleventh country in the world with its GDP at 1.845 billion dollars. However, although Mexico is near the level today that Turkey aims to reach after 10 years, it has no effect on global geopolitics, but has an influence only on regional geopolitics. This situation of Mexico exemplifies what I am suggesting. An increase in the economic situation of a country should have an impact on its geopolitical importance in the world; otherwise it does not mean anything for that country's target to have a global discourse. In other words, I think that there is no correlation between economic improvement and increase in geopolitical importance; as Nye suggested, economic progress is necessary but not sufficient. Therefore, there is a probability that Turkish claims for its economic position in the world in its anniversary in 2023 will not have any significance for the rest of the world. Without any significance for the rest of the world, Turkey cannot have a global discourse through her economic progress. As a result, Turkey should find ways to make her geopolitical position more important all over the world, besides achieving economic progress.

In conclusion, I think that Turkey is in a predicament in terms of the four elements of Brzezinski. In the element 'military power', Turkey newly starts to be more active, despite failures in the international arena like Syria. In the element 'technological power', it is most likely true to say that Turkey is absent in technology all around the world, because she makes a technological diffusion, rather than an innovation. In the element 'cultural power', Turkey caught a strong trend all over the world by focusing on Muslim communities. However, due to the decline of Muslim communities in the political arena of the world, Turkey's strategy on Muslim communities confronts the danger to failure. On the other hand, in the element 'economic power', Turkey has important progress; however, it is not sufficient to have a global discourse.

At this point, a very important question emerges that is also the main question of the rest of this chapter: What can Turkey do, in response to the probable decline in its geographical importance in the structural change of balance of power? What does Turkey need to avoid the predicament of these elements? I am suggesting that the coordinate plane of strategic mentality in public policy will satisfy the need.

## **B) PERSPECTIVES ON SOLUTIONS: THE COORDINATE PLANE OF STRATEGICAL MENTALITY IN PUBLIC POLICY**

### **B1) Integration of The Elements of Brzezinski: Davutoğlu's Power Equation**

The gap between the economic and political dynamics of a country makes it harder to analyze the international position of the country which wants to have a global discourse. However, studying political and economic dynamics in the same research allows us to consider the big picture in a country, especially in the field of energy, which directly affects and is affected by political and economic incidents. In this subsection, I will try to compensate for this gap in the literature with the equation of power Ahmet Davutoğlu introduces in his famous book *Strategic Depth*. Davutoğlu argues that this formula allows for the integration of political and economic dynamics in the same perspective.

The equation is as follows:

$$G = \{(t + c + n + k) + (e_k + t_k + a_k) \times (SZ \times SP \times SI)\} \quad (2.1)$$

In this formula, G represents power of a country; t its history, c its geography, n its population, k its culture,  $e_k$  economic capacity,  $t_k$  technological capacity,  $a_k$  military capacity, SZ strategic mentality, SP strategic planning and SI political will (Davutoğlu, 2008, p. 17). t, c, n and k are static variables while  $e_k$ ,  $t_k$  and  $a_k$  are dynamic variables. SZ, SP and SI are multipliers. In this regard, the constant variables are static for a country and they cannot change. On the other hand, the dynamic variables are the ones that 'might change in the short-term or the medium-term and they address the capacity to use potentials of the country' (Davutoğlu, 2008, p. 24). Multipliers refer to whether a country can use its advantages resourced by the addition of constant and dynamic variables or not. In other words, constant and dynamic variables might offer very important advantages for the country; however, it might mean nothing for the power which a country holds in the international arena if the strategic mentality of that country(SZ) doesn't support them, or if the strategic planning and political will are not stable and strong enough (Davutoğlu, 2008, pp. 29-34). Thanks to this equation, we can analytically evaluate the situation of Turkey in terms of Brzezinski's four elements. We can see the effects of outcomes in the energy game of Demir represented by economic terms in the whole picture of the country's power equation. In this regard, by looking at Demir's Energy Game Theory, the outcome of the energy game will only change the economic capacity of a country in Davutoğlu's power equation. It makes sense intuitively when it is thought that an energy



importer country which obtains the optimum outcome from the energy game can clear up its payment balance; then input costs of the private sector will decrease and, as the consequence, investment opportunities can increase; then current account deficit will diminish and the finance facilities of the country will improve. However, as can be clearly seen, this only affects the economic power of a country. It means that the country has more advantage for developing economic discourse at global level. Yet it does not mean that the country's power totally increases, because it is possible that there is a decrease in another variable in Davutoğlu's power equation while there is an increase in its economic capacity. For instance, France is the tenth biggest economy in the world according to the CIA World Factbook-2013 (CIA, 2014). It addresses the economic capacity of France. However, France has an aging population which would signal a decrease in its population variable in the equation. Which variable is the most important among all the variables in terms of Turkey's geopolitical/economic/international power? While there may not be a single response to the question, I could conclude that Demir's energy game theory takes only the economic side of the equation into account.

We need more than a partial equation for Turkey, a country whose 'natural geopolitical position' is under threat of the 'new geopolitics in 2035' to be content with the increase in economic capacity, if she wants to have a global discourse or to be a partner of a global discourse. In order to be content with the economic outcome of energy game, all other variables have to remain constant. It is important to remember though, for Turkey stability is out of the question for the 'geography' variable, as Turkey's geographical importance for the global energy markets will decrease according to the IEA's forecast for 2035. While the static variable in Turkey's power equation, geography, will decrease, an increase in its dynamic variable, economic capacity, will be expected. This is not to forget that there will be changes in other variables as well. The population, for instance, will most probably increase. Military and technological capacities seem likely to increase. As a result, all static and dynamic variables in the power equation except history and culture will change. However, it is impossible to estimate which one's effect will be greater. Estimating the outcome of the changes in the equation is key to understanding whether Turkey will become a more powerful player by 2035 or not. Unable to see its future clearly, how should Turkey act? Can Turkey simply "wait and see"? Or is there another strategy? I suggest that the question of which one's effect is greater can be made unimportant by increasing one of the multipliers.

Let me explain in an analytical method. I take the results of the analysis about the importance of Turkey's geography in the energy world in Chapter 1 for granted. As a result, Turkey's geographical importance will diminish in 2035. In addition, in the analysis of Turkey's situation according to the criteria of Brzezinski, the following results are handled. 1. Turkey's geographical importance will diminish; 2. Her population will grow; 3. Her economic, technological and military capacity will increase. Therefore, I can say that there is an increase in the total of dynamic variables ( $e_k$ ,  $t_k$  and  $a_k$ ) whereas there is an uncertain case in static variables.

Under these assumptions, there are two possible options for a change in the power equation. The first option is that the increase in dynamic variables will be greater than the decrease in static variables. In this case, the overall power of Turkey will depend on the sign of multipliers. If any multiplier has a negative sign in 2035, then Turkey's overall power will diminish. The second option is that the increase in dynamic variables will be less than the decrease in static variables. In this case, the increase in Turkey's power will depend on the magnitude of increase in multipliers. If the multipliers increase by a small amount, then Turkey's power might decrease, although there is a positive improvement in multipliers. As a result, in order to guarantee an increase in Turkey's power in 2035, great improvements must be observed in the multipliers, strategic mentality, strategic planning or political will.<sup>8</sup> On the other hand, I would like to assume that there will not be any change in political will until 2035, as it cannot simply be shaped by energy strategies.

Theoretically, only democratic elections might change political will. However, in this thesis, it is assumed that Turkish politics will not have any change in its political will, at least until 2035. In its basic sense, political will means how a country is governed. As a result, it is shaped by the priorities of the incumbent government party. As a result, by assuming that there will not be any change in political will of Turkey, I suggest that any governments in Turkey will have the same priorities regardless of which party, ideology, ethnic group etc. governs Turkey. Therefore, I do not mean that the Justice and Development Party will continue its governance until 2035, because the stability of political will does not indicate continuity of a political party in government. In addition,

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<sup>8</sup> I should note that I cannot make comment on the state of the political will in 2035 as the political theory assumes that changing it is in the hands of the public. While forecasting the election results is out of the scope of this thesis, it would also be futile to make forecasts for 2035, a date quite far in the future. Until 2035, theoretically, four more general elections will be held following the June 2015 elections (in 2019, 2024, 2029 and 2034).

I think that political will essentially refers to prioritization of macro-economic stability and democratic reforms by the incumbent government of Turkey. Within this framework, political will might remain unchanged even if the government of Turkey radically changes. As the result of this assumption about political will, the analysis of multipliers should be made on the remaining two multipliers: strategic mentality and strategic planning.

Before explaining the relationship between these two multipliers and the coordinate plane in this thesis, I need to explain what strategic mentality and strategic planning mean. I think that Davutoğlu's own words can help me:

“The strategic mentality is the product of the perspective of a society about its own place on the world. It is shaped by the historical accumulations including cultures, religions and social values of that society, as well as by the consciousness which takes its form on the geography that has the reflections of those historical accumulations. In this regard, the relationship between mentality and strategy reveals on the intersection of space perception based on geography and time perception based on historical consciousness... [On the other hand] There is a ‘content-shape’ relationship between strategical mentality and strategical planning. The content of a strategical mentality whose shape is given by static variables in the equation can be materialized by strategical planning on a rational basis” (Davutoğlu, 2008, pp. 29, 31).

## **B2) Needed Progress and the Coordinate Plane in Public Policies**

I have explained that the most important obligation for Turkey is the gap between Turkey's potentials for Brzezinski's four elements and her global discourse. It seems that the gap will get bigger due to the proposed pipelines from Central Asia to Asia Pacific and LNG transportation from the Middle East to Asia Pacific. As discussed in Chapter 1, energy has a major and negative role for this inference. Population growth, economic growth, urban growth, internal migration from rural areas to urban and climate change can be referred to as the probable challenges that cause the gap to get bigger. I argue that these probable challenges force Turkey to change its strategic mentality and strategic planning in energy policies to decrease the gap between its discourse and potentials. Rothkopf, who studied the relationship between foreign policy and the new energy paradigm of the US, has claimed that political problems all over the world can be only solved through introspective approaches, rather than observational. In other words, states can solve political problems through focusing on internal problems rather than being

interested in external problems. For him, energy can probably play a very important role for this achievement in this transformation of mentalities (Rothkopf, 2008, p. 192).

**Figure 1.3** ▶ Cumulative global energy supply investment by type in the New Policies Scenario, 2014-2035

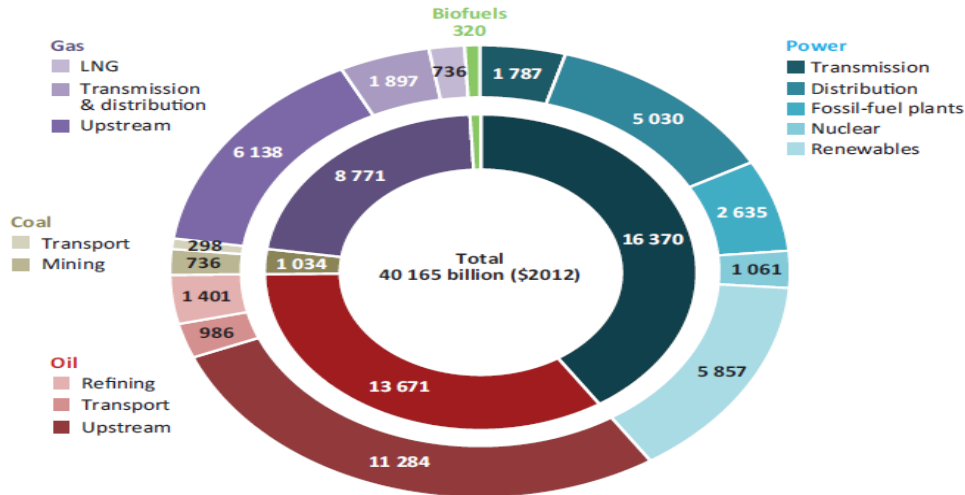


Figure 13: Cumulative Global Energy Investment by Type (2014-2035)

Source: IEA, 2014, p. 23

Since the publication year of Rothkopf’s article, 2008, the reader may consider that the world has fundamentally changed. However, since that year, I think that incidents that support Rothkopf’s argument have been experienced. For example, energy efficiency investments are expected to increase from \$130 billion today to \$550 billion by 2035 (IEA, 2014, p. 6). As seen in Figure 13, global energy supply investment in renewables is expected to increase by \$5,857 billion (IEA, 2014, p. 23). On the other hand, energy security is another important area that makes the political mind busy.

In addition, the fields identified by the International Energy Agency as the problematic areas of the energy sector are also supportive examples for Rothkopf’s arguments. Those fields are all related to the internal dynamics of a country. Furthermore, renewables investments and energy efficiency investments are also principally related to internal dynamics. As a result, energy has really the potential to look at the political problems of Turkey from an introspective approach.

I agree with Rothkopf and conclude that the needed progress of each country is to shift from observational to introspective approaches. Therefore, I argue that the coordinate plane of public policy is a contribution because it shows how this shift from

observational to introspective happens. In other words, the coordinate plane reveals the mechanism of the shift from observational approaches to introspective approaches.

Now, I will continue with the explanation of the coordinate plane of public policy-making.

### **B2i) The First Axis of the Coordinate Plane: Proactivity vs. Reactivity**

The distinction between proactivity and reactivity is usually made in studies related to foreign policy. However, in this thesis, I will use it in public policy, in a more general understanding. In verbal meaning, proactivity is used meaning ‘taking precaution’. In that sense, proactive foreign policy usually tries to forecast probable incidents in the international arena to prevent unexpected outcomes, or to have an attitude to take advantages (Şener, 2013). However, in contrast, while Davutoğlu explained the position of Turkish foreign policy in the 1990s, he used the term ‘reactive foreign policy psychology’ and he argued that ‘Turkish foreign policy was constructed upon responding to Greece in the geopolitical lines of Aegean and Cyprus’ (Davutoğlu, 2008, p. 148).

The important point here is the criterion to make a distinction between proactivity and reactivity. In order to be proactive, a state must forecast the future, take precautions so that negative incidents will not happen, and encourage advantageous developments. Kissinger also supports this argument. For him, ‘a statesman can always escape his dilemmas by making the most favorable assumptions about the future’ (Kissinger, 2011, p. 818).

On the other hand, being reactive refers to trying to catch daily news, to analyze it and to secure one’s daily position. It can be called ‘salvaging the day’. Furthermore, the definition of reactivity by Kent Calder supports this distinction. Potter and Sueo stressed the definition of Calder as the following:

“Calder defines a reactive foreign policy as one where the impetus to policy change is typically supplied by outside pressure, and reaction prevails over strategy in the relatively narrow range of cases where the two come into conflict. A reactive state has two essential characteristics: (1) It fails to undertake major independent foreign economic policy initiatives when it has the power and national incentives to do so; (2) it responds to outside pressures for change, albeit erratically, unsystematically, and often incompletely” ((Calder, 1988, p. 519) as cited by (Potter & Sueo, 2003, p. 318)).

As can be seen in the definition of Calder, the distinction between proactivity and reactivity is made by looking at the level of initiative taken by a state and the reason of the initiative. If a state can determine its position by looking at its internal dynamics, by seeking a better future and by starting out to do these jobs on its own decisions, this state

will be called a proactive state. However, if outside pressure or encouragement cause the state to move its decision mechanism, then this state is called a reactive state.

In spite of the fact that the distinction between proactivity and reactivity is considered as generally used in the literature of foreign policy, the case is not so simple. Proactivity can be also used in fiscal policy analyses. For instance, Xiang Huaicheng, who was the Minister of Finance in the People's Republic of China in 2002, said that 'China would continue to follow its proactive fiscal policy in 2002' (People's Daily, 2001). As a result, this distinction can also be used for explanations of incidents in public policy in general.

How is this distinction between proactivity and reactivity systematized in the coordinate plane? In other words, how are these two concepts combined in the coordinate plane in a systematic way? As in the general definition, policy-makers can also take decisions in a proactive mentality, whereas sometimes they cannot. Policy-makers sometimes try to understand current affairs, sometimes try to direct them. In other words, they are sometimes active, they are sometimes reactive. Directing current affairs has the same meaning as proactivity, whereas understanding current affairs has the same meaning as reactivity. As a matter of fact, the term 'proactivity' sounds nice because 'directing current affairs' is a natural desire of every individual, in my opinion. In this regard, proactivity can be thought of as the main target of each state. In other words, each state aims to avoid reactivity. Therefore, the first assumption of the coordinate plane is achieved: States have a natural journey from reactivity to proactivity throughout their lives. Surely, each state cannot complete this journey. Some states keep their reactive position from their birth to their death; some states complete the journey and become fully proactive. On the other hand, some states have a balance between proactivity and reactivity.

However, I think that there should be criteria to make a distinction between countries trying to direct incidents in their closer territories and trying to do the same job in their far territories. It is also important for understanding. From this point a critical question emerges for the coordinate plane which helps me draw the second axis: Are there any intermediate steps of the states' journey?

### **B2ii) The Second Axis: Aggressiveness vs. Passiveness**

These two terms can be used generally in positive and negative meanings. In a positive meaning, aggressiveness usually refers moving quickly, whereas it refers to hostility in a negative meaning. On the other hand, in its positive meaning, passivity is generally used to state that a person is not nervous, whereas its negative meaning refers to moving slowly. However, nervousness or the speed of movement are not directly related to the energy sector. Therefore, in this thesis, I use these two terms with very different meanings. .

In this thesis, I define aggressiveness as capability of taking actions which do not have a direct and immediate impact on internal dynamics. On the other hand, passivity has the contrary definition to aggressiveness. It refers to the obligation of a state to take actions which have direct and immediate impact on its internal dynamics. Actions of aggressive states may not result in the short term. In other words, they can take actions whose results are obtained in the long term. In contrast, passive states cannot wait for the results of their actions to be obtained in the long term. They should only take actions whose results are obtained in the short term. Therefore, the difference between aggressiveness and passivity can be explained by time difference. In order to make the term longer, a state should have threshold levels in Brzezinski's four elements. In conclusion, I can make such a generalization that states under threshold levels in Brzezinski's four elements cannot take aggressive attitudes, as the time period of obtaining outcomes of policies gets bigger and they must keep in the passive position.

Therefore, a similar continuum between proactivity and reactivity emerges between aggressiveness and passivity. 'Capability to take actions having long-term effects' will shape the progress from passivity to aggressiveness, whereas 'capability to forecast probable incidents and to take precautions' shapes the progress from reactivity to proactivity. As a result, I can draw the coordinate plane of strategic mentality in public policy as in Figure 14.

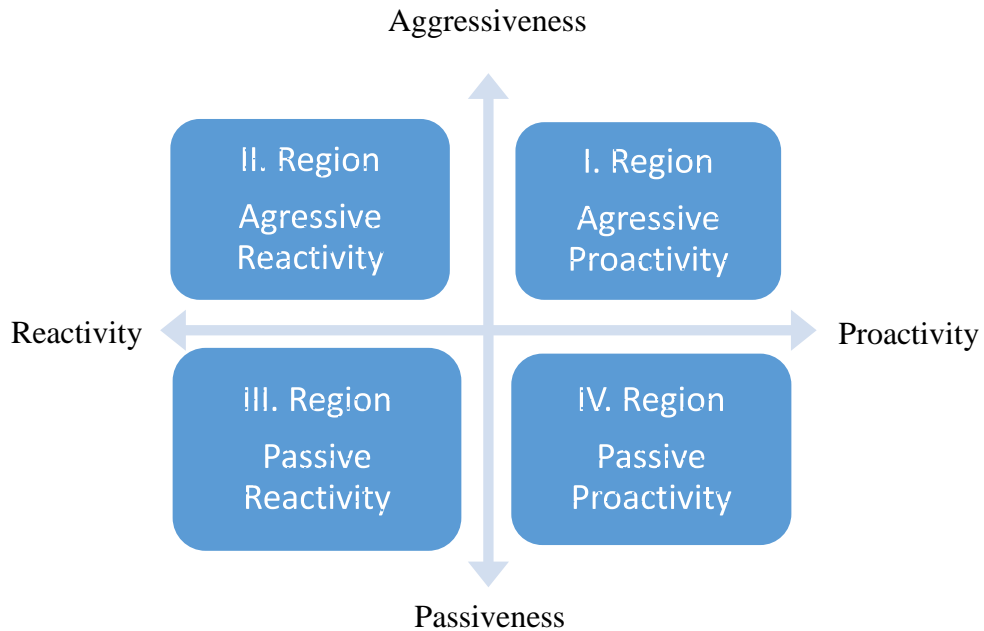


Figure 14: The Coordinate Plane of Strategical Mentality in Public Policy

From the regions in the coordinate plane, four categories emerge to classify states as the following:

1. *Aggressive Proactive States*: Capable of taking actions whose results will occur in the long term and which are completely related to external issues
2. *Passive Proactive States*: Capable of taking actions whose results will relatively occur in the short term and which are partially related to external issues
3. *Aggressive Reactive States*: Capable of taking actions whose results will occur in the relatively long term and which are partially related to internal issues
4. *Passive Reactive States*: Capable of taking actions whose results will occur in the short term and which are completely related to internal issues.

As a result, aggressive proactive states position in the first region of the coordinate plane; passive proactive states position in the fourth region; aggressive reactive states in the second region, and passive reactive states in the third region of the coordinate plane. The places of any states in the coordinate plane can change over time. Their places in the coordinate plane are also dependent on incidents.

Before making the implication of the coordinate plane to strategic mentality in public policies, it should be necessary to realize the causal relationship between the classification of policies and Davutoğlu's equation of power. In this thesis, the progress in the lines from reactivity to proactivity, or from passivity to aggressiveness, reflect an increase in the multipliers - strategic mentality or strategic planning - in the equation. This is because these terms address the psychological state of institutions, rather than



addressing static or dynamic variables. Let me firstly reveal how progress can be realized in strategic mentality and strategic planning in Davutoğlu's equation, and then, secondly, discuss how the Turkish strategic mentality in public policies can be reached by comparing Davutoğlu's current geopolitical strategic mentality/planning and the 2035 predicament in the geopolitics of energy for Turkey.

I have shared the definitions of strategic mentality and strategic planning in Davutoğlu's own words in previous pages. On the other hand, capability to make progress in them has not been discussed. For an increase in strategic mentality according to Davutoğlu, 'new strategical mentality should meet historical maintenance and produce new norms, tools and forms accompanying to the new environment' (Davutoğlu, 2008, p. 78). Any break in the historical logical maintenance of a society would cause the society to be unsuccessful in the new political-economic environment. On the other hand, although the society can maintain its historical logic, it can also experience lack of success if it cannot proceed to produce the new norms, tools and forms. As a result, in order to avoid the predicament of 2035 in the geopolitics of energy, Turkey should maintain its historical logic and also produce new norms, tools and forms which associate with the environment of political economy in 2035.

As a matter of fact, unchanged political will can meet the requirement of historical logic maintenance. As a result, Turkey can meet the first requirement to be successful in 2035 by making no change in political will. According to my evaluation, unchanged political will has meant that state institutions will continuously look for macro-economic stability and democratic reforms in domestic and international relations. On the other hand, there is a mistake in this analysis of what Turkey should do in order to avoid the predicament. This is to produce new norms, tools and forms. I think that norms should be produced firstly, because tools and forms can only be produced in association with norms. Therefore, I claim that the coordinate plane in public policy and the classification of states into 4 categories according to the coordinate plane are the two trials to produce new norms which Turkey needs.

### **B3) The Core Dimensions of the Transformation in Strategic Mentality from Davutoğlu's Close Basins to Global Scale**

After defining the new norms, I would like to point out that Table 2 has been prepared to show Davutoğlu's mentality by utilizing Strategic Depth as well as from his statements and interviews which were collected in Gürkan Zengin's book named *Hoca*

(Zengin, 2010) throughout Davutoğlu's period as undersecretary of the Prime Ministry. On the other hand, this table does not claim that it comprehends all his ideas. I have taken only his relevant ideas and made generalizations from them.

For Davutoğlu, strategic mentality has two essential dimensions: time and space. He argues that the last political time period of Turkey started in 1990 when the Soviet Union collapsed. The words of Davutoğlu, below, show the main characteristics of this time period:

“The main characteristics of this time period [after the collapse of Soviet Union] are the dispersal of the two-pole system and that determining parameters of international position for economy, politics and security have significantly changed; uncertainty and instability following the collapse of the incumbent international political system; that conflicts resulted from the uncertain and instable political environment accelerate transition from two-pole system to a balance of power system” (Davutoğlu, 2008, pp. 74-76)

To explain what Table 2 means, I will firstly focus on the transformation of strategic mentality from Davutoğlu (2001) to Kahraman (2015). Thereafter, I will pass the comparison of Davutoğlu and myself in strategic planning. As a result of the comparison, I aim to reveal how the new norms – Coordinate plane and Classification of States- can be applied to the current state of Turkey in the international order.

Let me start from the time dimension of the transformation of norms from Davutoğlu to myself. It relates to the question of when the transformation started. Davutoğlu argued that the international mechanism did not work after the collapse of the Soviet Union and it was unavoidable that the international mechanism was reformed into a more efficient mechanism. On the other hand, everybody related to the reform is saying different things about how the reform can be made. Those who had no right to speak in the previous period of reform of the international system tried to speak loudly in the new reform period. Moreover, they had enough power for it. According to Kissinger, advocates of reform in the international system also believe that they can gain rights in the decision mechanisms of the international system by advocating that global government should transform to global governance (Bal & Hecan, 2015, p. 38). However, increase in the amount of voices in international politics causes a *harmonization of voices* and a rise in amounts of conflicts.

On the other hand, it might be considered that the current international conflictual environment is the continuation of the *harmonization process of voices* since the collapse of Soviet Union, in my opinion. In such an harmonization process, I think that the answer

of Davutoğlu to the question how Turkey can have a better position gains major importance:

“Turkey can take a better position in the international system of the forthcoming century, if and only if, she can mix her rich historical accumulation, her geopolitical and geo-economics opportunities with an efficient and consistent domestic political reformation” (Davutoğlu, 2008, p. 78)

In addition, Davutoğlu has a claim on the question who can have which role in the international system:

“The fact that North America, Europe and Pacific emerge effectively as new political-economic power areas causes new continental strategies to be produced around these regions... In this framework, it is likely that the US will take the role of balancing power in this new international balance of power system such as the role of the UK in the nineteenth century” (Davutoğlu, 2008, pp. 76-77).

Picture drawn by Davutoğlu about the international system after the collapse of the Soviet Union also coincides with the evaluation of Brzezinski about the current world order. For instance, for Davutoğlu, conflicts in the Middle East, Central Asia and Central Africa support his claim of close combat in strategically important regions. In accordance with Davutoğlu, Brzezinski also saw the Central Asia as ‘a strategically important region’ and he claimed that ‘the competitive geopolitics of Asia which activates newly can take a worrying form, if this region isn’t given a particular attention. It reminds the conflicts in the Western World throughout the last two centuries’ (Brzezinski, 2014, p. 158). He also argued that the instability which will be born in a part of the heart land of world geopolitics – Eurasia, can splash into other critical regions (Brzezinski, 2014, pp. 153-159). As a result, I think that balance of power theory will continue its trip to the top of the agenda of studies in international politics.

Davutoglu (2001)		Kahraman (2015)
<b>Time Dimension</b> The End of the Cold War and from Two-Pole to balance of power <b>Space Dimension</b> Close Land, Sea and Continent Basins	Strategic Mentality	<b>Time Dimension</b> The Period of Global Balance of Power based on global scale <b>Space Dimension</b> The end of Close land, sea and continent basins
From Reactivity to Proactivity	Strategic Planning	Possible Three Scenarios which are discussed in Chapter 4

Table 2: Comparison between Davutoğlu (2001) and Kahraman (2015)

Kissinger gave a very good analogical point for the discussion whether the world is going to another balance of power century. For example, the point is in the chapter of his famous book *Diplomacy*, titled ‘From Universality to Equilibrium’. According to Kissinger, before the Westphalia Agreement in 1648, the UK had the claim of universality. However, after Westphalia, the balance of power system was established in continental Europe and the UK had the role of balancer. In my opinion, the claim of the US for sole-pole after the collapse of the Soviet Union was like the claim of the UK for universal power in the sixteenth century. As this claim of the UK had lost its importance because of the rise of other powers in continental Europe after the seventeenth century, the claim of the US to be sole-pole power in the international arena has completely lost its significance for the current international system, as Keyman argues (Keyman, 2015, p. 30). I argue that it is unavoidable that a new international system will be established based on a new balance of power on a global scale for the 21<sup>st</sup> century.

To sum up, Davutoğlu, Kissinger and Brzezinski thought that the international system would become a system which has many similarities with the balance of power century of the European continent in the nineteenth century. One of features of the European balance of power system is that a country can follow fundamentally different politics in different regions. I think that this was because there was no political relation between different regions in those days. For example, country A in region X could not achieve counter-arguments to the politics of the UK in region X by being inspired by the politics of the UK to country B in region Y. If there were political relations between the country A in region X and another country in region Y, then the country A could achieve counter arguments to the UK, while the UK had behaved differently to country A and country B on the same issue. For example, she could support the territorial integrity of the Ottoman Empire against rebellions in the Balkans in the second half of nineteenth century. However, at about same time, the UK could prefer not to enter into the Civil War in the United States. However, she might play a role to prevent possible territorial disintegration in the US as she did for the Ottoman Empire. However, the UK could have different political behaviors in different regions.

However, I think that the difference will occur at this point. Today, playing different roles in different regions is likely to be impossible for the US, which has the balancer role. The US should have the same political behaviors in different regions. This is because she may cause alliances to be established between countries in different regions. For example, the US has announced that it would like to be in cooperation with China in order to provide world security in 2012. Kissinger stated this situation with the help of reassurances of each party in 2012, as below:

“The United States reiterated that it welcomes a strong, prosperous, and successful China that plays a greater role in world affairs. China welcomes the United States as an Asia-Pacific nation that contributes to peace, stability and prosperity in the region” (Kissinger, 2012)

In its relations with China, the US had prioritized cooperation in 2012, although China was supporting North Korea, which tried to be a nuclear power. However, at about same time, tensions in US-Russia relations rapidly increased because of Russia’s support for the Assad regime in Syria. Especially after the Assad regime had used chemical weapons against rebellions, some analysts claimed that Russia’s support was behind the chemical weapons of the Assad regime. However, I think that the different behavior of the US to China and to Russia has other consequences. It was the political convergence

between China and Russia. They signed the agreement of a natural gas pipeline from Russia to China, which had a cost of \$400 billion, and China also started to give support to the Assad Regime.

As a result, because the US has different attitudes to China and Russia, which have also bilateral relations, China and Russia have been in alliance against the US. I think that this case shows us the difference between the time dimensions of strategic mentality of Davutoğlu and my own. I argue that new balances should be provided on a global scale. Without consistent policies on a global scale, it will be impossible to produce new norms in accordance with the new environment of 2035, in my opinion.

In this transformation to a 'Global Balance of Power', what is another difference between the strategic mentality of Davutoğlu and my own? I think that another difference occurs in the space-dimension of strategic mentality. Davutoğlu argued that Turkey should have different political perspectives about different regions. For instance, he argued that the political dynamics of the Balkans and the Caucasus are very different and it would be a failure to have a sole perspective on these different regions. Therefore, he has made a distinction between the geographies with which Turkey has relations as close land basins, close sea basins and close continent basins. While local dynamics were dominant over global dynamics, it might have been right to make such a distinction between geographies. However, I think that global dynamics are dominant over local dynamics, especially after the Global Economic Crisis. After this crisis, I think that countries have understood that global economic order should be sustained so that they could economically survive. As a result, I conclude that global dynamics are superior to local dynamics. In other words, any country will not prefer to be a part of a local alliance which is contrary to global alliances. For example, Qatar was one of the countries that supported the Muslim Brotherhood in Egypt, which could cause a decrease in effectiveness of the US in the Middle East, at the beginning of the Arab Spring. However, I think that after the coup in Egypt led by Abdel Fattah el-Sisi, Qatar has withdrawn her support from the Muslim Brotherhood after seeing that there was a global alliance against the Muslim Brotherhood in Egypt. Similar examples might be found all around the world. Therefore, the second difference between Davutoğlu and myself in strategic mentality is as follows: Strategic issues should be considered on a global scale, rather than making distinctions between regions.

At this point, I should make a clarification. My claim that global dynamics are dominant over local dynamics could be understood as the same as globalization. However, it would be a mistake. This is because globalization is a term addressing a process which makes nation states weaker. But I refer to *globalization of nation states*. In a structural change dominated by nationalist competition, it will be a normal result that nation states get stronger. As a result, the arguments in the right-hand side of Table 2 do not support the argument that nation states will be weaker; instead, they support the argument that nation states will be stronger.

As a matter of fact, the answer has been given in the discussion about globalization vs. nation states. In other words, competition between nation states will occur on a global scale. That is why the space dimension of Turkey's strategic mentality should be constituted from a global perspective in order to have a global discourse. That is why any strategies which focus only on regional geopolitics cannot be successful to develop a global discourse or to be a partner of a developed global discourse. In that sense, Turkey should focus on global affairs in the space dimension of its strategic mentality.

Finally in this section, I revealed how strategic mentality should transform. According to the conclusion, a strategic mentality which focuses on global scale can be successful in the new global balance of power era. On the other hand, I should complete the second part of Table 2: how strategic planning can be transformed. I will discuss this question in the next subsection.

#### **B4) The Core Dimensions of the Transformation in Strategical Planning from Davutoğlu's Proactivity to Kahraman's Scenarios based on the Coordinate Plane**

The logical structure of Davutoğlu's strategic planning is built mainly on the distinction between proactivity and reactivity, which is also one of the axes of my coordinate plane. For him, "Turkey should avoid the psychology of foreign policy which based only upon increasing tensions with neighbors" ((Davutoğlu, 2008, s.147-8) as cited by (Çelikpala, 2010, p. 105)). To do this, Turkey should tend towards "multiple-alternative policies and flexible diplomacy that doesn't have any dilemma between different strategical targets" (Davutoğlu, 2008, p. 32). As a result, Turkey can turn to a proactive foreign policy (Keyman, 2010, p. 5) and build her strategic planning based on proactivity.

On the other hand, I think that Turkey is at a cross-point today. This is because Turkey is in a different global environment from that of the last 12 years. During those 12 years, global powers tried to find balances among themselves using the concept of soft-power. According to this concept, military power is rarely used and diplomatic ways are mainly applied to solve any disputes in the international arena. However, after the Arab Spring, especially in Syria and in Libya, guns started to speak, and the same global powers started to leave the discourse on soft-power. From Keyman's arguments, the cross-point on which Turkey is can be more easily explained. According to Keyman:

“Regardless of being regional or global, any kind of world order is based upon two essential dimensions: (i) Commonly accepted rules that determine the limits of actions (ii) balance of power which can stop or prevent that any political unit can realize an absolute dominance on others when the rules are broken” (Keyman, 2015, p. 30)

In this regard, the Arab Spring can be considered as a turning point after which rules have been broken. The broken rule to prevent any political unit's dominance on others caused hard-power to come into the agenda of states. In the Syrian civil war, Turkey intervened in the Syrian internal affairs by saying 'No' to the continuation of the Assad regime. In the Ukraine crisis, members states of the European Union, such as Poland, and the US advocated that the hard-power alternative should be kept on the table against Russia, which was perceived as trying to change the borders of Europe, although the referendum in Crimea in 2014 was carried out by the Crimean people. On the other hand, Russia advocated that Crimea is a Russian land and it has the right to annex Eastern Ukraine if people living there want, whereas the same Russia said 'No' for the collapse of Assad regime which is not wanted by a significant portion of the Syrian people. Such an environment of broken rules is forcing Turkey to change her strategic planning based only upon being proactive. This requirement to change in strategic planning is necessary, as in all periods of structural changes. The reason behind this has been explained by Rothkopf as the following:

“If you go to a psychologist and outline the problems in your life, the first advice you will likely receive that you cannot change the world. Instead, you should focus on changing what you can - yourself” (Rothkopf, 2008, p. 187)

That is why Turkey should change her perspective on what she can while she lives a fundamental change in the global environment<sup>9</sup>. At this point, I argue that the distinction

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<sup>9</sup> This change can be seen in the answer of Prof. Davutoğlu to Nuh Yılmaz in an interview as the following:  
Interviewer: What changes?



of proactivity into two sub-categories in the coordinate plane can bring the change in the perspective of what Turkey can do in order to change her strategic planning in Chapter 3.

However, before the explanation of how Turkey can change her strategic planning, I would like to show how a change in strategic planning can occur between any two levels in the continuum from passive reactivity to aggressive proactivity in Figure 15. To do this, I will take an example from Turkish foreign policy about the transition process from one region of the coordinate plane in Figure 15 to another one.

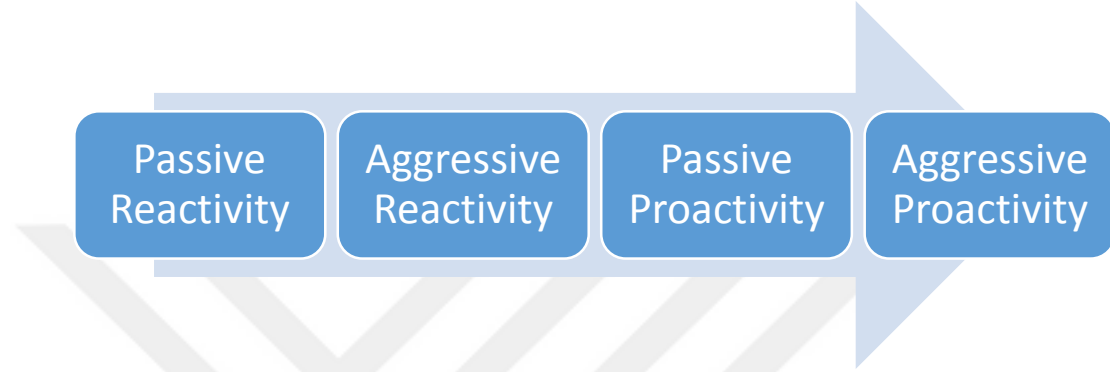


Figure 15: The Life-Continuum of States in Public Policy

In my opinion, Turkey has lived a shift from aggressive reactivity to the first region of the coordinate plane, which means aggressive proactivity, in her foreign affairs throughout the period from 1999 to 2010. In this time period, reforms in European Union integration shifted Turkey from aggressive reactivity to passive proactivity. Then, the understanding ‘Zero Problems with neighbors’ caused Turkey to move from passive proactive mentality to an aggressive proactive mentality.

Let me explain the process by help of an example from foreign affairs of Turkey. Before the Helsinki Summit in 1999 in which EU declared that Turkey was a candidate country to full membership, it can be said that Turkish society was separated into two parts as EU-believers and EU-rejecters. EU-rejecters had said that Turkey would never be accepted into the EU because Turkey could never meet the EU requirements. However, according to EU-believers, by saying that, EU-rejecters had ignored a very important and historical point: Europe has been an unavoidable geopolitical partner for Turkey. In addition, it has also valid for Turkey. More clearly, Turkey is an unavoidable partner of Europe. As a result, maybe, it is possible to make such a generalization that Turkey cannot

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Davutoğlu: Everything.

For the interview please look at:  
<http://www.sabah.com.tr/yazarlar/perspektif/nuh%20yilmaz/2012/05/05/komsularla-20-sorun-dis-politikada-ne-degisti>

open the doors of the next stage of the life-continuum if she rejects one of her historical partner.

However, I think that the case is different after the Helsinki Summit. After it, the belief that Turkey could be a member of the EU started to raise in Turkey. As a result, I think that the number of people who realized that the EU is not an institution that should be hated or blessed increased. Such a development allowed Turkey to overcome its psychological and sensitive reactions against her historical partner. This result also has another meaning for Turkey, in terms of my coordinate plane. After Turkey overcame her distrust of the European Union, the doors opened for Turkey to make a transition from aggressive reactivity to passive proactivity. Before the Helsinki Summit, I think that Turkey had been an aggressive reactive country because she was much more interested in her internal affairs and could not wait for the results of her policy-decisions in the long term. For instance, after the Helsinki Summit, she started to be able to foresee what would happen as a result of reforms that the EU required, and she could lay down conditions that she thinks of as unavoidable.

Furthermore, Turkey, which had good relations with her neighbors, could decrease problematic issues in the international arena and come to a position that can speak with any parties to conflicts in her close basins. This capability to speak with any parties brought Turkey to a point at which she could include any incidents in her close basins. That is why Turkey gained the ability to forecast future incidents by having more audiences in the international arena. Therefore, Turkey took a step further in the continuum from passive proactivity to aggressive proactivity thanks to the understanding zero problems with neighbors.

However, after the deceleration of the accession negotiations with the EU for whatever reason, and the obliged transition from the understanding of Zero Problems with Neighbors to that of no-relationship with armed neighbors, Turkey had to take a step back from aggressive proactivity to passive proactivity while she was aiming to expand her effective areas in foreign politics to Asia, Africa and Latin America (Keyman, 2010, p. 6). In addition, abandoning the claim the Syrian Civil War as an internal issue of Turkey<sup>10</sup> can be considered as a signal of taking a step back in international politics.

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<sup>10</sup> Please look at the following links for two statements of the Turkish government in 2011 and 2012, respectively, about the Syrian conflict. Then, it will be clearer that Turkey abandoned in just one year from advocating that Syrian Conflict is an internal issue of Turkey.

<https://www.akparti.org.tr/site/haberler/suriye-meselesi-bizim-ic-meselemizdir/11521#1>

The transition from aggressive reactivity to aggressive proactivity was far easier for Turkey, whereas the current transition from aggressive proactivity to passive proactivity is very hard. The logic of the difficulty of the current transition can be clarified by looking at the relationship between the following three titles: 1. Reduction/Increase in effective areas 2. Reduction/Increase in discourse 3. Reduction/Increase in horizon.<sup>11</sup> A synchronization among these two steps causes the transition from aggressive proactivity to passive proactivity, or vice versa, to be easier. However, a desynchronization between reductions or increases in these three titles brings the consequence that movements from one level of the continuum to another is hard. The desynchronization can stem from two different reasons: 1. Time difference between occurrences in reductions or increases in these three exists in the same direction 2. A movement happens for any two of these three titles in reverse directions. In other words, any movement under these three titles should be in the same direction and at the same time so that the transition process can be more easily carried out. If it is not the case, transition from one level of the continuum to another one politically becomes very hard.

Let me give an example. Assume that country X is an aggressive proactive country at time 0. This state started to be pressured by the international arena to reduce its effective areas. If state X cannot protect its effective areas, then it means that the transition process from aggressive proactivity to passive proactivity starts. Thereafter, the second stage comes into the picture: reduction in discourse. If state X cannot convince its society that they should protect its effective areas in the international arena, then the government of country X should also reduce its discourse so that any change in internal dynamics will not occur, like change of government or insurgency. Then, the third stage comes: reduction in horizon. If the government of country X cannot reduce the horizon of its institutions, then internal-conflicts between its different institutions will be the probable destiny. It means that each institution starts to say different things about the foreign policy of the country. That is why a state which wants not to confront such difficulties should synchronically realize the reductions in all three titles. If the government of country X

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<http://www.sabah.com.tr/gundem/2012/06/06/inisiyatif-almamiz-mudahale-icin-degil?paging=false>

<sup>11</sup> The difference between reduction in discourse and horizon metaphorically refers to the length between mind and tongue. Reduction in discourse means that policy-makers must agree with the reduction in effective areas and re-shape their rhetoric about foreign affairs within the reduced effective areas. This may occur because of worsening foreign affairs without any change in government. On the other hand, reduction in horizon means that policy-makers cannot think of areas beyond borders because of their incapability. This may occur when a change in government comes about.

wants to protect the level of its discourse while its areas of influence are reducing, then uncertainty about the international power of that state will emerge. If state X wants to protect its expanded horizon while it must reduce its discourse, then uncertainty about the stability of its internal dynamics will emerge. As a result, the transition process will be more difficult for country X.

On the other hand, difficulties will probably emerge because of incapability of the synchronization of the first two titles in this model: reduction in political effective areas and reduction in discourse. Usually, the magnitude of areas of influence is mostly determined by international dynamics. However, discourse is shaped by internal dynamics. For instance, while the international environment is forcing the government to decline its politically effective areas, internal dynamics like social support may not allow the government to synchronically reduce its discourse. I think that it is out of the control of policy-makers in democracies because they are subject to election of internal dynamics. That is why such mismatches between these two titles are the most dangerous issues for policy-makers. On the other hand, they have absolute control of the horizon of state. However, the control will be over when the horizon shapes the discourse of state X. After the horizon is commonly known, it means that horizon starts to turn into the discourse of country X. Then, the process will be out of the control of policy-makers again.

The case of Turkish foreign policy in the last sixteen years seems like that of country X. After the Helsinki Summit, the horizon of Turkey started to broaden. After the JDP became the government of the Turkish Republic, I argue that the horizon of Turkey expanded. This expansion was realized when the permission to allow American troops to enter Iraqi lands crossing through Turkish borders was rejected by the Turkish Parliament. This rejection can be named as the milestone of the transition from aggressive reactivity to passive proactivity in foreign policy. When negotiations for Turkish accession to EU membership were started in 2005, the transition process from passive proactivity to aggressive proactivity was accelerated. Then, by mediation attempts of Turkey in conflicts, international and internal, like in the Israel-Syria military conflict in 2008, separate trilateral cooperation processes she launched with Serbia and Croatia to achieve lasting peace and stability in Bosnia-Herzegovina, and between the Western world and Iran in Iran's uranium enrichment activities for the last decade, make Turkish aggressive proactivity more common in the international arena and its politically effective areas have been expanded. The statements of Keyman, cited in page 22, can also be taken

as a reference that Turkey tried to expand his effective areas to Asia, Africa and Latin America (Keyman, 2010). Davutoğlu explained this transition by saying that Turkey “cannot define itself in a defensive manner while it has an optimal geographic location in the sense that it is both an Asian and European country and is also close to Africa through the Eastern Mediterranean” (Davutoğlu, 2008, p. 78). Davutoğlu’s claim that Turkey should not have a defensive role in the international arena by using her important geographical position has shown signals of aggressive proactivity. In Davutoğlu’s other articles, we can see the example that the horizon of statesmen becomes the discourse of states. However, the sharp net transition from aggressive reactivity to aggressive proactivity has been lived particularly in a non-problematic way<sup>12</sup> in Turkey, in the sense of the synchronization of improvements in these three titles. The fact that the JDP increased its votes in all central and local elections synchronized the expansion of horizon and discourse, because increase in votes brought the result of acceptance of the JDP’s horizon by the majority of the society in Turkey. Furthermore, mediation attempts and high level cooperation councils with 18 different countries caused the expansion of influential areas for Turkey in the international arena in the same time period.

However, Turkey’s synchronic expansion under the three titles seems likely to end after these developments in the international arena: 1. the Syrian civil war, started in 2012; 2. the coup in Egypt in 2013 by Abdel Fattah el-Sisi; and 3. the expansion of ISIL in Iraq and Syria. By these developments, the first step step back from aggressive proactivity to passive proactivity started because Turkey’s political influential arena started to decline. However, there has not been any synchronization with the other two titles yet. Therefore, the Turkish foreign political atmosphere is highly problematic and it seems likely that this transition from aggressive proactivity to passive proactivity will be harder.

As in foreign policy, Turkey has witnessed a similar transition process in energy policies. In the next sub-section, I will make an analysis to understand how Turkey has lived the transition in energy policies since her establishment. Besides this analysis, I will

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<sup>12</sup> The ‘non-problematic way’ refers that there are no elements in the intersection set of foreign and domestic politics. It means that any foreign political issue is not a topic of domestic politics. It can be achieved only in two ways: 1. Domestic players, but the incumbent government cannot release any ideas about foreign policy 2. Increase in the social support for foreign policy of the incumbent government by making opposition incredible in the eyes of the majority. The first way is chosen in autocracies/dictatorship; the second one is an obligation for democracies.

also apply the continuum from passive reactivity to aggressive proactivity to the energy policies history of Turkey.



## CHAPTER 4

### RE-READING OF ENERGY POLICIES HISTORY OF TURKEY

#### A) RE-READING OF TURKISH ENERGY POLICIES HISTORY

To understand energy policies history requires that the history of energy is read from a policy-perspective. It is true that Turkish energy policies historically have been parallel to macro-economic policies since the establishment of the Republic. Furthermore, the rare studies made on energy policies history of Turkey, which belong to Yılmaz and Uslu in 2005 and TUSIAD in 1999, have made the classification of energy policies with the same names as classical macro-economic policy classifications, as shown in the following paragraphs. That is why, firstly, I will try to give readings of Yılmaz & Uslu and TUSIAD. Hereafter, I will re-read the categorization of these two studies from the perspective of the new coordinate plane in Chapter 2 and re-make the categorization by using the regions' names in the coordinate plane. In conclusion, I will discuss probable scenarios in front of Turkey under the predicament of 2035 in Chapter 2 and with the help of the new energy policies coordinate plane.

The categorization of energy policies of Turkey in accordance with macro-economic policies was established by Yılmaz and Uslu as the following:

1. 1923-1930: Period after Independence
2. 1930-1950: Period of first waves of industrialization in Turkey
3. 1950-1960: Period of Mixed Economy after the World War
4. 1960-1980: Period of Modernization and Privatization (Yılmaz & Uslu, 2007)

In the same sense as Demir, such that energy is a game which is played only under economic rules (Demir, 2010, p. 72), it is redundant to make an attempt at another classification. However, it is demonstrated in Chapter 1 that geopolitical factors also have an important role for balances of energy; it is reasonable to make another categorization in accordance with geopolitics. I think that a perspective based on the coordinate plane and its continuum will give sufficient basis. According to the continuum, I argue that the following periodization emerges:

1. 1923-1930: Period of Passive reactivity
2. 1930-1950: Transition from Passive Reactivity to Aggressive Reactivity
3. 1950-1960: Period of Aggressive Reactivity
4. 1960-1980: Transition Period from Aggressive Reactivity to Passive Proactivity
5. 1980-2007: Period of Passive Reactivity
6. 2007- ..... : Transition Period from Passive Proactivity to Aggressive Proactivity

The first remarkable feature in the periodization is that Turkey has followed a linear process on the continuum from passive reactivity to aggressive proactivity, as assumed. The second feature is that there is always a transition process from one level of the continuum to another one. For instance, the Turkish Republic had a generally passive reactive strategic mentality in her energy policies between 1923 and 1930. Then, she took further steps and upgraded her level in the continuum after a transition process. The reason of the transition process is the slowness of the state-mind. Without a deep change like a revolution or military coup, a state-mind which corresponds to *the horizon* cannot have a sharp transition from one level of the continuum to another. Before making an analysis of the periodization above, I wish to note that the names of each of periods give an idea about the general characteristics of the relevant period; however, it does not mean that all state actions in a relevant period are done in the sense of the name. For instance, in the rest of the chapter, it will be claimed that Turkey was passive proactive between 1980 and 2001. On the other hand, it is possible to find some kinds of aggressive proactive, or aggressive reactive, attitudes of the Turkish state in the same period. But such examples cannot be given for the majority of actions in the same period; therefore, the general characteristics will be claimed as passive proactive for state actions between 1980 and 2001. As a result, the names of the period are, figuratively speaking, given by taking the mean of all actions in the same period. Now, let me analyze each of the periods separately.

#### **A1) 1923-1930: The Period of Passive Reactivity**

Although the inheritance of the Ottoman Empire had been rejected in 1923 by the founders of the Turkish Republic, the same rejection of inheritance could not be done in investments in energy infrastructure because the homeland of companies that could make



the necessary investments for energy infrastructure in Anatolia did not change; it was foreign countries like France and the United Kingdom. When money, necessary for the investments in new energy infrastructure in Anatolia, did not belong to Anatolian society in the Ottoman Empire as in Turkish Republic, dependence on foreign capital was valid for each of these different states. This is the fact, although two different countries can be considered in Anatolian history. As a result, there was not any difference between the last period of the Ottoman Empire and the first years of the Turkish Republic in terms of their structure. The maintenance of the '*Privileged companies policy*' which had been implemented by the Ottoman Empire in her last period is an example of the unchanged situation of energy policy structures in the first period of the Turkish Republic and the last period of the Ottoman Empire. As a matter of fact, there was a struggle for existence by the public sector in energy infrastructure investments in both periods. This dispute between the public sector and foreign capital to control investments in Anatolia can be addressed; however, it was not the general characteristic of the period, although the public sector tried to enter the electricity generation sector that was dominated by firms from Germany, Belgium, Italy and Hungary partnerships (TUSIAD, 1998, p. 244). The Turkish state's struggle can be perceived as an aggressive reactive attitude in terms of the coordinate plane axes; however, this period cannot be named as an aggressive reactive period because of the dominance of foreign capital in the sector. On the other hand, the law that gave the government sole responsible for oil searching and processing (TUSIAD, 1998, p. 244) can also be a signal for aggressive reactivity; however, because no oil reserves could be found in Anatolia, this aggressive reactive attitude of the Turkish state could not be realized. On the other hand, the continuation of 'privileged companies policy in this first period of Turkish Republic' (Yılmaz & Uslu, 2007, p. 259) also supports my argument. That is why it is not also a signal for abandoning of passive reactivity. As a result, much as the state and domestic capital had wanted to intervene in the energy sector in the earlier years of the Turkish Republic, they could not make their presence felt in such an important sector for the Turkish economy and the welfare level of her society, because of their financial difficulties. In addition, the Turkish government had to compromise with AEG and MAN, which were German firms, and led them to establish the first diesel generator in order to meet the electricity demand of Ankara, which is the capital of Turkey. Therefore, this attitude addressed passive proactivity of the Turkish state.

## **A2) 1930-1950: The Transition Period of Passive Reactivity to Aggressive Reactivity**

The Great Depression in 1929 also influenced Turkey, like many other countries which had integrated to world markets. I can say that the increasing trend in statism which had also started to emerge in the Western world is the main conclusion (TUSIAD, 1998, p. 244). Because of foreign capital outflow from Turkey in that period and the incapability of domestic private capital accumulation, conservative statism was chosen and, in this regard, the First Five Year Development Plan was implemented in 1933 (TUSIAD, 1998, p. 244). As a result, state dominance started to be felt. For instance, in 1933, the Oil Exploration Agency was established. In addition, the General Directorate of Mineral Research and Exploration (MTA), Etibank, General Directorate of Electrical Power Resources Survey and Development Administration (EIEI) were established in 1935. Furthermore, the state had increased its dominance in the electricity sector through municipalities. For example, by the law of Municipalities issued in 1933, municipalities were authorized to construct electricity generation units and operate them. The fact that mines owned by French capital were nationalized, whereas Kayseri and its Round Electricity TAŞ were not bought by the state, can be considered as the accordance-like relationship between the Turkish state and domestic capital in order to decrease the share of foreign capital in the electricity sector. I think that the release of conservative statism in the energy sector was the beginning of the departure from passive reactivity for Turkey. On the other hand, I cannot claim that Turkey was totally in an aggressive reactive mentality thereafter. There should be an audience, and it is required to do some actions that cause Turkey to *react* so that Turkey was *aggressive reactive*. In contrast, foreign capital was not responsive to being the object of the Turkish state. For instance, the credit demand of Turkey from the Bank for Reconstruction and Development, which would transform into the World Bank afterwards, was rejected by claiming that Turkey should build small units rather than big dams and hydroelectric power stations (TUSIAD, 1998, p. 245). In this regard, Western audiences of the Turkish state were in the reactive position rather than Turkish state.

On the other hand, it can be also considered that Turkey was aggressive proactive because she was the party that developed projects; however, this situation is not enough to treat Turkey as a passive proactive state because she could not realize her projects to the extent that she wanted.

### **A3) 1950-1960: The Period of Aggressive Reactivity**

This period was the years of political debate mainly between bureaucratic oligarchs and their political opposition. For the political opposition, those years were of development, whereas for bureaucratic oligarchs they were *lost years*. Especially, avoidance of conservative statism by the government of the Democrat Party constituted an economic dimension of those debates. For bureaucratic oligarchs, this was the big failure of the government, while the opposition thought that the attraction of foreign capital was necessary for the development of Turkey. This argument of the opposition could be claimed as the result of the acceptance of the limits of power that had emerged after seeing the financial incapability of the Turkish state to realize her own projects. On the other hand, because of population growth and industrialization attempts, the Turkish state had to invest in infrastructure, which requires money. I can explore projections of these political debates on the energy sector.

In 1954, the reflection of attractive attempts for foreign capital can be seen in the energy sector. In that year, the law of Oil no 6326 issued in the avoidance of statism in oil exploration and operation and private entrepreneurship supported by foreign capital aimed at the development of oil resources. Until 1960, 19 foreign oil companies came to Turkey as the result of this law and the consequence was *national oil* discussions. On the other hand, the Turkish Petroleum Corporation (TPAO) produced 97% of the total oil: 363000 tonnes (TUSIAD, 1998, p. 246). Therefore, it was the case that domestic capital also tried to retain its dominance, which came from the previous transition period between 1930 and 1950. As a consequence, Turkey was reactive that foreign capital had come, while partnerships which did not include foreign capital in oil production and electricity generation made Turkey positioned on the aggressive side of the axis of my coordinate plane. That is why the period between 1950 and 1960 can be named as aggressive reactivity.

On the other hand, different characteristics can also be seen in this time period. For instance, the establishment of four domestic capitalized companies with local concession for electricity generation in 1952 and 1956 can be considered as an aggressive

reactive attitude, whereas the allowance to foreign capitalized companies to establish oil refineries in 1957 (TUSIAD, 1998, p. 246) can be treated as a decision that carried on the passive proactive mentality. On the other hand, what makes this period an aggressive one was the two-pole international system dominated by the US and Soviet Union. Many states all over the world had to make a choice between the US and Soviet Union. While countries got under the umbrellas of those two super-powers, they tried to benefit from those super-powers in terms of financial support and security opportunities. This feature allowed countries to get an aggressive mentality. However, when we think that these countries could not develop an independent foreign policy from super-powers, which is a requirement to be proactive, then being reactive was unavoidable for the countries. This obligation, in contrast, made countries reactive states. Turkey, which was a member of NATO, was one such country. On the other hand, there is another way to explain why Turkey should be considered as an aggressive reactive state in this period. If a country tries to have control over its own natural resources, then this country can be thought of as a reactive state because it does not have the absolute control, even over its own resources. It should react to foreign capital. On the other hand, if that country is not concerned with only its own resources, but is also utilizing resources of other countries, then it means that this country has an aggressive mentality. Turkey, which had tried to have the dominance on processing and exploration of its own oil reserves, carried a reactive character, while encouraging domestic capital had an aggressive character. In conclusion, the main characteristics of this period can be said to be aggressive reactivity.

#### **A4) 1960-1980: The Transition Period From Aggressive Reactivity to Passive Proactivity**

Between 1960 and 1980, Turkish politics and society experienced important breakthroughs. It can be claimed that conflicts between different communities in domestic politics were the reason of those breakthroughs. This period, especially in terms of international and national politics, has been much discussed. However, I think the picture is very clear for a critic of energy policies in this period in terms of our coordinate plane.

A similar break-point was also experienced in energy policies in the direction from reactivity to proactivity. Surely, it cannot be advocated that all energy policies had a proactive character. Rather, reactive continued to be the dominant mentality. However, the following examples can be considered as being carried out in a proactive character; therefore, this period is named as the transition period.

The examples are:

1. Oil Transportation by Pipelines Corporation in a partnership with TPAO was established in 1974
2. It was officially aimed to construct the first nuclear power plant of 600 megawatts
3. First plans about oil, coal, hydro electricity and alternative energy resources started to be shaped
4. Turkish Electricity Agency (TEK) was established as the monopoly in electricity generation, transmission, distribution and trade (TUSIAD, 1998, pp. 247-248)

These developments reflected a new mentality in Turkey. However, it would not be correct to say that all these developments were totally proactive. For instance, the establishment of Oil Transportation through the Pipelines Corporation had a proactive character; however, it does not mean that the Turkish state could stand on her own legs in oil transportation. In contrast, what TPAO could do in this period was only to establish new firms like IPRAS, PETKIM, IPRAĞAZ, TUMAS, IGSAS, DITAS, BOTAS, ADAS ISILITAS and TPAO Research Center in important fields of the oil sector (TUSIAD, 1998, p. 248). However, these firms were not so active in meeting the energy needs of Turkish society because of difficulties. The oil reserves scarcity of Turkey was the most important and known difficulty. As a consequence, despite the establishment of Izmir Aliğa Oil Refinery, established for oil processing extracted from domestic oil reserves, TPAO could produce the one hundred millionth barrel in 1975, whereas daily consumption would be 314,000 barrels in 1980. That corresponds to 114,610 thousand barrels. As a result, the establishment of new companies did not mean that Turkey would meet the requirements of being a proactive state in the energy sector. In this regard, Turkey was in transition from aggressive reactivity to passive proactivity in this period.

#### **A5) 1980-2007: The Period of Passive Proactivity**

After 1980, which was the year of a military coup by Kenan Evren and his colleagues, there was a complete transformation to a proactive mentality in energy-policy decision making. In order to discuss the main dimensions of this transformation, I think that the following statements of Turgut Özal, who would be the Prime Minister of Turkey in the post-coup era, in a meeting of Istanbul Chamber of Commerce titled Energy and the Oil Problem of Turkey will be a good guidance:

“Oil Policy was composed only of shouting slogans by governments such that foreigners should be thrown out and private enterprises should be prevented. In addition, imports of natural gas were rejected. In contrast, Turkey must reverse oil and mining policies and take actions encouraging competition in those industries such as breaking the monopoly of TEK in the electricity sector” (TUSIAD, 1998, p. 248).

Especially under the government led by Özal in the 1980s, the main discussion was around the results of neo-liberal policies for Turkey. For nationalists, neo-liberal policies would kill domestic capital and investors to sustain the energy sector, and such a loss of domestic investors would be equal to leaving the energy sector, crucial for Turkey, to foreign capital. On the other hand, for liberals, this argumentation did not relate to the realities of Turkey and the world, because the resource scarcity of Turkey enforced her to import and no countries with growing population and unemployment like Turkey in the world could achieve a desired development level by closing their borders to foreign investors. However, there is a common point of both perspectives. It is that Turkey had experienced a deep transformation in her policy-perspective. The difference between them was only about whether that transformation was in favor of Turkey or not.

However, apart from this discussion about the benefits of neo-liberal policies for Turkey, I would like to focus on the consequences of Turkey’s U-turn from nationalist policies towards neo-liberal policies in the perspective of my coordinate plane, as done in the previous analyses of periods in Turkish energy policy history. In this period, the Turkish state adopted a proactive mentality in her energy policies. In other words, the proactive actions of the Turkish state had started to increase and to be dominant in the totality of policies. Before the Özal government, nationalist arguments were guided by a desire to encourage domestic capital to invest in the energy sector. As a result, it was argued that domestic capital could be protected from the harmful effects of foreign capital. That is why the Turkish state had taken a reactive position in the energy sector by delaying confrontation with foreigners. On the other hand, in the post-1980 era, the Turkish state changed its attitude and started to implement policies to encourage foreign investors to come to Turkey. The main warning of the new government was to meet energy needs of the growing population and of the industrializing Turkish economy. As a matter of fact, industrialization of the Turkish economy had also been much discussed by nationalists and liberals; but the focus of this study are the results of such a policy-choice of the new government. In this regard, for the new government, the core dimension

in investments in the energy sector would not be to have control of the energy sector and to struggle against foreign capital at all; instead, the main objective of the government would be to meet the energy needs of Turkey. It would be taking the risk of paying the price for losing foreign currency. That is why, by departing from competition in the energy sector, the Turkish state tried to establish coordination with foreign investors, and that decision caused Turkey to expand its time horizon of policy-decision analysis. It points to a proactive energy policy decision mechanism.

On the other hand, another question should be answered about the other axis of the coordinate plane: What about Turkish aggressiveness and passivity in this period? Actually, the answer is very simple and clear. The Turkish state preferred to have a passive character in this period. The main reason behind this preference was the financial and political incapability of Turkish state to focus on what kind of energy policies some other states would follow. On the other hand, the Turkish state, which had newly transformed from reactive mentality, such as rejecting foreign policy, towards proactive mentality, such as a hands-off attitude regarding the dominance of the energy sector and focusing only on meeting needs of its society, was not able to take a further step to take on an aggressive stand, such as observed in the energy policies of other countries. More clearly, Turkey, which did not know how she could meet even the energy needs of her own society, could not think of and make recommendations about solutions to the energy problems of other countries. Therefore, Turkey is considered as having a passive proactive mentality between 1980 and 2007.

#### **A6) 2007 and Its Aftermath: The Transition Period of Passive Proactivity to Aggressive Proactivity**

The ongoing period can be considered as the transition process from passive proactivity to aggressive proactivity. This transition can be seen as an indispensable part of the natural process of the continuum from passive reactivity to aggressive proactivity. However, it isn't the only option for Turkey. She can also move from passive proactivity to aggressive reactivity. As a result, in my opinion, the main question that should be asked here is in which direction Turkey will move: return to aggressive reactivity, forward to aggressive proactivity or staying at passive proactivity? Since 2007, I think that passive proactivity is continuing its dominance on the Turkish strategic mentality and its implications on energy policies can be found.

I think that there are five different energy issues in the the case of Turkey. They are the Turkish Stream Gas Pipeline, TANAP, the North Iraq-Turkey Oil Pipeline, Piracy on chokepoints of oil transportation and stabilization of Afghanistan. Except the last two ones, the other three developments have passive proactive characteristics.

For example, Turkish Stream seems like having aggressive proactive characteristics. However, what Turkey can gain from this project is only additional gas supplies from the Russian Federation. On the other hand, Turkey surely may contribute to European energy security and she can expect that Turkey's accession process may be easier. That is why it can be thought that the outcome of the Turkish Stream Gas Pipeline for Turkey is not directly related to domestic energy needs. However, Turkey's gain in the accession process to European Union is not only related to Turkey's contribution to European energy security. It is more related to the integration of Turkish Energy Law to European Energy Legislation. For instance, Turkey cannot complete its accession without complete integration of her energy law with European rules, even if she contributes to the energy security of Europe by building the Turkish Stream Gas Pipeline. However, she can be a full member of the European Union with complete integration of her law even if she avoids the Turkish Stream Gas Pipeline. Notice that being in the European Union is a longer-term issue than building the Turkish Stream Gas Pipeline, in my opinion.

The same result is also valid for TANAP. After the gas is pumped out to Europe in Ipsala which is on Turkey's border to Greece, there is nothing to gain politically for Turkey. In addition, the oil pipeline from North Iraq to Turkey and the recently proposed natural gas pipeline from Iraq to Turkey (Daily Sabah, 2015) also have passive proactive characteristics, because Turkey can only have the opportunity to meet its domestic demand. Because these three issues have short-term policy outcome and are partially related to external issues, I classify Turkey as a passive proactive state in these three issues.

On the other hand, the remaining two issues can be considered as aggressive proactive: Struggle against piracy and stabilization in Afghanistan. As remembered, pirates have threatened energy transportation in the Gulf of Aden and the coast of Somalia, which is also called as Babel Mandeb and NATO has sent Combined Maritime Forces-151 (CMF-151) to the region in order to '1. Counter violent extremists and terrorist networks 2. Work with regional and coalition partners to improve overall maritime security and stability' (NATO, 2009). Turkey was also a member of this



coalition and sent her troops to provide the aims of CMF-151. Turkey's gain from that decision was not about meeting domestic energy needs. However, as a result of this decision, Turkey could expect to maintain the perception of its key-role player in her region.

A similar case can also be said for the presence of Turkey in Afghanistan. In the US occupation of Afghanistan in 2003, Turkey sent her troops to provide political stabilization of that geography. However, Turkish troops aren't combatant forces. It caused Turkey not to be perceived as closer to perceived aims of the US and Britain, which were called as occupying forces. On the other hand, it has also contributed that Turkey could be a mediator in the region. Turkey has also tried to continue her contribution to regional stabilization by mediation attempts between Pakistan and Afghanistan. A non-war environment between these two countries is very important for the TAPI project, which is not directly related to meeting domestic energy needs for Turkey, as recognized in Chapter 1. In other words, TAPI's outcome can occur in the long term and it is a completely external issue for Turkey. In that sense, the sending of a ship to Basra by Turkey in January 2015 (Daily Sabah, 2015) to add to the electricity generation capacity of this city in Iraq can be addressed as another example of Turkish aggressive proactivity.

However, as addressed earlier in this chapter, in transition processes, it cannot be claimed that the next step of the continuum from passive proactivity to aggressive proactivity is completely fulfilled. That is why I argue that passive proactivity has been the dominant strategic mentality of the Turkish state since 2007.

## **B) PROBABLE DESTINIES OF TURKISH STRATEGICAL MENTALITY IN ENERGY POLICY**

In this thesis, it is argued that Turkey is following passive proactivity in its energy policies. It meant that the biggest investments of Turkey in the energy sector have the primary aim of meeting domestic energy demand in Turkey. Even the proposed projects today like TANAP, Turkish Stream and the crude oil pipeline from Northern Iraq to Turkey have the same characteristics. On the other hand, there are also some other investments like the electrification of foreign countries like the West-Bank and Gaza and Armenia; however, they are smaller projects. Therefore, Turkey produces more projects whose results can be obtained in the short term in partially external issues. Turkey is in a passive proactive state today and will be in forthcoming years.

However, what will the consequences be in the near future? Will Turkey continue the same policies? Can she? On the other hand, what are other possible options? I will make an analysis now.

### **B1) The First Scenario: Turning Back to Aggressive Reactivity**

In the continuum from passive reactivity to aggressive proactivity, a possible scenario is coming back to aggressive reactivity. It means that Turkey may expect outcomes of her energy policies in the relatively longer term and that policies can be partially related to internal issues. In other words, Turkey can think of long-term projects mainly aiming to meet internal issues. Therefore, Turkey cannot plan any international projects on her own and cannot make any proposals to foreign countries in order to produce these international projects.

Can turning back to aggressive reactivity be possible? I'm suggesting yes; but how? I think that it corresponds to the triangle between horizon, discourse and areas of influence. If the horizon of Turkey narrows, then turning back to aggressive reactivity is possible. Without a narrowing in horizon, Turkey cannot isolate herself from producing international energy projects which correspond to being proactive, because its demographic dynamics and industrialization pace do not allow it to narrow the horizon. On the other hand, Turkey will also confront challenges while shifting from passive proactivity to aggressive reactivity, even if she can narrow her horizon. For instance, Turkey should synchronically decrease her discourse and areas of influence through narrowing of her horizon. However, she cannot decrease her discourse because it cannot be said that there is a social consensus on decreasing discourse. Therefore, I argue that coming back to aggressive reactivity is the weakest scenario for Turkey in the near future.

On the other hand, I need to note that there is another probability to lead to this scenario: Change in political will in Davutoğlu's power equation. If Turkey's political will changes dramatically, then Turkey can live up to this scenario. Meanwhile, I should note here again that change in political will does not mean any change in government from one party to another party. In this regard, a change in political will is defined, in this thesis, such that the incumbent government prioritizes macro-economic stability and democratic reforms. Moreover, stability in political will has been differentiated from the maintenance of any government. In that sense, demographic pressures on energy projects and industrialization pace are mostly related to macro-economic stability. Therefore, any government should have focused on these dynamics since the establishment of Turkey. I

think the main reason why Turkey has been in the same direction on the continuum from her establishment to today, despite very deep changes in governments, is concealed in this fact. In conclusion, the first scenario is less likely to happen because it would be in contrast to the natural and obliged direction of the continuum.

### **B2) The Second Scenario: Staying in Passive Reactivity**

This scenario is that Turkey will keep in the same strategic mentality and strategic planning. It means that Turkey will continue to expect outcomes of her energy policies in the short term and that policies will be partially related to external issues. As a matter of fact, I think that Turkey is now living this scenario. As discussed in the re-reading of the energy policies of Turkey, she is in a transition period from passive proactivity to aggressive proactivity. To complete this transition process successfully, Turkey's influence in the international arena should increase. However, it is not the case. The areas of influence of Turkey in energy policies are remaining the same; or it can be claimed that increase in areas of influence is not sufficient to shift to aggressive proactivity. Therefore, I argue that Turkey's transition process from passive proactivity to aggressive proactivity has not been completed yet, and Turkey is still living the scenario of 'Staying at passive proactivity'.

On the other hand, if this scenario lasts some more time, I think that Turkey will need to rise to the challenges which are discussed in Chapter 2 under the title 'Challenging Dynamics: Politics and Mismatches between Regional Potential and Global Discourse'. If Turkey cannot increase her areas of influence, then it is likely that Turkey's areas of influence will unavoidably decrease. Then, Turkey must synchronically decrease her horizon and discourse for an unproblematic shift from passive proactivity to aggressive reactivity. It should be remembered that states are also responsible for unproblematic shifts throughout the continuum.

### **B3) The Third Scenario: Crossing to Aggressive Proactivity**

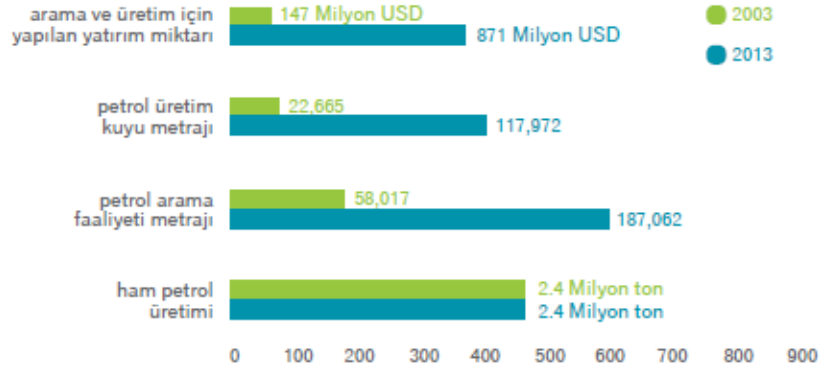
The last possible scenario in the continuum is crossing to aggressive proactivity. Aggressive proactivity means capability to take actions whose results will occur in the long term and which are completely related to external issues. To have an aggressive proactivity mentality, a state must endure a process without any results of her policies. Without endurance, a state cannot successfully complete her journey to aggressive proactivity. On the other hand, the endurance is dependent on many factors, such as budget limitations, foreign relations, the domestic dynamics of related countries, national

and international security issues, etc. In energy policies, the endurance of an importing country, like Turkey, is dependent mainly on domestic reserves, budget limitations, foreign relations and international security. Certainly there are other factors, but I think that the main factors are these four. I will briefly evaluate only the first one, domestic reserves, because it is necessary to make more detailed research and measurement for evaluation of the case of Turkey in terms of budget limitations, foreign relations and international security.

The domestic reserves of Turkey could not be said to be sufficient to endure any crisis in imports of energy resources. Reserves are classified into three categories as proven reserves, probable reserves and possible reserves by *WEO-2013*. Proven reserves are defined as the amount of oil that has a probability more than 90% of being produced. For probable reserves, the same probability is 50%; and for possible reserves, it is 10%. Since an importing country may have to endure any unexpected crisis in its supplies, I think that it should have sufficient proven reserves. Given that Turkey's self-sufficiency is decreasing, Figure 16 gives a clue about whether Turkey can rescue itself as a result of her oil exploration activities. Figure 16 makes a comparison between 2003 and 2013 in terms of investments in oil exploration and production, depth of wells for oil production, depth of well for oil exploration and oil production. According to this data, Turkey's investment in oil exploration and production was 147 million dollars in 2003. It was 817 million dollars in 2013. Depth of wells for oil production was totally 22.665 meters in 2003; 117,972 meters in 2013. Depth of wells for oil exploration was 58.017 meters; 187.062 meters in 2013. In other words, Turkey made more investments in oil exploration and production by 5.92 times in 2013 than in 2003. In addition, depth of wells for oil exploration increased by 5.20 times and depth of wells for oil production increased by 3.22 times. On the other hand, oil production kept at the same number, which is 2.4 million tons! It means that Turkey could not produce more oil despite huge increases in investments in oil exploration and production. I think that this shows the situation of Turkey in terms of enduring any supply crisis in oil.

By looking at the first criterion of endurance, it can be said that it is impossible for Turkey to shift from passive proactivity to aggressive proactivity. This is why Turkey cannot endure any crisis in its supplies and no state can be in aggressive proactivity without sufficient endurance. However, if Turkey can endure in a crisis in the other three

criteria, which are budget limitations, foreign relations and international security, then the shift to aggressive proactivity can be possible for Turkey.



Şekil 10: Petrol Arama ve Üretimine Yönelik Gelişmeler

Figure 16: Developments in Oil Exploration and Production in Turkey

Source: (ETKB, 2013, p. 62)

## CHAPTER 5

### CONCLUSION: AN EXAMPLE FOR THE THREE SCENARIOS ON GLOBAL SCALE- FRAGILE STATES INDEX 2015

While ending this thesis, I would like to give an example of how Turkey can cross over these three scenarios in order to provide an insight to further studies on this topic. While analyzing the last scenario ‘continuing to aggressive proactivity’, I have mentioned that international security issues and the domestic dynamics of other countries also have significance when Turkey makes her choice. I think that the Fragile States Index (FSI) will give us an opportunity to evaluate the situation of any country in the world in terms of their overall position in Davutoğlu’s power equation.

The Fragile States Index calculates the performance of 178 countries all over the world. Its indicators are totally 12: demographic pressures, refugees & IDPs, group grievance, human flight, uneven economic development, economic decline, state legitimacy, public services, human rights and rule of law, security apparatus, factionalized elites and external intervention. In my opinion, this index covers all the basic functions of any state. For example, it takes economic decline and uneven economic development, which are economic indicators, into consideration. However, it also considers the performance of a state in human rights and rule of law, which are directly related to law. Additionally, it covers public services, which include aspects of daily life. As a result, FSI can give us an idea about the total performance of a country. Thanks to this feature, I think that it can also refer to the static and dynamic variables of Davutoğlu’s power equation. For instance, uneven economic development, economic decline and public services are proxies for  $e_k$ , which represents economic capacity in Davutoğlu’s equation. On the other hand, demographic pressures and human flights conclusively addresses  $n$ , demography in the equation. In addition, security apparatus and external intervention can be taken as a proxy for  $a_k$ , which addresses military capacity. Group grievance, factionalized elites, human rights and rule of law can be considered of as a proxy for culture,  $k$  in the equation. Therefore, the total performance of countries in FSI can be taken as a proxy for the result of Davutoğlu’s equation: the total power of a country.

Countries are classified as alert, warning, stable and sustainable according to their scores in FSI. On the other hand, states can be between any two of them in order. For example, a country can be between alert and warning. In addition, it can also be between stable and sustainable<sup>13</sup>.

On the other hand, in Figure 17 I shared the map of the world on which countries are colored according to their classes in FSI. Accordingly, the colors have the following meanings:

1. Red and its tones: Alert
2. Yellow and its tones: Warning
3. Green and its tones: Stable
4. Blue and its tones: Sustainable

From this point, we need the answer to the question what this categorization means for the new coordinate plane.

The following list gives an idea:

1. Alert: Passive reactivity
2. Warning: Aggressive Reactivity
3. Stable: Passive Proactivity
4. Sustainable: Aggressive Proactivity

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<sup>13</sup> For the full list of FSI, please look at the following link: <http://fsi.fundforpeace.org/>

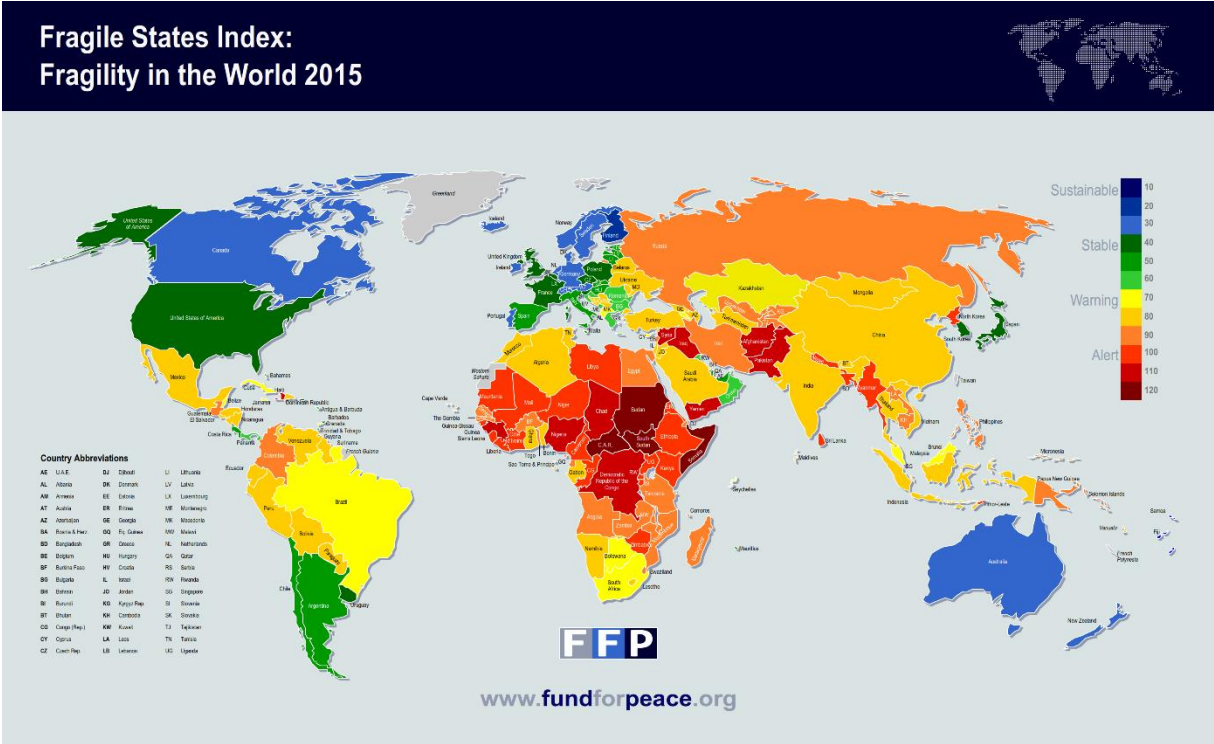


Figure 17: Fragile States Index- 2015 (FSI)

Source: (The Fund for Peace, 2015)

It means that an 'alert' country can follow a passive proactive mentality in its public policy choices. On the contrary, it also means that Turkey can follow an aggressive proactive strategic mentality in its relations with that country. In the same regard, a warning country can have an aggressive reactive mentality and Turkey can follow passive reactivity - and also the others - for such countries. On the other hand, a stable country mainly looks at public issues from a passive proactive perspective, and Turkey can follow passive proactivity and others in her relations with that country. Finally, a sustainable country can follow aggressive proactivity in its public issues, and Turkey can think of her relations with such countries in an aggressive reactive mentality. The main rule here is that Turkey should follow her current stage in the continuum when its counter-partner country takes a stage further to aggressive proactivity. For instance, let us take country X. If country X is in a passive proactive state in the continuum according to FSI, then Turkey can follow aggressive proactive policies to country X. However, if country X becomes an aggressive reactive state, then Turkey should decrease her level of aggressive proactivity in her policies to country X. If country X becomes a passive proactive state, then Turkey should follow her incumbent level, which is passive proactive. However, if country X becomes an aggressive proactive state, then Turkey should be completely



passive proactive; maybe she should be an aggressive reactive state case by case. Therefore, I think that Turkey can be aggressive proactive to African countries, mainly in sub-Saharan Africa. On the other hand, she can produce passive proactive policies to Asian countries. In this regard, the relations with Russia and the Middle Asian countries have a major importance. On the other hand, Europe is another region to which Turkey can follow passive proactivity.

Finally, in this thesis, I asked the question what geopolitical situation Turkey is in now and will be in the future. I get the answer: Turkey's geopolitical importance is increasing in regional geopolitics, but her geopolitical importance may decrease in global geopolitics because Asia changes the energy game. After that, I asked the question what Turkey can do in a possible decrease in her geopolitical importance. I get the answer that I should have a conceptual framework in order to determine what Turkey can do. Then, I improved the coordinate plane of strategic mentality in public policies and the continuum. I showed how it is related to Turkey's energy policies and what Turkey's situation is on this continuum. I suggest that the coordinate plane and the continuum help us understand better Turkey's situation in general. I exemplified this in Chapter 3, titled 'Re-reading of energy policies history of Turkey'. After understanding Turkey's current situation in her energy policies, the future of Turkey's energy policies was the next question. In order to answer it, I should also see the situation of other countries in the continuum. In order to have a global perspective corresponding to Kahraman's strategic mentality in Table 2, I evaluated Turkey's future strategic mentality options on a global scale thanks to FSI.

Davutoglu argues that 'Turkey, first and foremost, needs strategic analytical frameworks that bring alternative perspectives on the future of Turkey' (Davutoğlu, 2008, p. V). He said this in 2001 and suggested that his famous book '*Strategic Depth*' was 'the outcome to produce a new strategic analytical framework' (Davutoğlu, 2008, p. V). However, I think that Turkey needs a new strategic analytical framework to understand the world, which radically changed after 2001, and to develop new strategies. As a result, this thesis is just an effort to develop the new strategic analytical framework. It may have failures and the author is responsible for those. However, despite possible failures, I hope that this thesis is on the right way and the reader will think so, too. Finally, I also hope that the policies which will be produced according to the framework in this thesis will also be right for the future of Turkey.

## APPENDIX 1

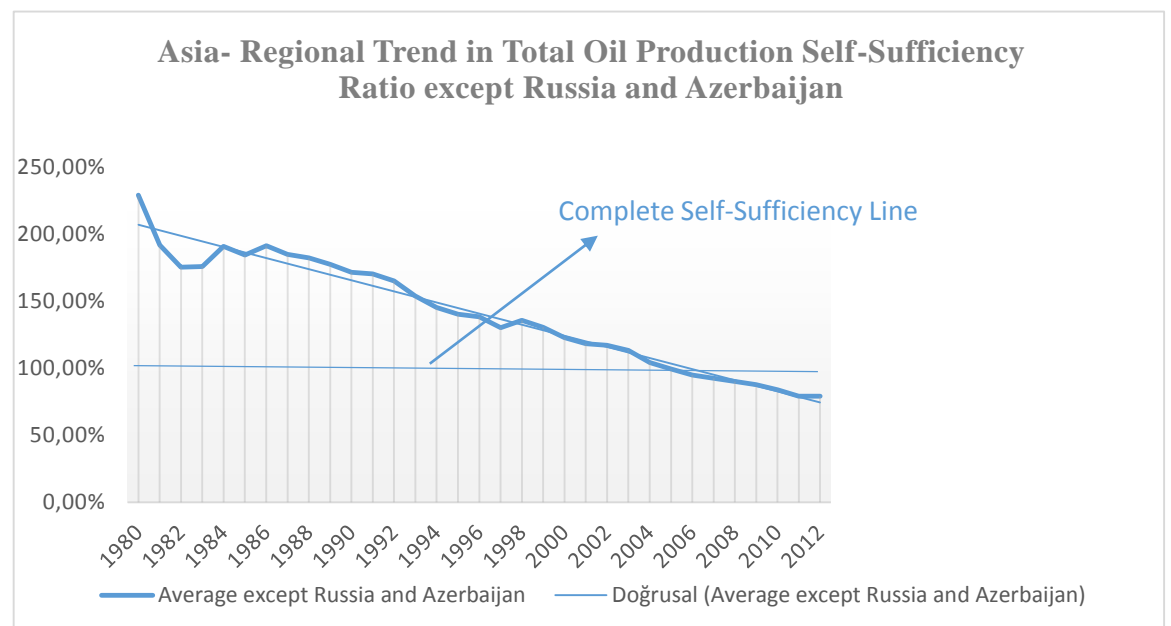
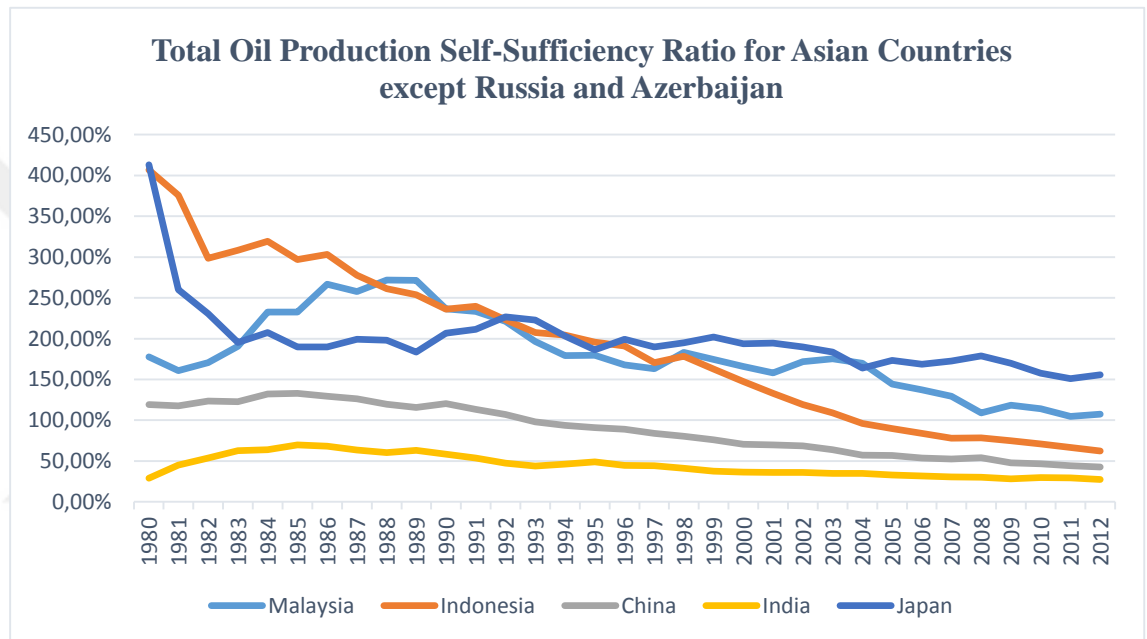
### SELF SUFFICIENCY RATIOS OF OIL AND NATURAL GAS FOR TURKEY

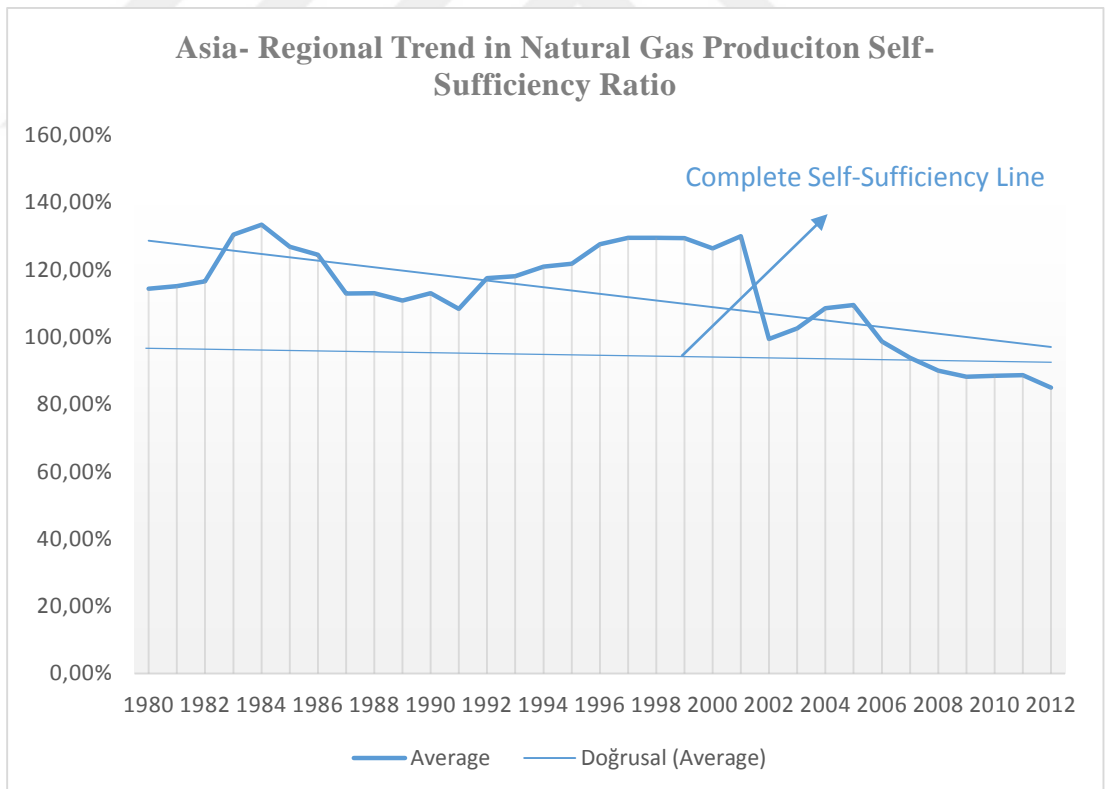
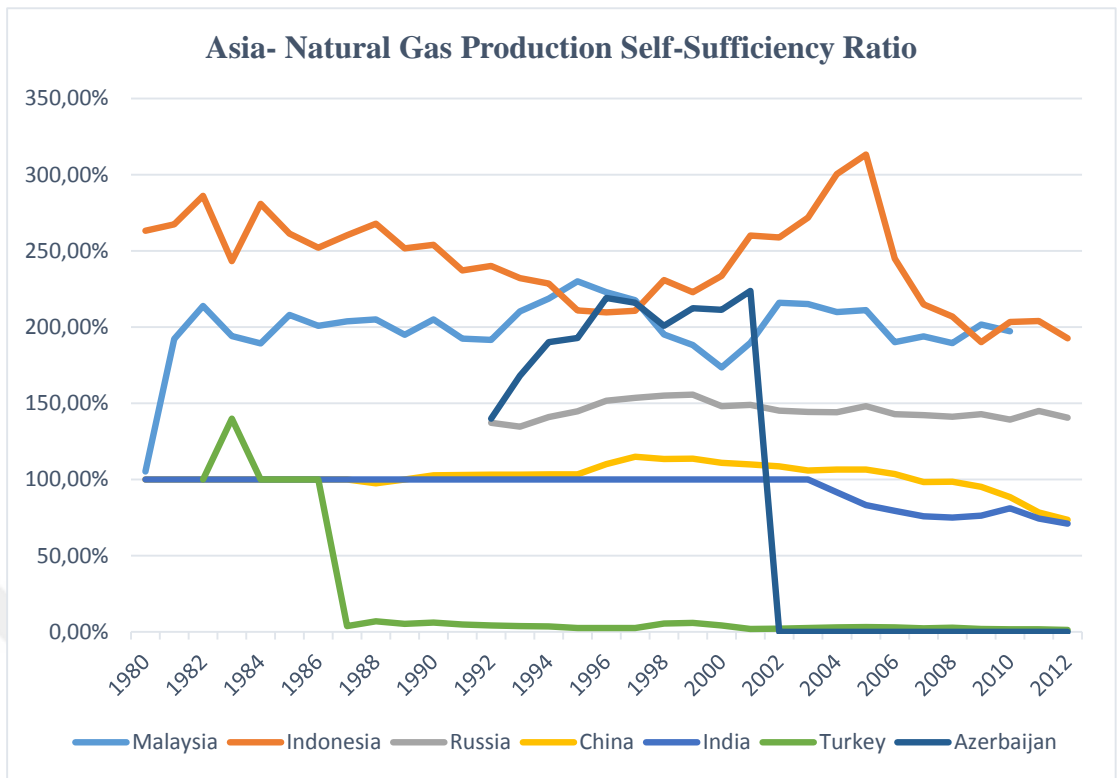
Formulas for calculating self-sufficiency of a country and the trends in regions:

$$\text{Self-Sufficiency} = \frac{\text{Domestic Production}}{\text{Total Consumption}}$$

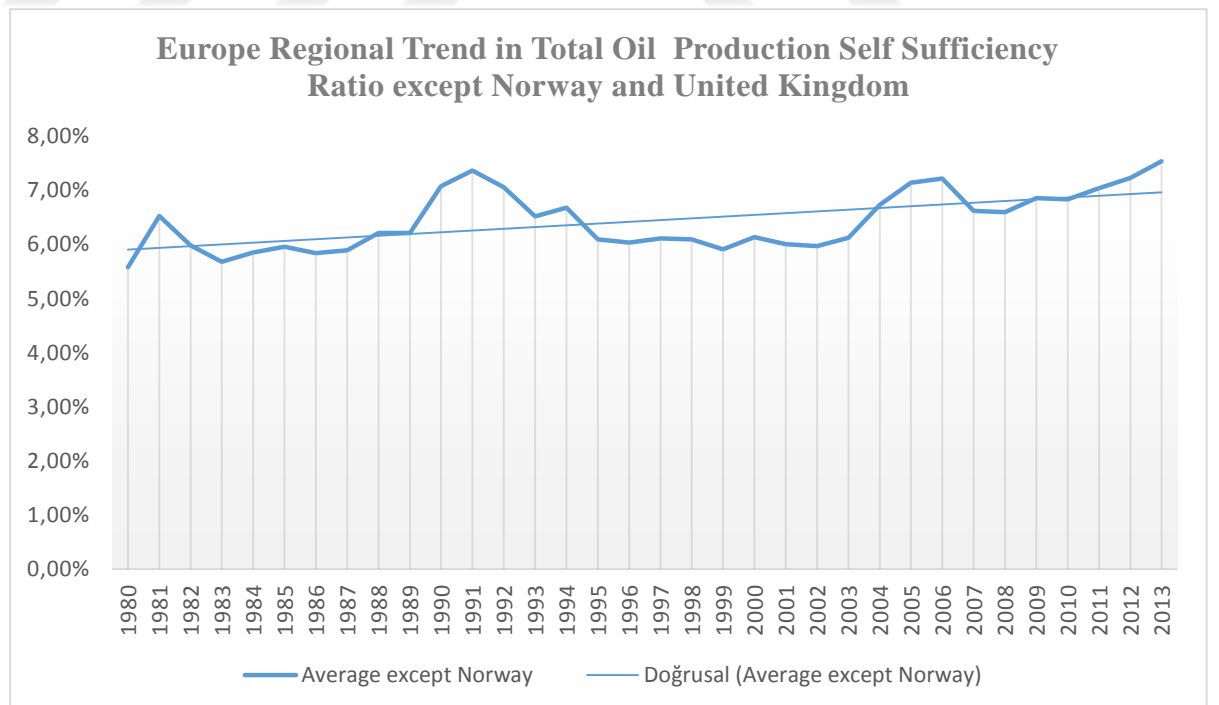
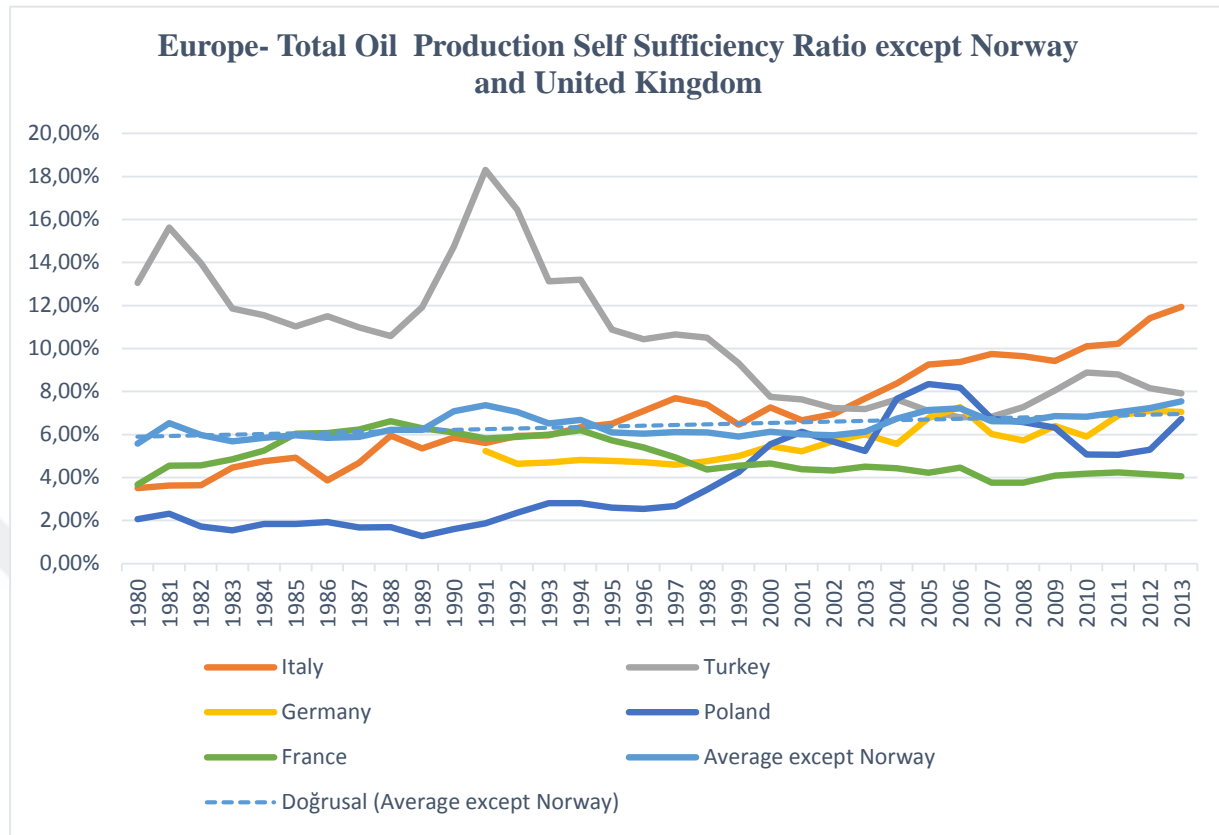
Regional trends in Self-Sufficiency = Average of Self-Sufficiency Ratios of countries

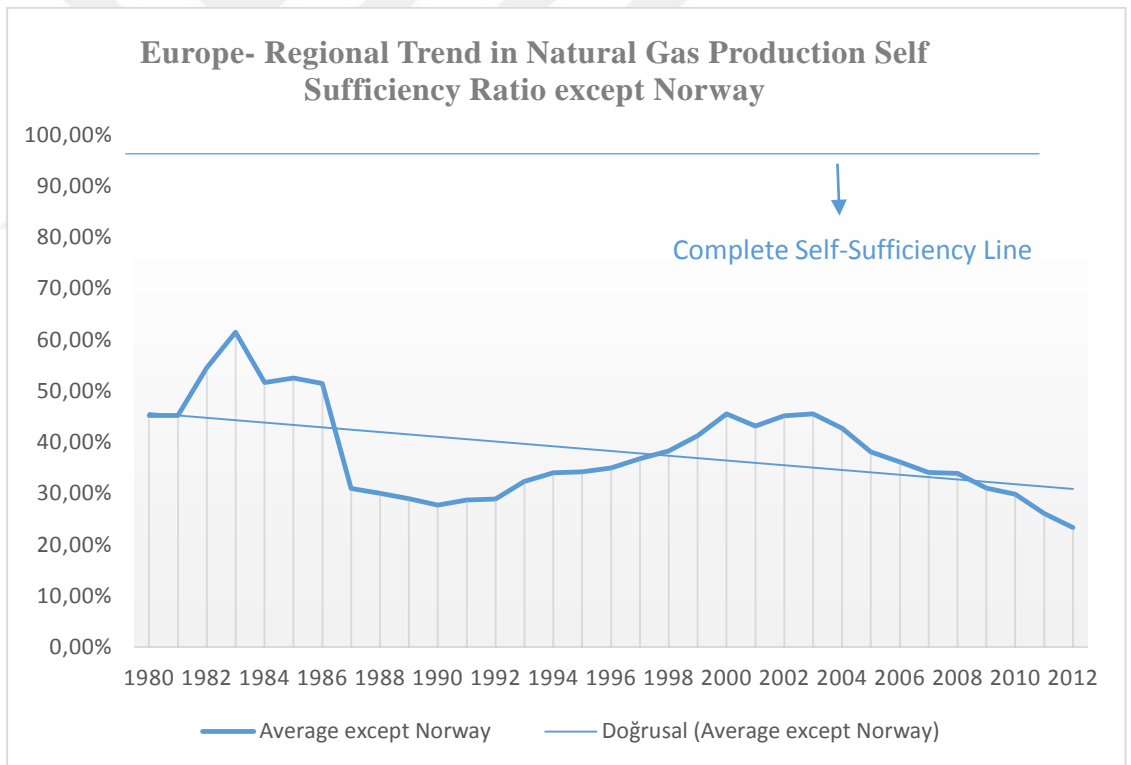
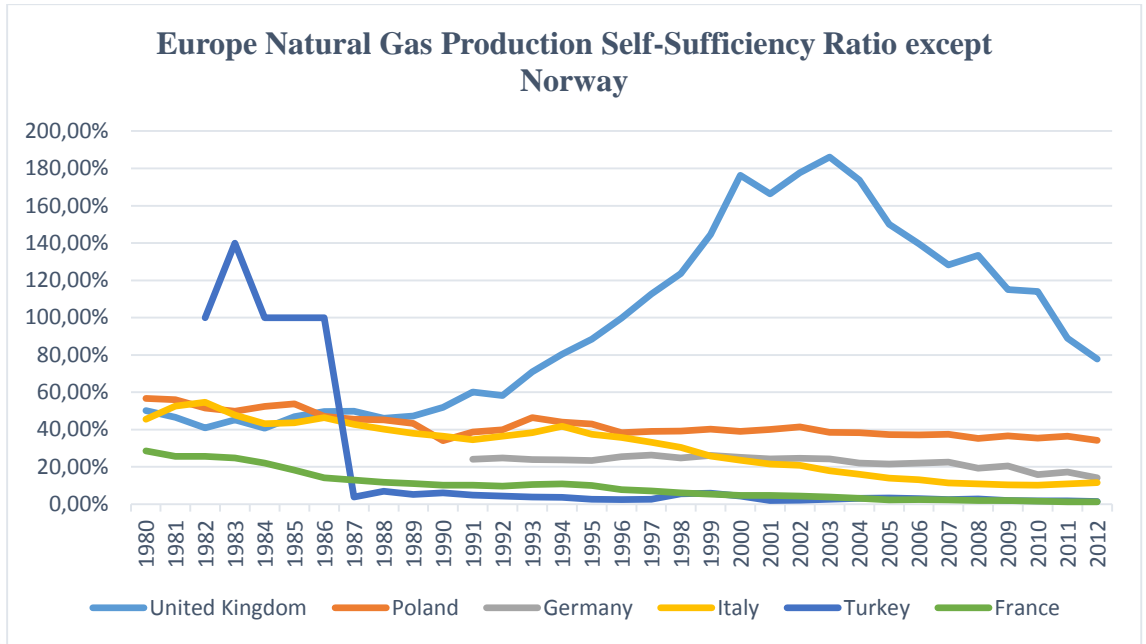
#### 1. Asia



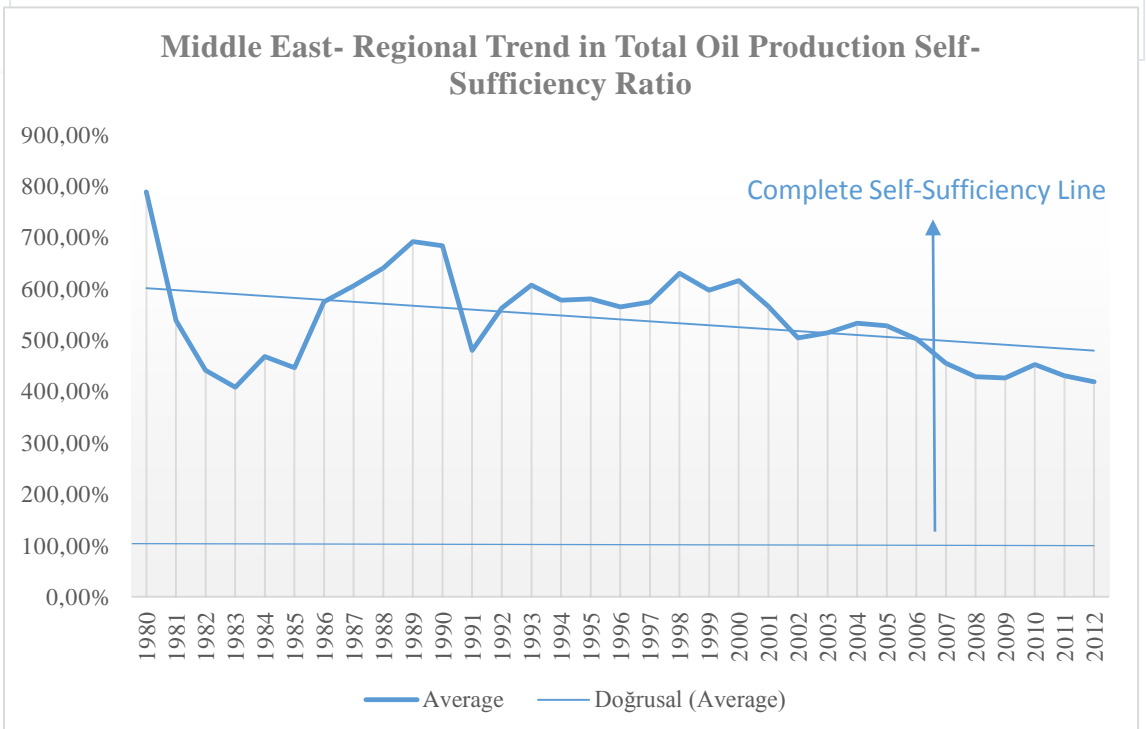
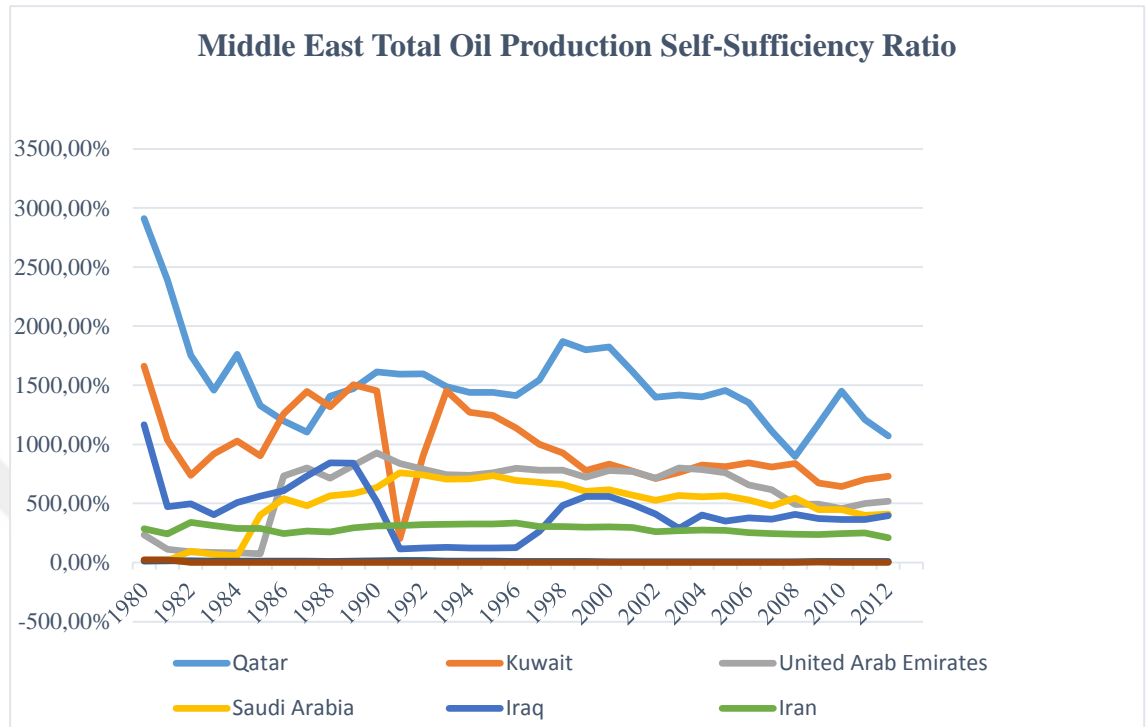


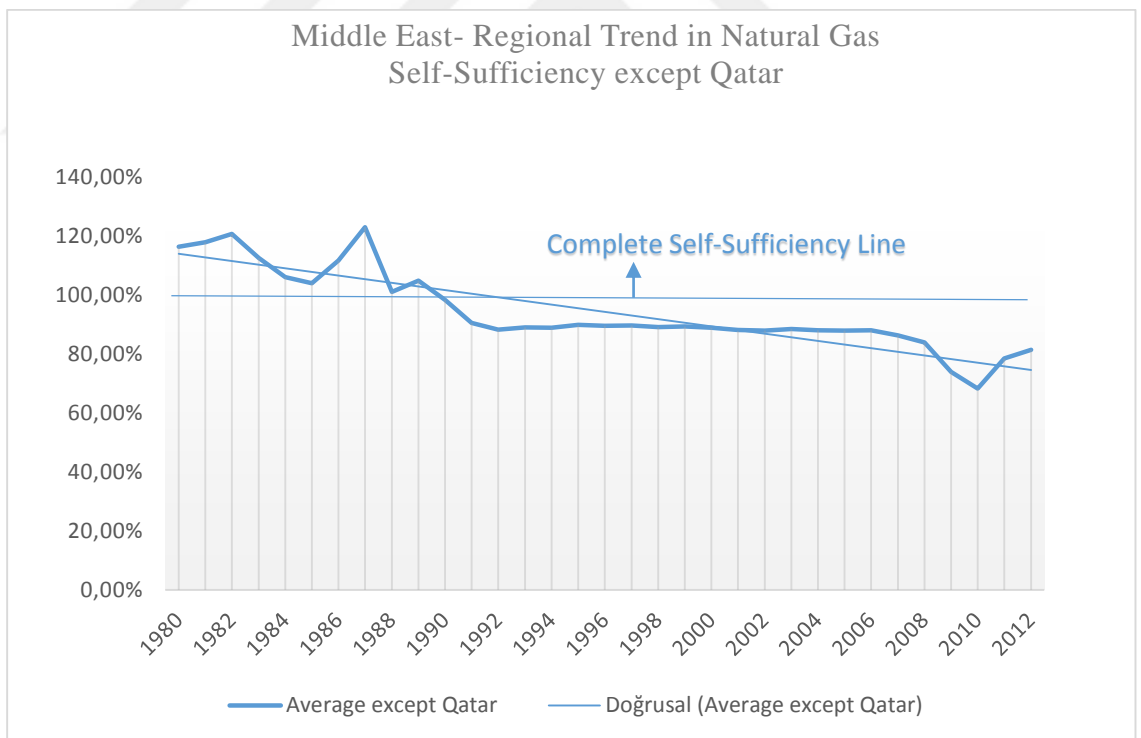
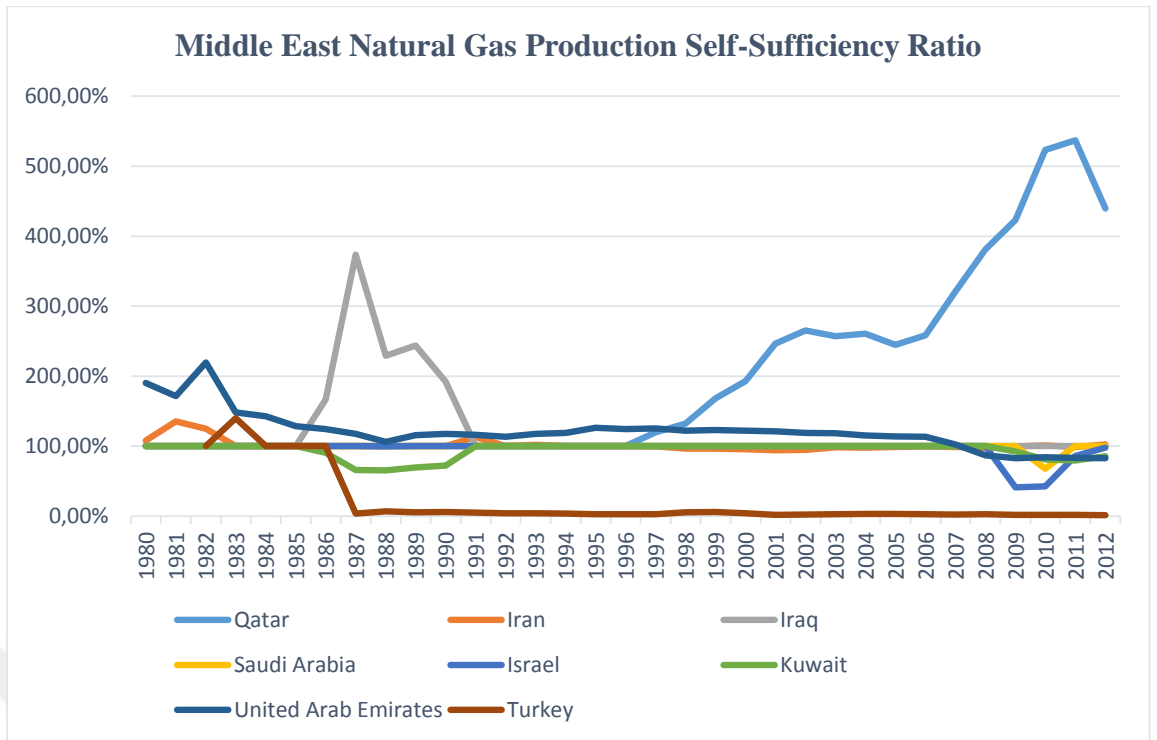
## 2. Europe





### 3. Middle East





## APPENDIX 2

### **Recommendations for Further Studies: What sort of mistakes can there be in this thesis?**

I strongly recommend researchers who want to make further analysis to study on following questions:

1. Implications of the New Coordinate Plane to any countries all over the world
2. Implications of the New Coordinate Plane to any fields in relation to Public Policy Discipline
3. Davutoğlu's Power Equation:
  - 3.1. Is there any other additional variables to the equation?
  - 3.2. Is there any problem in the variables of the equation?
  - 3.3. How can a computation be made for the equation? In order to study on this question, it is required to find anyway that quantify the qualitative variables like history, culture, strategical mentality, strategical planning and political will. It is very hard.
4. More Strong Proxies for the variables in Davutoğlu's equation than in FSI.



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