THE REPUBLIC OF TURKEY
BAHCESEHIR UNIVERSITY

ANALYSIS OF TURKISH-RUSSIAN RELATIONS: UTILIZING THE THEORY OF LIBERALISM

Master's Thesis

SABINA-DELEKT JARKIMBEKOVA

ISTANBUL, 2018

THE REPUBLIC OF TURKEY

BAHCESEHIR UNIVERSITY

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MASTER GLOBAL AFFAIRS PROGRAM

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PREFACE

Each of the sole individuals provided me with full support through the process of writing this thesis. It was not easy to work and study at the same time, but from all my heart I thank you all for everything you have done to support me in this important step of my career so far.

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I take this opportunity to thank both Sinem Eray and staff in the Social Sciences Department who were always there to help me in every administrative question as I worked my way through graduate school.

ABSTRACT

ANALYSIS OF TURKISH-RUSSIAN RELATIONS:

UTILIZING THE THEORY OF LIBERALISM

Sabina Delekt Jarkimbekova

Master of Global Affairs Program

Supervisor: Assistant Professor A. İlkay CEYHAN

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The aim of this thesis is to analyze liberal theory in Turkish-Russian relations since the post-Cold War era, by studying the nature of economic interdependence between the countries. Focusing on gas, energy security and trade, an interaction between political and economic factors in relations between Turkey and Russia is evaluated. There is no doubt that despite cooperation, the possibility for competition always exists. However, in the light of Turkish-Russian relations, no matter what nature the conflict is, utilizing the theory of liberalism, both parties come up with the solution due to strategic role of economic relations.

As it is seen from the history, Turkey and Russia experienced a lot of wars as of Empire period. However, none of them prevented countries from being good strategic partners.

Despite being on opposition sides during the Cold War, in the beginning of 2000s the relations between Turkey and Russia started warming up, where the liberal theory started gaining its role. According to the liberal theory, international institutions and organizations are created to support and promote international cooperation. This is obvious in Turkish-Russian relations, as both countries established HLCC on May 12, 2010 during President Medvedev's visit to Russia, mutually signed a lot of agreements and brought value to each other's economy.

Everything seemed to be fine until November 24, 2015 when a Russian fighter jet was downed by a Turkish F-16 on Syrian border. Was it an accident? We don't know. Russian and Turkish media provided totally different information, each trying to prove their position. This event was a turning point in Turkish-Russian relations because everything suddenly took a different course. Turkey became a number one enemy, Turkish people working in Russia were immediately deported, business suffered, particularly construction of Turkish Stream gas pipeline, Akkuyu nuclear station was suspended and flights to Turkey had been stopped. Moreover, sanctions against Turkey had been applied and visa regime was introduced. All these resulted in hard times mostly for nations.

Hostile period did not last long and already in the second half of 2016 after President Erdogan's apology, relations between the countries were normalized.

The introduction chapter discusses theories of international relations including realism and liberalism. The second chapter examines a historical background of Turkish-Russian relations in the post-Cold war era, resulting in an obvious economic interdependence in energy, trade and tourism, and relations of Turkey and Russia with Central Asian countries. The third chapter analyzes the downed jet crisis, mainly focusing on strategic partnership, Straits and Turkey-NATO-Russia relations. Following forth chapter is the conclusion, discussing afterwards consequences.

Keywords: Energy, Trade, Russia, Turkey

ÖZET

TÜRKİYE-RUSYA İLİŞKİLERİNİN ANALİZİ: LİBERALİZM TEORİSİNİN UYGULANMASI

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Bu tezin amacı, ülkeler arasındaki ekonomik karşılıklı bağımlılığın niteliğini inceleyerek, Soğuk Savaş sonrasındaki dönemden beri Türk-Rus ilişkilerinde liberal teoriyi incelemektir. Gaz, enerji güvenliği ve ticarete odaklanarak, Türk ve Rusya arasındaki ilişkilerde politik ve ekonomik faktörler arasındaki etkileşim değerlendirilmektedir. Hiç şüphe yok ki, işbirliğine rağmen rekabet olasılığı her zaman vardır. Ancak, Türk-Rus ilişkileri ışığında, çatışmanın doğası ne olursa olsun, liberalizm teorisini kullanarak, her iki taraf da ekonomik ilişkilerin stratejik rolü nedeniyle çözüm buluyor.

Tarihten de görüleceği üzere, Türkiye ve Rusya İmparatorluk dönemi itibariyle çok fazla savaş yaşanmıştır. Ancak, hiçbiri ülkelerin iyi bir stratejik ortak olmalarını engellemedi.

Soğuk Savaş döneminde muhalif taraflara rağmen, 2000'li yılların başında, Türkiye ile Rusya arasındaki ilişkiler ısınmaya başladı ve liberal teori rolünü kazanmaya başladı. Liberal teoriye göre, uluslararası işbirliğini desteklemek ve teşvik etmek için uluslararası kurumlar ve kuruluşlar oluşturuldu. Bu, Türk-Rus ilişkilerinde barizdir, çünkü her iki ülke de Başkan Medvedev'in Rusya ziyareti sırasında 12 Mayıs 2010 tarihinde HLCC'yi kurmuş, karşılıklı olarak birçok anlaşmayı imzalamış ve birbirlerinin ekonomisine değer katmıştır.

24 Kasım 2015'e kadar bir Rus savaş uçağının Suriye sınırındaki bir Türk F-16 tarafından düşürülmesiyle her şey iyi görünüyordu. Bu bir kaza mıydı? Bilmiyoruz. Rus ve Türk medyası her biri kendi konumlarını kanıtlamaya çalışan tamamen farklı bilgiler verdi. Bu olay Türk-Rus ilişkilerinde bir dönüm noktasıydı, çünkü her şey birdenbire farklı bir yol izledi. Türkiye bir numaralı düşman oldu, Rusya'da çalışan Türkler derhal sınır dışı edildi, işten çekildi, özellikle Türk Akımı doğalgaz boru hattının inşası, Akkuyu nükleer santrali askıya alındı ve Türkiye'ye uçuşlar durduruldu. Ayrıca, Türkiye aleyhine yaptırımlar uygulanmış ve vize rejimi getirilmiştir. Bütün bunlar çoğunlukla uluslar için zor zamanlar doğurdu.

Düşmanlık dönemi uzun sürmedi ve zaten Cumhurbaşkanı Erdoğan'ın özürlerinden sonra 2016'nın ikinci yarısında ülkeler arasındaki ilişkiler normalleşti.

Giriş bölümü, gerçekçilik ve liberalizm dahil olmak üzere uluslararası ilişkiler teorilerini tartışmaktadır. İkinci bölümde, Soğuk Savaş sonrası dönemde Türk-Rus ilişkilerinin tarihsel bir arka planı incelenerek, enerji, ticaret ve turizmin bariz ekonomik bağımlılığı ve Türkiye ile Rusya'nın Orta Asya ülkeleri ile ilişkileri ele alınmıştır. Üçüncü bölümde, esas olarak stratejik ortaklık, Boğazlar ve Türkiye-NATO-Rusya ilişkileri üzerine odaklanan aşağı yönlü jet krizi analiz edildi. Bundan sonraki bölüm, sonuçların tartışıldığı bir sonuçtur.

Anahtar Kelimeler: Enerji, ticaret, Rusya, Türkiye

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ABBREVIATIONS

AKP:	Justice and Development Party
BBC:	British Broadcasting Corporation
BLACKSEAFOR:	Black Sea Naval Cooperation Task Group
BOTAS:	Petroleum Pipeline Corporation
BTC:	Baku-Tbilisi-Ceyhan
CEPSD:	Common European Policy on Security and Defence
CIS:	The Commonwealth of Independent State
CPC:	Caspian Pipeline Consortium
CSTO:	Collective Security Treaty Organization
EC:	European Commission
EEZ:	Exclusive Economic Zone
EIA:	Environmental Impact Assessment
EMRA:	Energy Market Regulatory Authority
EU:	European Union
FCS:	Federal Customs Service
GDP:	Growth Domestic Product
HLCC:	High-Level Cooperation Council
IEA:	International Energy Agency
IGA:	Intergovernmental Agreement
IGC:	Intergovernmental Commission
IR:	International Relations
IS:	Islamic State

ISIS: Islamic State of Iraq and the Levant

ISPAT: The Republic of Turkey Prime Ministry Investment Support and Promotion Agency

ITG: Interconnector Turkey-Greece

LNG: Liquefied Natural Gas

MLF: Multi Lateral Force

MoU: Memorandum of Understanding

NATO: The North Atlantic Treaty Organization

NPP: Nuclear Power Plant

OTIAD: Osmanbey Textile Businessmen Association

PKK: Outlawed Kurdistan Workers' Party

RAS: Russian Academy of Sciences

RSFSR: Russian Soviet Federative Socialist Republic

RUTID: Russian-Turkish Business Association

SCO: Shanghai Cooperation Organisation

SCP: South Caucasus Pipeline

TAF: Turkish Armed Forces

TANAP: Trans-Anatolian gas pipeline

TAP: Trans Adriatic Pipeline

TIKA: Turkish Cooperation and Coordination Agency

TSI: Turkish Statistical Institute

TÜRSAB: Association of Turkish Travel Agencies

UK: United Kingdom

UN: United Nations

US:	United States
USSR:	Union of Soviet Socialist Republics
WTO:	World Trade Organization
WTTC:	World Travel and Tourism Council

1. INTRODUCTION

The close bilateral relations between Turkish Republic and Soviet Russia began in early years of Turkish Republic foundation. The Republic of Turkey undoubtedly received big support from Russia during the Turkish War of Independence (Shamsutdinov A. 1966, p. 337). Turkey remained as "sworn friend" of Russia until the 20th century.

The 20th century however brought no relief, only led to the two States take place on opposite sides of "iron curtain" (Druzhilovskii S. B. & Avatkov V. A. 2013, p. 12). Despite seeing each other as a threat during the Cold War period, relations between Russia and Turkey took a new form in the post-Cold war era and managed to develop productive political and economic relationships. Today both countries are members of the G20 and according to the World Bank are upper-middle class countries.[1] As a result of productive cooperation, Turkey-Russia High-Level Cooperation Council (HLCC) was created at the 10th Joint Economic Commission to develop further bilateral relations, avoid possible problems, and enable the countries' leaders to exchange opinions regarding regional and global developments.

The ruling parties at both countries came to power almost at the same time, "Party of justice and development" came to power in 2002 in Turkey, and "United Russia" came to power in 2001 in Russia.[2]

At the beginning of the third Millennium both countries turned from rivalry to cooperation and established the creation of a strategic Alliance as a main goal of Turkish-Russian relations (Trenin D. 2002, p. 187).

In this context, the two countries established a military partnership and signed an intergovernmental "Agreement on cooperation in the military field and training of

[1] World Bank Organization, 2016 (online) URL: https://data.worldbank.org/country, accessed January 2016
[2] Party document "United Russia", 2016 (online) URL: https://er.ru/party/rules/, accessed September 2016

military personnel" in 2002. After signing this agreement, military experts noted "former competitors became partners".[3]

The Memorandum of Understanding (MoU), signed between Gazprom and Botas on construction of gas pipeline across the Black Sea towards Turkey during the State visit of Vladimir Putin to Turkey on December 1, 2014 marked the beginning of a new stage in Turkish-Russian relations.[4]

Despite these positive developments, the two countries faced with a range of global challenges, including Syrian war, events in Ukraine, which could become a key factor in possible changes in relations.

Following the events on November 24, 2015, Vladimir Putin approved a list of economic sanctions against Turkey in response to the downing a Russian fighter jet by a Turkish F-16. It included a ban on employment of Turkish citizens in Russia, Turkish exports and cancellation of visa-free travel to Russia.[5]

However, when Davutoglu visited Kiev on February 15, 2016 after Crimean annexation, he Stated: "We will not allow tensions in Crimea to draw us into crisis with Russia", despite the fact that "some powers are trying to turn the Crimean question in Turkish-Russian crisis."[6] Turkey was the only NATO member, who didn't join anti-Russian sanctions as a respond to Crimean annexation.

In Russian foreign policy it is said: "International conflicts and the growing interdependence of countries and people do not allow creating isolated "Islands of peace and stability"; the only reliable protection against possible shocks is compliance of universal principles of equal and indivisible security in Euro-Atlantic, Eurasian and Asia-

[3] Anon., Military seamen of Russia and Turkey strengthen cooperation, 2015 (online) URL: http://rusorient.ru/reports/tureckie-smi-o-rossijsko-tureckix-otnosheniyax-7-13-dekabrya.html, accessed September 2016

[4] Gazprom Export projects, 2016 (online) URL: http://www.gazpromexport.ru/projects/, accessed May 2016

[5] Anon., Turkey could lose $20 billion over dispute with Russia, 2015, *Russia Today* (online) URL: https://www.rt.com/business/324106-turkey-Russia-embargo-tourism/, accessed January 2016

[6] Anon., Davutoglu: for Turkey Crimea is an integral part of Ukraine, 2016, *Krym. Realii*, (online) URL: http://ru.krymr.com/a/news/27553084.html, accessed June 2016

Pacific regions." This fully applies to the current stage of Turkish-Russian relations development.

The thesis argues that neither Russia, nor Turkey tries to use trump card against each other. Rather, they seek areas for cooperation as emphasized by the liberal theory. If they manage to turn challenges into opportunities, bilateral relations will reach a new level, moving from competition to cooperation.[7]

Taking into consideration all the mentioned developments, the thesis analyzes relations between Turkey and Russia as of post-Cold War era, and how relations developed after downing of a Russian fighter jet through the theory of liberalism. Despite any conflict between interdependent countries, strategic partnership wins. The implication of liberal theory proves that strategic partnership between Turkey and Russia, which are economically interdependent can be preserved, regardless the nature of conflict.

The relevance of this thesis is dictated by significant activation of Russia's political, economic, cultural and trade ties with Turkey. Turkey always paid great importance to foreign economic relations, which accounted a main role in ensuring the development of its economy. At almost all stages Soviet Russia, the USSR and the Russian Federation remained one of Turkey's main business partners. In this regard, it seems very important to trace the development of bilateral political, trade, economic and cultural relations and to analyze their role in politics, economy and culture of both countries and the importance for rapprochement between Russian and Turkish nations.

1.1 SCOPE AND OBJECTIVE

In recent years, a lot happened in Turkish-Russian relations, and the current trends in their development need to be studied. The collapse of the Soviet Union, the emergence of new geo-politic realities, the expansion of mutual trade, including the supply of energy resources from Russia to Turkey and Russian construction plans of the first nuclear power plant in Turkey, Russia's change of a foreign economic relations system after the jet crisis on November 24, 2015, opposition sides in Syrian war – this is far from a complete list

[7] Hasan Selim Ozertem & Habibe Ozdal, Turkey and Russia: Overcoming Obstacles, June 2013, *Carnegie Moscow Center* (online) URL: http://carnegie.ru/2013/06/10/ru-pub-52195

of changes that determine the development of bilateral relations and considered in this study.

The Ottoman and Russian Empires almost simultaneously fell down and resulted in the formation of new States – Soviet Russia and the Republic of Turkey. Thus, conditions were ensured for a new turn in Russian-Turkish relations, a turn from confrontation to cooperation.

The end of the Cold War period and bipolar confrontation in the world gave a chance to rebuild relations between the new Russian Federation and the Republic of Turkey. It should be noted that in recent years, Turkish-Russian contacts have been built on the principles of cooperation.

This thesis analyzes Turkish and Russian relations within the framework of interdependence, based on the liberal theory and provides an overview of the key events between the two countries throughout the history. Interdependence means a relationship between two or more States relying on one another's production of goods/services. States concentrate on the production of goods in order to increase the efficiency of trade. The idea belongs to the liberal view on economic interdependence, which argues that it develops toward welfare and peaceful relations. The mutual interdependence, including bilateral trade, oil and gas supply from Russia, energy security, tourism in Turkey, relations with NATO and Central Asia, and Straits status are analyzed in the thesis.

Turkey and Russia, as one of the most vital regional actors and important political players in IR so far, have established their economic relations mostly on energy trade. Thus, due to the nature of economic trade between the countries largely centered on energy, it was not surprising that relatively minor conflicts, including the conflict over the downing of a Russian fighter jet were resolved in order to prevent political interference in economic relationship.

1.2 LITERATURE REVIEW

It should be noted that there are many works devoted to development of bilateral relations, foreign and domestic policies and economic situation of Russia and Turkey in Russian and Turkish histories in the 90s of XX century. In the process of developing the topic,

extensive Russian and Turkish historical literature was studied. The most significant works include monographs and other publications prepared by different institutions and societies.

The uniqueness of the thesis is that it is one of the first attempts to comprehensively study political and economic relations development between Russia and Turkey before and after the jet crisis.

The liberal theory in the light of Turkish-Russian relations in the post-Cold War era states that trends for States cooperation were created. However, as stated by the neoliberal theory, the economic interdependence between the States has the potential of conflict because of States' sensitivity to interdependence (Millet P. 2015, pp. 46-53). Correspondingly, the thesis argues that considering the liberal theory in Turkish-Russian relations after the jet accident even though it turned out to be potentially hostile, mutual cooperation was achieved.

Robert Art claims that a "nation whose economic interests are deeply entangled with another's cannot use force . . . interests intertwined render force unusable" (Art R. J. 1980, pp. 16-17).

Dmitri Trenin argues that cooperation is the main driving potential for Turkish-Russian relations after the Cold War. He argues that Turkish and Russian economies are correspondent and that forced them to cooperate in different areas (Trenin D. 2002, p. 187).

In one of his works Sener Akturk states that Russia is one of the most critical great powers in Turkish region and therefore, it is important to observe the power relationships and the sources of possible conflict between two countries. These relationships and whether they are peaceful or hostile will be a major factor in determining the future of Turkey and its development (Akturk S. 2013, p. 3).

Muhittin T. Ozsaglam argues that after the mid-1990s we have witnessed changes in the foreign policy of Russia and Turkey. Russia became oriented towards the near abroad and post-Soviet sphere. Furthermore, it changed its energy policy by diversification of energy

export routes. In contrast, Turkey began to follow a multilateral foreign policy and to cooperate with Russia in energy sphere. (Ozsaglam Muhittin T. 2013, p. 159)

According to Duygu Bazoglu Sezer, there are a lot of complexities when Turkey and Russia appeared to be on opposite sides in the history. These include;

i. Russia's blame of Turkey in supporting Chechnya
ii. Accusation of Russia in helping Kurdish separatism and PKK terrorism
iii. The competition over Caspian Sea oil pipelines, Russia pressuring for Baku-Novorossiysk pipeline, while Turkey for Baku-Ceyhan pipeline
iv. Nagorno-Karabakh regional conflict (Sezer Bazoglu D. 2000, p. 64-65)

Dale C. Copeland in his recent book "Economic Interdependence and War" writes whether economic interdependence between great powers has a significant effect on the probability of conflict between them. He analyzes the liberal view, where economic connections play a role of opportunity costs of conflict, and the realist view, according to which trade dependence indicates unclear future security, hence increasing reasons to avoid such dependence (Copeland Dale C. 2015).

Zeev Maoz formulates one of the foundations of this hypothesis: "global interdependence increases coordination, cooperation, transparency, and trust, therefore reducing global levels of conflict" (Maoz Z. 2009, p. 225)

According to Buzan "Not only does trade promote good will and demand "cooperation," but also since trade is voluntary and mutually beneficial, States will see their interests in peaceful trade rather than in aggressive" (Buzan 1984, p. 529).

As Keohane and Nye state in their book *Power and independence*, "dependence means a State of being determined or significantly affected by external forces. The concept of interdependence is clearly liberal." (Keohane Robert O. & Nye J. S. 1977, p.8)

In relations of Russia and Turkey, there are a lot of parallels. According to B. Balci, both countries have a historical mistrust of Europe and the West in general, have a "single authoritarian style and nostalgia for the past."[8]

Hautemaniere writes about similar ideologies and matching the interests of two countries on total fear of separatism and the desire to exclude the US from the Black Sea.[9]

Historian Georges-Henri Soutou emphasizes the desire of two countries to resist Western hegemony.[10]

Liberal theory was clearly observed in Francis Fukuyama's book "The End of History and the Last Man" (1992), where he stated that liberal principles in economics – the "free market" – have spread, and have succeeded in producing unprecedented levels of material prosperity, both in industrially developed countries and in countries that had been, at the close of World War II, part of the impoverished Third World. Liberal democracy replaces the irrational desire to be recognised as greater than others with a rational desire to be recognised as equal. A world made up of liberal democracies, then, should have much less incentive for war, since all nations would reciprocally recognise one another's legitimacy. And indeed, there is substantial empirical evidence from the past couple of hundred years that liberal democracies do not behave imperialistically toward one another, even if they are perfectly capable of going to war with states that are not democracies and do not share their fundamental values.

The media do not get tired to compare Erdogan and Putin: "Having charisma and ambition, they are both elected to the highest positions in their countries in spite of serious protests against their policies, which are considered authoritarian."[11]

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[8] Balci B., Turkey torn between Europe and Russia, February 2015, The blog of a journalism student (online) URL: http://kevinsaigault.blogspot.ru/2015/02/ la-turquie-tiraillee-entre-europe-et.html, accessed May 2015

[9] Hautemanière, Nicolas, December 2014,Turkey-Russia: Issues for strategic reconciliation (online) *Les cles du Moyen-Orient*, URL: http://www.lesclesdumoyenorient.com/Turquie-Russie-enjeuxd-un.html, accessed April 2015

[10] Soutou, Georges-Henri, 2015, The big energy game (online) *Political magazine*, URL: http://www.politiquemagazine.fr/legrand-jeu-de-lenergie/, accessed September 2015

[11] Anon., Turkey: Putin in Ankara to consolidate Turkish-Russian alliance, December 2014, *20 minutes* (online) URL: http://www.20minutes.fr/monde/1491766-20141201-turquie-poutine-a-ankara-consolideralliance-turco-russe

1.3 ARGUMENT

Relations between Turkey and Russia have a long history. Since the establishment of first official contacts between the Russian Empire and the Ottoman Empire in the end of the 15th century relations between two countries have been characterized in many ways by sharp rivalry in the Black Sea, Caucasus and the Balkans until the beginning of the 20th century, often leading to military conflicts. Historically, Russia and Turkey perceived each other as opponents threatening their security.

In the First World War, two Empires were on opposite sides and held active military operations against each other. The result of the First World War was the complete defeat of both Russian and Ottoman Empires. The revolutions that ended both Empires radically changed domestic and international situation of these countries. After October Revolution in 1917, the Russian Empire collapsed and the USSR was formed. In 1923 the Ottoman Empire ceased to exist and the Republic of Turkey was established.

Soviet Russia was the first State to officially recognize the Republic of Turkey. The first foreign policy acts of Mustafa Kemal Ataturk were a claim to Soviet Russia with a proposal to conclude a treaty of friendship and a request to provide material and military assistance. The Soviet government immediately granted the request of Turkish side. This meant a big change in the relations of two States. Turkish-Russian relations were particularly active after the formation of Turkish Republic in 1923. Thus, a new period began in the history of both countries. Until the end of the Second World War, relations between USSR and the Republic of Turkey were maintained at a fairly high level of cooperation.

The situation dramatically changed after the end of the Second World War. During the Second World War, Turkey remained neutral, however let German ships pass the Black Sea, and sold strategic raw materials to Germany. After the war, the crisis in relations between the USSR and Turkey originated, associated with the denunciation of bilateral agreements by the Soviet government and territorial claims. Turkey, wishing to find support in the face of Western countries and having such a frightening neighbor the USSR, went to rapprochement with the West and the United States and joined NATO in

1952. Thus, Turkey entered the Western bloc, and both countries found themselves in two opposing camps.

Relations between two countries deteriorated in the middle of the twentieth century. They entered the Cold War. Turkey, as NATO member, took responsibility of security in the north that is from the USSR side. An important geopolitical location of Turkey made it during the Cold War a strategically important country for NATO and the Western bloc in the fight against their main enemy, the USSR. During the Cold War, the Eastern Bloc and the Warsaw Pact represented the main danger for the US and the West. The task of Turkey as a NATO member was to prevent the expansion of the USSR in geopolitical sense. Turkey's foreign policy corresponded to this strategic task. During the Cold War Turkey received military and economic assistance from the US and the Western bloc, so it was obliged to build its foreign policy accordingly and ignore national interests. As a result of all this, during the decades of the Cold War, relations between Moscow and Ankara were limited within the framework of global Soviet-American confrontation.

The development of relations between Russia and Turkey is often associated with the end of the Cold War. This statement is true, although not fully. Relations between Turkey and the USSR started from the 1960s, when the nature of their interaction radically changed. The reason for this was the revival of economic relations between two countries. In Turkey, construction of industrial facilities began with the assistance of the USSR. In the 1970s Soviet-Turkish relations entered an even more active phase. They received a huge stimulus, thanks to the financial assistance of the USSR to Turkey, construction of the most important industrial facilities on its territory: a metallurgical plant in Iskenderun, an oil refinery in Ali-aga, an aluminum plant in Seydişehir and a petrochemical plant in Bandirma.

Since the mid-1980s, system of the bipolar world, which had been maintained for 40 years, began to change. At the same time, relations between Turkey and the Soviet Union began to develop rapidly. The growth of trade turnover raised, cultural ties intensified, Turkish constructors appeared in Soviet cities. In the early 1990s, there were striking radical changes in the system of IR. The world politics changed, and simultaneously the political map of the world changed. The most significant events that affected the situation

around the world occurred in Eastern Europe and Central Asia, which were under the protectorate of the USSR. On July 1, 1991 the Warsaw Pact broke up. Since December 25, 1991, the Soviet Union collapsed. As a result of these changes, the Cold War ended. Instead of the USSR, the Russian Federation was formed.

After the end of the Cold War, two countries formed new relations. There was a significant shift in the early 90s of the XX century, which was based mainly not on politics but on the economy. As a result, the most meaningful part of the relations between Turkey and Russia were economic relations. Political ties between two countries have not received the same development as the economic ones.

Changes in the structure of IR affected foreign policies of many States, including the Republic of Turkey and the Russian Federation. Thus, in relations between Russia and Turkey at the end of the 20th century, a new period of searching for mutually acceptable principles and forms of cooperation started again. In 1992, the Treaty on Basic Relations between the Russian Federation and the Republic of Turkey was signed, which became a kind of foundation for their partnership development in political, economic and cultural fields. In addition, in 1992, the 500th anniversary of Turkish-Russian relations was celebrated. After the collapse of the Soviet Union, much of what was acquired in relationship between two countries for decades was lost. In new conditions, all this was to be created from the scratch.

Turkish-Russian cooperation is beneficial not only for them, but for other countries in the region. In fact, Turkey and Russia occupy a special place in the region in terms of establishing and strengthening peace, stability and fruitful cooperation. If arising contradictions are eliminated on the basis of dialogue, and cooperation reaches the highest level, then this will have a favorable effect on the entire region.

Russia and Turkey are economically and politically the most powerful States in the Balkans, Caucasus and the Black Sea region. Being neighbors for a long time, they are currently cooperating and competing both on a bilateral basis and within the framework of regional economy. The results of rivalry or cooperation between them immediately affect the regions where they are located. The future state of relations and the course of development is very important not only for these two countries, but also for other States. Accordingly, the study and understanding of their relations development after Russian jet

downing on Turkish territory on November 24, 2015 will allow building main directions for further promotion of Russian-Turkish relations and identifying new areas for bilateral cooperation.

The object of the study is relationship between the Turkish Republic and the Russian Federation after the end of the Cold War.

The subject of the study is political problems, trade and economic cooperation in chronological scope between 1991-2017, after the collapse of the USSR, taking into account the emergence of Turkey as a regional influential power with a markedly developed economy.

The aim of the study is to analyze Turkish-Russian relations before and after the jest crisis, rejecting the burden of prejudice, abandoning old concepts born in the years of mutual distrust, when Russia saw Turkey only as a potential enemy. To achieve this goal, the following research problems should be solved:

a) To show the development of relations between Russia and Turkey in economic and political fields before and after the jet crisis.

b) To analyze different periods of relations and political and economic problems between Russia and Turkey after the USSR collapse.

c) To show how international situation influenced foreign policy and relations between two countries, and how they overcame difficulties and obstacles that have arisen in the way of a complex, contradictory process of development of interstate relations with the goal of achieving economic and political partnership.

d) To consider the main directions of Turkish-Russian economic cooperation.

e) To forecast the development of Turkish-Russian relations after the jet crisis. Is economic, cultural and politic integration possible and how far?

The thesis mainly analyzes two theories of IR: liberal and realist.

The theory of realism made the “national interest” the starting point of the analysis. (Tsygankov A. 2002, p. 289.) One of the founding fathers of realism, Hans Morgenthau characterizes the main parameters of his theory: “national interest is an objective reality.” It is based on one hand on uniqueness of the geographical location of the State and consequent effects of its economic, political and cultural development, and on the features

of human nature on the other hand. Therefore, the "national interest" is a stable foundation of international Politics State. (Morgenthau H. 1997) Morgenthau's model of the behavior of a rational State defends the national interest against risks.

Is the peace progress in relationship between States possible and to what extent? Since the actions of States on the international stage fully respond to a well-known formula of American political scientist Harold Lasswell's policy "who gets what, when and how" (Lasswell, Harold D. 1958, p. 264), then the question arises, is there any specificity in the external sphere and whether it is possible to build it on the basis of known principle of "harmony of interests" since the time of Adam Smith?

The concept of H. Morgenthau's power politics became famous under the name of political realism. Political realism in understanding is primarily politics of force, carried out exclusively its own interests: "the goals of foreign policy should be determined in terms of national interest and supported by an adequate force." Under the national interest Morgenthau means the public interest, not the interest of nation. In the light of the above information, it can be concluded that from the realist point of view the structure of the international system is assumed to be 'anarchic' (Morgenthau H. 1952), which doesn't respond to Turkish-Russian relations. If there is a competition, both countries are looking for cooperative strategies and the main type of interaction is not a conflict, but cooperation. It is obvious in energy relations between the countries, when Russia tries to keep its monopoly in the market, and Turkey strives to be a hub between Russia and Europe.

According to the realist theory, States focus on improving their security, and interdependence is a risk factor for war. The main tool to reduce State exposure to conflict is military power. Thucydides, Machiavelli, Richelieu, Hamilton, or Disraeli, — as emphasized Morgenthau, always perceived nature of international politics as a continuous struggle for survival and power. Power must be understood in terms of violence — actual and potential. Potential violence always has a tendency to turn into a real war. The distinction between war and peace is not in essence, but in degree. The liberals deceived by external similarity of international peace and the peace in internal affairs in the latest period, bringing its local know-how in the international sphere, equal the difference

between war and peace to the distinction between autocratic violence and liberal rationality (Morgenthau H. 1967, p. 245). It should be noted that since the end of the Cold War, there was no case when Turkey and Russia used military power against each other.

Once Bismarck in conversation with Russian Ambassador P. A. Saburov expressed the opinion that the whole policy could be "reduced to a formula — try to be among the three in a world ruled by five powers' balance. This is the only real protection against the formation of hostile coalitions" (Saburov P.A. 1929, p. 111). On this basis, an Alliance system was arranged by Germany. The Union of three emperors (emperors of Russia, Germany and Austro-Hungary), launched at the initiative of Bismarck in 1881, was one of the examples of practical implementation of the concept of balance of power. Under this agreement, in case of an attack on one, the other two allies were required to be neutral, not reinforcing the aggressor.

The most important structural characteristic K. Waltz of course considered to be force, but paid great importance not only to its military but also financial, economic and other components. Structural constraints, according to his concept, require the State desire to increase its power on its own efforts, by joining the Union with other States and through reducing forces of opponents (Ibid, p. 73). In IR, he depicted three levels which are interconnected — the individual, the State and the international system. The combination of these levels leads, according to K. Waltz, to take specific action in IR.

Mearsheimer states four assumptions that form perceptions of the world. First, each State is focused on protecting its survival, including for example, war and invasion and that the impulses of the international order make self-protection a key defining characteristic for States. A second assumption concerns the rationality of international actors, suggesting that States will act in a rational way not only to protect their integrity as a State, but also to expand and grow as necessary. A third assumption is that States recognize other countries have militaries and military arsenals, and combined with the lack of transparency that often clouds international communication, no State actor is fully aware of what his neighbor may intend. The consequence of this perspective is that the international scene becomes perceived as a very unstable and dangerous arena. A follow up to this, is the fourth assumption which maintains that those countries with the largest

militaries, the so-called Super Powers, will be in the position to make decisions that are internationally necessary. (Mearsheimer J. J. 2001)

Realism can be better explained by the concept of "idealism" as they support two opposite ideas. Idealism coming from the Greek word "idea" — an image, an idea is characterized by following basic ideas: first, the structure of modern global politics is inadequate according to the highest moral order; second, the humanity is quite capable to change things for the better, but it will require serious actions, perhaps radical. Due to those actions, the world will be better with time and in the end "safer for democracy." In an effort to create a "brave new world" idealists were guided by the human tendencies rather than analysis of a real situation. (Wilson P. C. 2000, p. 10, pp. 165-197)

Edward Carr, who essentially laid the foundation for future political realism as a specific theory, admitted that the logic of "pure realism" can offer nothing but a pure struggle for power which makes any kind of international community impossible (Carr E.H. 2001, p. 87). He knew that in a world of pure realism, all values became relative and subordinate to the national interest, life became a game of forces and therefore unbearable. The main idea of Carr in the peace settlement first of all is that the balance of power should be recognized.

Opponents of realism have refused to accept the objectivity of the "national interest" content. The main premise of "interest" in the interpretation of liberal school is that "relations between States and the surrounding domestic and transnational society, in which States are integrated, critically specify the behavior of States by influencing the social purposes underlying in preferences of States." (Wohlforth W.C. 2011, pp. 499-511).

Liberal school in IR was equally replaced with neoliberal. Neoliberals initiated campaign against realism in the beginning of XX-XXI centuries. In the interpretation of neoliberals, the main provisions of realists schools have lost the explanatory potential of the transformations occurred in IR system, first of all, development of democracy in the world, increase of economic interdependence of States and creation of international institutions (Gowa J. 1986, p. 167–188)

The first of these arguments was mentioned in a thesis of "democratic world", which was based on empirical evidence of high correlation between democratic State and its peaceful behavior in the international arena, and also in neoliberal interpretations of Immanuel Kant. The essence of this concept was to ensure that war was impossible among liberal democracies because of their focus on peaceful resolution of disputes (Doyle M.W. 1994, p. 192).

From neoliberals' point of view, international anarchic environment can have permanently cooperative character with all States, with the condition that all States on the planet will turn into a liberal democracy. Guarantee of non-violence in this case is the internal democratic nature of the national entities, completely rejecting military form of conflict resolution (Owen J. M. 1995, pp. 87–125). Instead, it consists a question, how is cooperation realized? The answer to this is most obvious in Turkish-Russian trade and energy cooperation. There is no competition between the countries. Indeed, they are constantly looking for cooperative strategies for mutual interests. Each country has its own interest in cooperation rather than in conflict. So, even in case of Russian jet downing both countries tried to find mutual solutions.

In neoliberal interpretation, international organizations are independent actors, which act autonomously from the countries that established them. One of main arguments in favor of this is the example of NATO, when the Alliance despite disappearance of its original purpose after the Cold War was able to adapt to new conditions, and also strengthened its position.

A. Moravcsik gives a detailed description of main preconditions on the basis of which a liberal paradigm in IR is built:

i. The priority of social actors. The main actors in international politics are individuals and groups, for the most part rational and non-risky, which organize the exchange and joint action to promote differentiated interests, being restricted by lack of resources, conflicting values and differences in social influence. Socially different individuals define their material and ideological interests, regardless of politics and then promote those interests through political exchange and collective action.

ii. Representation and the preferences of the State. States (or other political institutions) represent some part of society, on the basis of which States define preferences and act purposefully in world politics.

iii. Interdependence and international system. Interdependence of States defines the behavior of the State. Each State seeks to realize its own preferences in terms of various restrictions imposed by preferences of other States. The interdependence of politics is a certain ratio of costs and benefits created for citizens of other countries at a time when the dominant social group in the first State tries to implement its preferences (Moravcsik A. 1999, p. 35).

In liberal theory, a dependent State is not interested in starting a war with its trade partner, taking into consideration the intention of prosperity. Even the less dependent State has no interest in war because commercial power is regarded as a main instrument for welfare aim. In fact, in liberal thinking security there is a reason that restraints both partners from competition for beneficial reasons. From the liberal perspective, economic interdependence functions so, as to create an atmosphere of trust regarding State intentions while also enhance dialogue between countries (Millet P. 2015, pp. 46-53).

At the same time, the relationship between Ankara and Moscow seems to undermine one of the key components of liberal theory, so that both States appear to act in ways that lead to less economic interdependence, despite the fact that both countries remain connected to one another both out of necessity and out of shared interests. For example, both countries have focused on developing various forms of energy diversification, which will allow them to reduce dependency, by either looking for other energy sources, as in the case of Turkey, or looking for different export markets, in case of Russia. Nevertheless, due to energy and economic interdependence between the countries, from the liberal viewpoint, this will ultimately encourage a form of cooperation rather than conflict. Additionally, Russia does not have alternative customers in case of crisis with Turkey. This reminds of another example in history, when the largest trading partners, the UK and Germany during the First World War fought on opposite sides.

The main thoughts of liberalism are:

i. People are not selfish by nature, they strive for cooperation.

ii. War is a problem that must be solved jointly.

iii. The international community should be aware that the world needs international institutions that can prevent armed conflict.

iv. States should carry out domestic reforms in such a way as to promote cooperation between States.

v. In an international arena, there are other factors in addition to strength, such as morality and economics (Keohane R. O. & Nye J. S. 1972).

A few years after the publication of Waltz K. "Theory of international politics", in 1986 work of Kohen R. "Neorealism and its critics" got more popular among researchers. In the book the emphasis is on the exaltation of the role of non-State actors, particularly international organizations. The neoliberal approach differs from classical liberalism, and includes the following Statements:

a) in addition to States in international relations, participants can be various international governmental and non-governmental organizations, public associations and individuals, etc.

b) a great attention is paid to international security problems and the development of international cooperation.

According to neoliberals, a range of foreign policy issues that governments deal with has become wider. The problems of energy, resources, environment, population, use of space and the oceans now are on line with military security, ideology and territorial disputes, which have traditionally amounted to a diplomatic agenda.

R. Kohen and J. Nye allocate significant position of international organizations. In the views of realists, such organizations play a minor role, given the dominance of security issues. R. Kohen on the contrary argues that the transnational role of international institutions has been growing considerably. They promote the establishment of a range of questions, which in turn require solution. Accordingly, governments have to find solutions to problems, creating a coalition with other States which might in future form an international organization. Activities of such organizations help to more clearly set priorities. In the views of scientists from both areas there are similarities and differences:

First, neoliberals do not deny the fact that the international system is characterized by "anarchy", but the difference between neorealists and neoliberals is the recognition of the latest of managing lack of Supreme power.

Second, even though neorealists support neoliberals in cooperation with different States, they think it still depends on State authorities.

Third, if we talk about the benefits of this cooperation, the supporters of R. Kohen find it absolutely beneficial for participants and supporters, while supporters of Waltz believe that international cooperation is relative.

Fourth, with regard to priorities, neo-realists express national power, while neoliberals – economic well-being, despite the fact that they consider both priorities important.

Fifth, neo-realists believe that neoliberals overestimate the importance of international organizations in IR, though recognize some of influence.

Sixth, the reason for cooperation between States for neoliberals is economic well-being, and for neorealists – security in military terms.

Table 1.1: Comparison of realism and liberalism in IR

Question in IR	Realism	Liberalism
Main question	How does the environment determine the behavior of the State?	How is cooperation realized?
Competition model	Anarchy = the competition using mainly non-cooperative strategies	Competition using mostly cooperative strategies
Interest concept	"National" interest = objectively existing State interest is defined as fixed variable beyond the basic	Interest is not clearly defined, because it remains outside the framework of the basic

	model and consists of military security (the survival of the State) and economic welfare of the State	model; the interest is the main motivating factor in the behavior of the individual or people making political decisions, reflecting his preferences
Action type	Protection of "national interests"	Realization and keeping the self-interest of the actor
Main type of interaction of actors	War, conflict, zero-sum game	Exchange and cooperation
Time in a world politics when the theory is applicable	The situation of conflict and confrontation, the struggle for gains	Cooperation about the solution of the common problem to achieve the aim

Source: Miles K., 1997, p.420; Keohane R. 1986, p. 229; Jervis R., 1988, p.317-319

In conclusion, while all theories of IR are seriously argued, it seems inappropriate to see them as competitors about world politics. As a matter of fact, various theories may lead to various conclusions, but none is actually 'correct' or 'incorrect'. Liberalism is believed to provide the most meaningful explanation for the deterioration of Turkish-Russian relations in the new millennium, while also providing a reasonable explanation of the improvement of Turkish-Russian relations in the late 1990s and early 2000s. Relations between Turkey and Russia present a lot of cases as an example for economic interdependency. Liberalism may therefore be regarded as a theory in explanation of economic interdependence on relations between States. In other words, using this or that concept within the framework of the general theory of political realism, we get a different result of the study.

1.4 RESEARCH METHOD

The empirical-analytical case study research approach is used in the thesis. It allows the exploration and understanding of complex relations between Russia and Turkey. Through the case study method it is possible to go beyond statistical results and understand the behavioral conditions through Turkish and Russian perspective. With both qualitative and quantitative data being included, case study explains the process and outcome through complete observation, reconstruction and analysis. Russian-Turkish relations will be explored and investigated through detailed analysis of a number of events and conditions.

Yin (1984:23) defines the case study research method "as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used." An explanatory case study category is used in this thesis. The overall methodological approach for investigating the research problem is qualitative. An existing data, such as a data set or archival documents are used in investigating the current research. The purpose of this case study is to understand Russian-Turkish relations development by analyzing liberal and realist theories.

Case study method was used in Bridges and Boundaries book (Colin Elman & Miriam Fendius Elman 2001), where it offers a conversation between what might loosely be described as traditionalist diplomatic and military historians, and political scientists who employ qualitative case study methods to examine international relations.

Another example is "Politics in Time" (Paul Pierson 2004). Its purpose is to advocate that political scientists situate arguments in temporal perspective, to illustrate a number of ways in which they might do so, and to argue that much of the discipline does not presently take time seriously enough. The book is oriented not merely toward qualitative scholars or historical institutionalists, but rather "those interested in the attempt to develop claims about the social world that can potentially reach across space and time".

1.5 ORGANIZATION OF THE THESIS

The work consists of an introduction, three main chapters, conclusion, notes, bibliography and applications. The study of relationship between Russia and Turkey was conducted

through a separate examination of economic and political problems in structure of the overall relations between them. They were studied in time sequence, and in connection with emerging international situations and separate issues.

The introduction describes the relevance of the chosen topic, reviews the literature, and shows the chronological scope of the study, identifies the goal, the main objectives of the study, its methodological foundations, the novelty and practical significance of the work.

The second chapter, “Turkish-Russian relations development and effects on cooperation as of 2000s”, consisting of four paragraphs, describes economic, political and energy relations development between Turkey and Russia, their relations with Turkic Republics and talks about possible prospects.

The third chapter, “The downed jet crisis”, consisting of three paragraphs, describes the downed jet crisis, analyzes the reasons of strategic partnership, Straits status and Turkey-NATO-Russia triangle relations. It emphasizes the possibility of promoting political relations along the way to strategic partnership and discusses their prospects.

In conclusion, the overall results of the study are summarized, conclusions and recommendations are formulated and possible development of relations is shown.

i. Economic factor proved to be crucial in Turkish-Russian political relations development in the 1990s. It facilitated the rapprochement of the two countries, and political issues were settled through negotiations. A vivid example is the implementation of Blue Stream project.

ii. In the early 1990s, Turkey’s active foreign policy in Central Asia provoked rivalry with Russia. This situation persisted until the mid-1990s, then the period of overcoming difficulties began, and in the late 1990s the peak of normalization of relations that could not be achieved within 500 years was reached.

iii. Turkey lost to Russia in diplomatic rivalry in Central Asia. At the same time, the Caucasus Region reflects the highest level of competition and rivalry between the two countries. The Balkans no longer affect the relations between the countries, as it was in the early 90s of the 20th century.

iv. The relationship between the countries strongly depends on their direct interaction with the West. If there is tension in Turkey's relations with EU, it seeks to get closer to Russia.

v. In the late 1990s, Turkish government underlined that it intended to raise the level of relations with Russia to a strategic level. The center for strategic cooperation is Eurasia.

2. TURKISH-RUSSIAN RELATIONS DEVELOPMENT AND EFFECTS ON COOPERATION AS OF 2000s

2.1 ECONOMIC AND POLITICAL RELATIONS BETWEEN TURKEY AND RUSSIA

Russian-Turkish relations during recent period experienced a stage of rapid development, comparable only to Soviet-Turkish relations in 1920s, XX century. Russian-Turkish rapprochement that began in 1997 in the 21st century has turned into one of the main trends of the foreign policy of Moscow and Ankara, which results were obvious in a few years: Russia was becoming Turkey's first economic partner, Russia and Turkey agreed on creating a "High-Level Council", both States agreed with each other in political sphere, and their leaders exchanged visits.

According to Oya Silier, there are two stages in the foreign policy of Turkish Republic. In the first stage from 1923 to 1930, Turkish foreign policy tried to create political relations in terms of equality and independence. In the second stage, from 1930 to 1939, the policy became more active and effective inquiring world peace (Sillier O. 1971)

The Treaty of Lausanne was a peace treaty signed in Lausanne, Switzerland, on July 24, 1923 concluding World War I. Turkish borders received an international recognition with special provisions on Iskenderun and Mosul. Mosul was left to Iraq and later became a British mandate.[12] As a matter of fact, at the Lausanne Convention Turkey did not support Soviet Union.

However, it is interesting to note that the USSR was the first country to recognize Turkish Republic. On March 16, 1921 the Treaty of friendship and cooperation between Turkey and Russia was signed. On October 13, 1921 Kars Treaty regulating Turkey's relations with South Caucasus republics and the RSFSR was signed. On December 17, 1925 Turkish-Soviet Treaty of Neutrality and Non-Aggression was signed to express Soviet-Turkish friendship.[13] In 1926 the USSR became the first country to sign a trade agreement

[12] Treaty of Peace with Turkey signed at Lausanne, Lausanne, Switzerland, 24 July 1923, Republic of Turkey Ministry of Foreign Affairs, (online) URL: http://www.mfa.gov.tr/lausanne-peace-treaty.en.mfa, accessed July 2016

[13] Resmi Gazete, February 24, 1926, p. 306

with Turkey. On March 11, 1926 Turkey and the Soviet Union signed trade and navigation treaty.[14] In 1928 an agreement on investigation and settlement of the frontier disputes was signed.[15] In 1932 Turkey became a member of League of Nations.

However, when the Truman Doctrine was announced in 1947 to provide financial help to Turkey and Greece, it featured a new era of hostility between United States and the Soviet Union, which involved Turkey.

Leffler's work "Strategy, Diplomacy, and the Cold War; The United States, Turkey, and NATO, 1945-1952", examines the application of Truman Doctrine in Turkey. After the Second World War, the Soviet Union demanded some privileges from Turkey. Although US did not believe the Soviet Union would use military force against Turkey, they hesitated extension of Soviet influence in the Mediterranean and Near East. Britain's failure to provide further assistance to Greece or Turkey provided the excuse to arm Turkey against the Soviet Union. Turkish military was built up to slow Soviet offensive into the Middle East and finalize bombing in Southern Russia. Without making any commitments, United States hoped to gain strategic advantage from the situation in Turkey, but Turkish dissatisfaction with the lack of cooperation and the threat of Turkish neutrality in a war eventually meant that U.S. had to support Turkey to be accepted into NATO to ensure mutual cooperation. Consequently, Turkey turned to be a formal ally not because of the threat of Soviet attack, but because of its utility in a potential war against the Soviet Union. From the middle of 1947 all of this irritated the Soviet Union, which was frightened of the situation US was trying to create. Although Leffler concludes that the plans of United States were diplomatic reaction to the possibility of war, they were the driving forces that caused mistrust and fear between United States and the Soviet Union and led to Cold War (Leffler, Melvyn P. 1985, pp. 807-825).

Not to mention, Turkey established close relationship with the Soviet Union after the Johnson Letter and Cuban Missile Crisis. This close relationship helped to balance what at that time was a relatively conflictual relationship with United States. On December 25, 1963 Turkish President Cemal Gursel demanded pressure to Greek Cypriots in order to

[14] Resmi Gazete, May 31, 1927, p. 598
[15] Resmi Gazete, March 5, 1928, p. 1135

stop massacre against Turkish Cypriots in Cyprus by writing a letter to Lyndon Johnson, President of US. However, Johnson's main concern was not about international or regional peace. Inevitably, Turkey wanted to show that it was ready to war and would not leave Turkish Cypriots alone, however USA remained quiet. President Johnson addressed the letter to Turkish Prime Minister Inonu, which surprised Turkish government. The letter which began *"I am gravely concerned by the information which I have had through Ambassador Hare from you and your Foreign Minister that the Turkish Government is contemplating a decision to intervene by military force to occupy a portion of Cyprus. I wish to emphasize, in the fullest friendship and frankness, that I do not consider that such a course of action by Turkey, fraught with such far reaching consequences, is consistent with the commitment of your government to consult fully in advance with the United States. Ambassador Hare has indicated that you postponed your decision for a few hours in order to obtain my views"* emphasized the topics below;

a. For a long years US and Turkey are strong allies, that's why Turkey must not take significant decisions and implementation without consulting.

b. Turkey claims that she can interfere to Island based on guarantee agreement but this kind of intervention will cause to division of island which is prohibited by guarantee agreement.

c. Intervention will entail a war between Greece and Turkey, the war between two NATO members is definitely unacceptable.

d. In case of the USSR intervention to war, "NATO can not assist Turkey".

e. US do not allow TAF to operate weapons, which are provided by US in order to self-defense.

Obviously, Johnson's Letter raised some questions in Turkish foreign policy. First, Turkey understood that North Atlantic Treaty Organization (NATO) would not defend it and it was not clear how NATO could protect Turkey against the USSR. Second, the Letter became a turning point in Turkish foreign policies. After the letter, Turkey improved relations with the USSR and Third World Countries. Third, Turkey abandoned pro-American foreign policy. In this context, Turkey hesitated to join new beginnings within NATO and withdrew Military Forces from Multi Lateral Force (MLF). Turkey tried to reach new suppliers for weapons and establish national defense industry. Equally, the USSR was one of the most important weapon suppliers and Turkey evaluated this

option. Through Soviet weapons and Turkey's national defense industry, military campaign in Cyprus took place after 10 years from Johnson's Letter.[16]
The course of these events consequently led to national and international developments and brought new dynamics in cooperation between Turkey and Russia.

Economic partnership lies at the heart of Russian-Turkish cooperation. Over the past 15 years, the volume of mutual trade has grown 15 times and is an average of about $ 30 billion a year. The most important intergovernmental agreements have been concluded on the construction of Turkish Stream, Akkuyu nuclear power station, and large investment projects were being developed.

Experts note there are several factors that contribute to rapid development of Russian-Turkish relations in the 21st century. The main one is overcoming former foreign policy contradictions that harmed cooperation between Moscow and Ankara.

While the 1990s were "lost decade" according to Sener Akturk, during the mid-1990s, the countries continued signing a number of agreements that governed multiple aspects of their relationship.[17] After the mid-1990s Russia emphasized harmony with Turkey on economic, social and political spheres. In turn, Turkey replied to Russia's attitude positively, for this reason both countries developed their relations on other economic sectors.

By 1991 Turkey had economically penetrated Russia. At the same time, Russian businesses were conducting more business with Turkey as they sought to contribute to a rapidly developing Russian economy. As it was noted by French Le Monde (March 29, 2005 issue) "Having the trump card of the Black Sea, Russia and Turkey, two sworn enemies, suddenly became closer, primarily for economic reasons, as shown by almost simultaneous visits of two presidents, Erdogan and Putin".

[16] The Impact of Johnson Letter on Turkish Foreign Policy, 1964, June 5 (online) http://www.cyprus-conflict.org/materials/johnsonletter.html, accessed December 2015
[17] "Turkey's Foreign Relations with the Russian Federation", Republic of Turkey Ministry of Foreign Affairs (online) URL: http://www.mfa.gov.tr/Turkey_s-political-relations-with-Russian-federation.en.mfa, accessed July 2016

The revolution of 1991 overturned the Soviet Union's political, economic and social order and put 15 countries on the map where there had previously been only one. But like many revolutions in history, it was followed by a restoration.

Reactionary restoration at home led to aggression abroad. Russia invaded Georgia and Ukraine, two of the most democratic former Soviet republics. It intervened in the conflict in Syria, propping up the regime of President Bashar al-Assad. It attempted to undermine Euro-Atlantic institutions, backed right-wing parties in Europe and tried to meddle in US presidential election. And it was once again using threat of nuclear arms to blackmail the West.

"Putin panic" in the West and Putin himself said that US attempts to present Russia as an "evil empire" indicated "Russia's growing influence and significance.

In the eyes of his own people, Putin restored his country's status to that of the Soviet Union. According to a recent report by the Aleksanteri Institute in Finland, a think-tank, "the West's response to Crimean annexation partially did exactly what Putin had demanded: putting forward the notion of Western weakness in the face of Russia's superior 'hybrid warfare' capabilities implies respect and even fear of Russia as a powerful global actor."

Wars in Ukraine, Georgia and Syria have demonstrated Russia's willingness and ability to use its military power to achieve political goals. But they are not a sign of Russia's strength; instead, they indicate deep insecurity. As Kennan wrote: "At the bottom of Kremlin's neurotic view of world affairs is traditional and instinctive Russian sense of insecurity… This thesis provides justification for that increase of military and police power of Russian State… Basically, this is only a steady advance of uneasy Russian nationalism, a centuries-old movement in which conceptions of offence and defense are inextricably confused." This nationalism continues to shape Russia's behavior today.

When Putin became president in 2000, he showed no overt hostility towards US or the West, despite a recent NATO bombing raid on Belgrade without UN resolution that had triggered a shrill anti-American response. In his first interview with Britain's BBC, Putin

said: “I cannot imagine my own country in isolation from Europe, so it is hard for me to visualize NATO as an enemy.” Russia, he said, might become a member of NATO if it were treated as an equal partner. Even when the three Baltic States joined NATO in spring 2004, Putin insisted that relations with the defense organization were “developing positively” and he had “no concerns about the expansion of NATO”. As the Soviet Union fell apart, the bi-polarity of the international scene that characterized international politics for the preceding decades was replaced with a move toward uni-polarity.

When Prime Minister Ecevit traveled to Russia in 1999, Putin declared that Russia would not tolerate or support any terrorist activities directed toward Turkey. Similarly, Turkey gained opposition toward any terrorism occurring along the Southern border of Russia. In this example, both Russia and Turkey were acting as strategic partners, despite having relatively different foreign policy objectives.

Further strengthening of cooperation in economics, trade and arms occurred in 2000 as a result of Prime Minister Mikhail Kasyanov visit to Turkey.[18]
The first meeting of two presidents took place in September 2000 in New York at Millennium Summit. In November 2001 during the session of the UN General Assembly, the Foreign Ministers of Turkey and Russia signed an Action Plan for Cooperation in Eurasia.[19] It was said in the document that Russia and Turkey intended to contribute to creation of Europe’s comprehensive security and specified three areas of bilateral cooperation: political interests that cover almost all areas around the two countries; fighting against international terrorism; and scope of economic interests (energy, trade, communications, tourism). In 2001 at Turkish initiative the Black Sea Naval Cooperation Task Group was created (BLACKSEAFOR), which included six Black Sea countries and where Turkey and Russia took leading positions. Thus, an important step was taken in the direction of Turkish-Russian regional military-political cooperation.[20] In this document,

[18] Russia – Turkey, Visit of M. M. Kasyanov to Turkey, 2000, *Ministry of Foreign Affairs of Russia* (online) URL:http://archive.mid.ru//bdomp/dip_vest.nsf/2b52bc67d48fb95643257e4500435ef7/5203a82b646adec2432569b00042fc53!OpenDocument, accessed August 2016
[19] Action Plan for Cooperation in Eurasia between the Russian Federation and the Republic of Turkey (From Bilateral Cooperation to Multidimensional Partnership) 2001, *Russian Federation Embassy of Turkey*(online) URL: http://www.turkey.mid.ru/relat_2_t.html, accessed August 2016
[20] BLACKSEAFOR, 2016,*Republic of Turkey Ministry of Foreign Affairs* (online) URL: http://www.mfa.gov.tr/blackseafor.en.mfa, accessed August 2016

which was signed on November 16, 2001 in New York by Foreign Ministers of the countries Igor Ivanov and Ismail Cem, for the first time in Turkish-Russian interstate relations, the parties confirmed moving forward: first, from competition to cooperation, now – from bilateral cooperation to multidimensional partnership.[21] This is one of the best examples for neoliberal theory application.

Russian vector was strongly marked as one of main directions of Turkish foreign policy. This was evidenced by the fact that in December 2002 R. T. Erdogan, being the leader of ruling party visited United States and Russia. Turkish leadership highly appreciated the results of December talks in Kremlin with Russian President Vladimir Putin, which clearly stated: "Turkey is on the threshold of active work with Russia. The main goal of Ankara is to further develop relations with Moscow."[22]

With AKP coming to power in 2002, Turkey's new foreign policy has been forming. AKP leader R. T. Erdogan, who was appointed as a Prime Minister in 2004, was influenced by Professor A. Davutoglu, who was invited as an adviser to Prime Minister A. Gul on foreign policy (2003). The authorship of Turkish new foreign policy concept "Zero problems with neighbors" belongs to him. According to this concept, Turkey should pay more attention to relations with neighboring States, strengthen economic and political cooperation with them, regardless political regimes that exist there. Due to this concept, Turkey managed to reconcile and improve relations with all bordering States. Russian-Turkish relations have become an example of successful implementation of this strategy in practice: the parties moved from mutual distrust to a full-fledged economic political and cultural partnership.

Ahmet Davutoglu, being a University Professor in 2001 wrote a book "Strategic depth", which formed the basis of foreign political philosophy and practice of Justice and Development Party. In this book the author made an ambitious bid for the right of Turkey to act in foreign policy as a global political player. He stressed that "Turkey, born on historical and geopolitical ground of Ottoman Empire, should think and plan its defense

[21] Glushakova E., Russian and Turkish Foreign Ministers signed an action plan on developing bilateral cooperation in Eurasia,2001, *RIA news* (online) URL: http://www.rian.ru/politics/20011116/16845.html, accessed March 2017

[22] Bhadrakumar M.K., Russia and Turkey tango in the Black Sea, 2008, *Asia Times*(online) URL: http://atimes.com/atimes/Central_Asia/JI12Ag01.html, accessed March 2017

within its boundaries" (Davutoglu A. 2012. p.584). At the same time, he made the conclusion that "this historic legacy may de facto create a situation where Turkey will have to intervene immediately [in a situation] outside its boundaries." (Ibid) The last point is the basis of the expansionist policy of Turkey, which actively appears in the region and even beyond (Avatkov V. & Chulkovskaya E. 2013, p. 116–123).

Until 2008, there were no serious contradictions in the foreign policies of Russia and Turkey. For most of the foreign policy challenges, Ankara and Moscow had similar positions, which were often coordinated by the Foreign Ministries of the two countries. However, in August 2008, Russian-Georgian conflict in South Ossetia and Abkhazia became a real challenge in relations between Russia and Turkey.

The fate of the Caucasus and Black Sea region was decided during 2008 Russian-Georgian conflict. The clear desire of Washington to turn the Black Sea into a "NATO lake" was revealed by involving Georgia, and then Ukraine in the alliance and open opposition to this by the Russian Federation.

During the conflict, Russia anxiously expected reaction from Turkey, a NATO member, long-time Washington ally, who provided political, economic and informational support to Saakashvili's regime in Georgia. However, as noted by Russian researcher V. Dzidzoev, Turkey, among member countries of the North Atlantic Alliance, was the only country which supported military actions of the Russian Federation in August 2008 in the South Caucasus.

With a special attention Russian media noted the arrival of Erdogan to Moscow and his meeting with Medvedev and Putin in August 2008. Journalists willingly quoted his words: "I came to demonstrate my solidarity with Russia". With these words begins the comment of K. Zubkov "Turkey will support Russia. Ankara needs stability in the Caucasus", printed in the business newspaper *RBC Daily St. Petersburg* on August 15, 2008.

A new stage in Turkish-Russian relations was launched in 2009 when Turkish President A. Gul visited Moscow, a Joint Declaration on development to a new stage of relations

between Russia and Turkey and further deepening of friendship and multidimensional partnership was created.[23] There is a reason to believe that mutual Turkish-Russian beginnings will succeed, and this in turn will lead to a deepening of strategic partnership relations.

Both parties agreed to simplify the conditions of trade and agreed on the opening of a joint Turkish-Russian college and university in Turkey for the purpose of social friendship on Summit in August 2009. (Akturk S. 2006, p. 357)
Furthermore, Turkey showed respect to Russia's rights in the Caucasus, supported Russian struggle against Chechens and stayed out of the Azerbaijan-Armenia conflict over Nagorno-Karabakh.

Turkey is currently looking towards Shanghai Cooperation Organisation (SCO). In summer 2012 Ankara, with the active support of Moscow became a negotiating partner in SCO, and by the end of 2012 Recep Tayyip Erdogan (Recep Tayyip Talks) have repeatedly Stated that Turkey was ready to join SCO. If this happens, then SCO will directly interpose in geopolitical field of NATO, and consequently the entire Euro-Atlantic community. In these circumstances, the creation of contact zone between NATO and the CSTO (Collective Security Treaty Organization), which Russia is seeking for many years is unavoidable, although NATO resists interaction with defensive organization in many CIS countries.[24]

As of 2013 cooling of Turkish-Russian relations began. Russia did not recognize Kurdistan workers' party (PKK) as a terrorist organization. Turkey was worried about success of Syrian Kurds in the fight against ISIS (Islamic State of Iraq and the Levant). Russia and Turkey had initially taken a strong position on Syrian conflict. In the end of April 2015, Vladimir Putin in his speech at the commemorative events to mark the centenary of mass killings of Armenians in the Ottoman Empire in 1915 used the term

[23] Joint declaration on the promotion of a new stage of relations between the Russian Federation and the Republic of Turkey and further deepening of friendship and a multifaceted partnership dated February 13, 2009 / President of Russia (online) URL: http://kremlin.ru/supplement/172, accessed September 2016
[24] Anon., Secretary General: there are no legal obstacles for SCO expansion, 2015, *RIA news* (online) URL: http://ria.ru/world/20150324/1054179703.html#14273596047344&message=resize&relto=login&action=removeClass&value=registration, accessed May 2016

"genocide".[25] This caused a sharp reaction from Ankara. Moreover, Russian leadership maintained close relations with far-right European parties, such as French National front of Marie Le Pen, who opposed the adoption of Turkey in EU.[26] Ahmet Davutoglu was the first to visit Kiev after "Maidan". Turkey has not recognized the results of referendum in Crimea and supported the resolution of the UN General Assembly in support of the territorial integrity of Ukraine.

Turkish representative to UN stressed "the need to ensure the security, prosperity and rights of Crimean Tatar Turks as an inseparable part of Crimean population."[27] In response, Russia accused Turkey of violating Montreux Convention, as warships of United States entered through the Straits, exceeded the length of stay in the Black Sea, established in the Convention.[28]

The end of 2015 was marked by a sharp deterioration in Turkish-Russian relations, which not only complicated already dramatic situation in the Middle East, but also created an additional source of tension in relations between Russia and the West.

On November 24, 2015 Russian front-line bomber SU-24, carrying out a mission in northern Syria, not far from Turkish border, was shot down by a Turkish F-16 aircraft and fell four kilometers from Turkish border on Syrian territory.

It was the first time in the entire history of NATO's existence, when one of the alliance countries attacked a Russian aircraft, which could lead to unpredictable consequences. Russian government's position was announced immediately, on the afternoon of November 24, when Putin at the meeting with Jordanian King Abdullah II described

[25] President took part in commemorative events dedicated to the 100th anniversary of the Armenian Genocide, April 2014, *President of Russia* (online) URL: http://www.kremlin.ru/events/president/news/49332, accessed September 2016

[26] Demir E., Marin le Pen, the winner in French elections, demanded termination of negotiations between Turkey and the EU, May 2014, *inosmi.ru Russia Today* (online) URL: http://inosmi.ru/asia/20140529/220656854.html, accessed September 2016

[27] General Assembly Adopts Resolution Calling upon States Not to Recognize Changes in Status of Crimea Region , March 2014,*United Nations* (online) URL: http://www.un.org/press/en/2014/ga11493.doc.htm, accessed September 2016

[28] Russian MFA Information and Press Department Commentary Regarding Turkey's Implementation of Montreux Convention as of April 10, 2014 / *Russian MFA* (online) URL: http://archive.mid.ru//brp_4.nsf/newsline/FC45C535A1D1115644257CB6004EB97E, accessed September 2016

Turkey's actions as "a stab to the back, made by accomplices of terrorists." He noted that Russian pilots did not threaten Turkey in any way, since they were in operation on Syria's territory against terrorists, who "could return to Russia at any second." And Russia would never tolerate such crimes, despite the fact that "Russia always treated Turkey not just as a close neighbor, but as a friendly State" (*First Channel*, 2015, November 24). It is interesting to note that such a rapid reaction was surprising because at critical moments Putin usually does not rush to appear in public; so that even hypotheses about deliberately drawing Turkey into the conflict have appeared (Turkey is an ally in the fight against IS, 2015).

In the following days, Turkey's actions were defined as a planned provocation, about which in particular, Russian Foreign Minister Sergey Lavrov claimed on November 25. He also noted that he was not satisfied with the excuses of Turkish counterpart Mevlut Cavusoglu, as if Turkish pilots did not know that it was a Russian plane and took it for Syrian.

Meanwhile, after the incident with SU-24, it was never remembered that Turkey was already showing discontent with the violation of Turkish airspace by Russian aircrafts. In particular, on October 3-4, Turkish authorities protested to Russian ambassador, and Recep Tayyip Erdogan threatened to stop the gas contracts and the agreement with Rosatom on construction of the first nuclear power plant in Turkey.

The most important topic of accusations against Turkey was the indication of its direct connection with IS. Already in his speech on November 24, Putin said that Russia had long recorded the fact that a large amount of oil and oil products from the territories captured by IS were being sent to Turkey, and terrorists therefore received huge financial resources.

Criticizing Turkish authorities, Russia did not miss the opportunity to remind that the US and NATO are behind Turkey, who seem to be interested in a joint fight against terrorism, but did not want to strengthen Russia's positions in the Middle East. As a result, Russia introduced severe sanctions against Turkey, including visa-regime and export ban of products.

It was clear for Russia that Turkey would suffer much more from trade deficit than Russia, since Turkish exports would easily be replaced from other countries. In Russian food imports, Turkey's share is only about 4 percent, and 15 percent of Turkish agricultural products do not meet Russian standards. An even more painful blow to Turkish economy was refuse of Russian tourists to visit the country. In 2014 the number of Russian tourists reached 4.4 million (12% of the total tourist flow). However, the fact that the closure of travelling to Turkey would also hit Russian tourist industry, already badly affected after the government decided to suspend air communication with Egypt due to the destruction of Airbus A321 of Kogalymavia on October 31, was kept silent.

It is not surprising that the closure of these directions, together with the serious fall of Russian ruble, caused a catastrophic drop in tourism, which would result in closing of up to 30% of companies by spring 2016 (Business Online, 2016). Such a rapid reduction in the ability to travel abroad gives a reason to consider whether the government's restrictive measures are a deliberate policy to close the country like it was in Soviet times.

Political contradictions create significant problems to further development of relations. The period from 2013 to the present can be described as a temporary freeze of relations: the parties are afraid to develop them further because of political contradictions and complex international situations, and at the same time they are not ready to give up what has been achieved.

Table 2.1: Comparison of Russian and Turkish foreign policies

Factor	Turkey	Russia
Geopolitical interest after the collapse of the USSR	In favor of the territorial integrity of Azerbaijan and against Armenian occupation. Supports Georgian territorial integrity.	Strives to keep the influence and a privileged position in the former Soviet States of Central Asia, Caucasus and the Bank Sea region. Totally lose control over Baltic States.

NATO	Has been in favor of NATO's expansion to Eastern Europe.	Consistent opposition to the expansion of NATO, as an anti-Soviet, anti-Communist organization that should have been destroyed with the collapse of the Soviet Union.
Natural resources	Aims to develop alternative pipelines and routes for oil and gas from Central Asia and from the Caucasus to Europe. BTC which was completed in 2005-2006 is the best example.	Aims to be the main source and the transit route of most if not all oil and natural gas going into Europe from the territories of the former Soviet Union.
Weapons trade	Supports Russian policy of maintaining a weapons sales network competing with the United States	Trying to secure its access to various markets for Russian weapons, the second most important export category in Russia's global trade.
Polarity	Supports the grand strategic goal of Russian foreign policy, which is to construct and maintain a multipolar world order.	In favor of a multipolar world order, and is resolutely against a unipolar world order under the leadership of the United States.

It is important to say that formation of a new multipolar world require each country to develop a responsible policy, especially in regions where it is located, and to search good-neighborly relations with neighboring countries. It is unacceptable that non-regional players get in the way of rapprochement of neighboring countries. This circumstance increased the cooling of Turkish-Russian relations when after the incident with Russian jet Turkey instead of immediately establishing contacts with Russian leadership, in an attempt to hide behind NATO's support, convened a meeting of the organization. Thus,

Turkey demonstrated its inability to act as a responsible independent player in the international political arena.

Ties with Turkey strengthen the global dimension of Russia's foreign policy and its foreign economic potential. Turkey in turn, considers Russia as one of backbones of its movement to the center of world politics to conquer stronger positions in the world economy and acquire effective resources of influence in the world community as one of key actors. Geopolitically, geostrategically and geoeconomically Russia and Turkey interact with each other on the principles of mutual benefit, pragmatism, strategic partnership, cultural interpenetration and intersection of spiritual values, which are characteristic to both countries. Both countries are active in shaping the system of global coordinates of new world order, as well as in the development of a big geopolitical game in the Black Sea and Caspian regions (Ryabcev V. 2009, pp. 132–159). Fast rapprochement between Russia and Turkey in the twenty-first century was geopolitically, geoeconomically and geostrategically defined by the logic of development of these countries, the need to interact without wars in the context of global and regional security.

The scale of economic, humanitarian and political cooperation of Russia and Turkey are so significant that allowed German specialist Heinrich Bonnenberg to predict Turkey's membership in the Eurasian Union, where in his opinion the territory with the Turkic population of Asia, China and Europe eventually will be included (Bonnenberg H. 2012, p. 71).

Russia clearly separates current Turkish leadership and Turkish people. Vladimir Putin emphasizes: "We believe Turkish people are friendly. And I don't want us to have curtailed relations with them. As for current leadership, nothing is eternal under the moon." (Mozloyev A. no date)

Columnist Mehmet Barlas from Sabah newspaper expressed deep disappointment that cooperation between Ankara and Moscow in the period after the end of Cold War was suddenly aborted. (Ibid) Mehmet Barlas talks about the need to put an end to tensions and resume dialogue. However, the author does not mention necessary steps, which are expected from Turkish leadership.

The Director of the Institute of Oriental studies, corresponding member of RAS, V. Naumkin is sure that despite existing differences, with great possibilities of interaction, Russia and Turkey are interested in preserving cooperation and further development, which allows considering him a supporter of neoliberal theory (Naumkin V. 2012).

Foreign Minister Sergey Lavrov in turn, focuses on the fact that the current state of Turkish-Russian relations is stable, as they develop on a sustainable and solid basis.[29]
The work edited by N. G. Kireeva "Turkey between Europe and Asia", which is the first comprehensive study devoted to various features of Turkey's development as a potential economic partner of Russia should be emphasized.

The work by G. A. Uysal "Turkish-Russian relations at the turn of the 21st century: 1991-2008" analyzes a number of problems of bilateral and multilateral relations. "Modern Turkish-Russian relations: problems of cooperation and prospects for development", a joint work by O. A. Kolobova, A. A., Kornilov, F. Ozbay and others as well as a collection of articles "Turkey in the twentieth century" under the editorship of E. I. Urazovy reflect the points of view and assessments of Russian, Turkish and Ukrainian researchers on the development of Russian-Turkish relations.

Unconditional condition for Turkey and Russia is the continuation of current legal regime of the Straits, based on Montreux Convention. After the collapse of the USSR, Turkey with its powerful fleet in the Black Sea region became the dominant military power in the Straits of Bosporus and Dardanelles and took the biggest share of responsibility for maintaining security in the region. In short, relations between Turkey and Russia are more positive than negative. The atmosphere of neighborhood allows overcoming difficulties, which arise when States have different national interests.

Turkish and Russian media reflect opinions of those public representatives who consider it unacceptable to turn the Black Sea into a "NATO lake". However, there are various reasons for this. Russia is interested in preserving the Black Sea basin as a zone of peace;

[29] Anon., Analytical review: Russian-Turkish relations are experiencing a "sensitive period", 2012, *China Radio International CRI* (online) URL: http//Russian.cri.cn/841/2012/10/18/1s445389.htm, accessed June 2016

the Republic of Turkey achieves its dominations in the region. Although, Turkey is a NATO member, the emergence of a higher number of allied ships in the above-mentioned area may lead to the domination of United States rather than the Black Sea coastal States.

The rules of the game developed after the Westphalian system do not satisfy Turkey, which doesn't doubt in its regional leadership, but at the same time experiences the influence of multiple forces in the world and in the region. Given all these ambiguous processes, Ankara pursuing an independent policy cannot ignore emerging global changes. The leadership of Turkey has to make efforts aimed at preserving the fullness of sovereignty. There are very complicated relations with NATO and, first of all with its main ally US. Turkey has deliberately chosen a course aimed at gaining greater freedom and independence.

2.1.1 Gas

The standard response to liberal thesis of "energy dependence" is a reference to the fact that "economic relations connect both sides, and Russia is no less dependent on foreign exchange profits from Turkey than Turkey from Russian energy".

For the last fifteen years Turkey has the second largest economy in the world (after China) in terms of growth in electricity and natural gas consumption. In Europe, Turkish economy is the sixth largest economy and its dynamic growth requires increasing supplies of energy, yet Turkey lacks energy resources, as domestic sources cover no more than 25% of its total energy demand, while the remaining 75% are satisfied mainly by imports of oil, natural gas and coal. Turkey is a large consumer of natural gas and according to the volume of foreign purchases consistently ranks among the five largest importers in the world (Kurucak A. & Shcherbakova A. 2016, pp. 16-26).

In the recent years, Turkey imported 29,03 billion cubic meters of gas from Russia, accounting for over 60% of consumption in the country. Gas is delivered approximately in equal shares by two routes – directly via Blue Stream and the transit through Ukraine, Transnistria, Romania and Bulgaria. Ankara has also other sources, Iran and Azerbaijan supply gas via pipelines from the East (Kim Y. & Blank S. 2016, pp. 37-55).

Currently, the country has a well-developed infrastructure to import gas, while actively developing transit capacity for natural gas supply to Europe. Now the needs of gas are supplied from multiple sources. Most of imported gas volumes are purchased by Botaş (75%). The country is also a major consumer of oil. Imports consist of 96,6% of all consumed oil. So, in the first months of 2017, Turkey had imported 7.4 million tons of oil.

Table 2.2: Turkish long-term contracts with its suppliers

Current Agreement	Volume (bm/year)	Date of Agreement	Status	End Date
Algeria (LNG)	4.4	1988	In operation	Oct-24
Nigeria (LNG)	1.3	1995	In operation	Oct-21
Iran	9.6	1996	In operation	Jul-26
Russia (Blue Stream)	16	1997	In operation	End of 2025
Russia (West)	4	1998	In operation	End of 2021
Turkmenistan	15.6	1999	Pending	
Azerbaijan (Phase 1)	6.6	2001	In operation	Apr-21
Azerbaijan (Phase 2)	6	2011	2017/2018	2032/2033
Azerbaijan (BIL)	0.15	2011	In operation	2046

Source: BOTAS

According to Foreign Ministry of Turkey, the key objectives of energy policy include:

i. diversification of imported energy supply routes;
ii. strengthening of Turkish transit role in energy supply;
iii. strengthening positions in energy security of Europe;
iv. increase the share of renewable energy sources;
v. strengthening the capacity of nuclear energy;
vi. energy efficiency;[30]

[30] Turkey's Energy Profile And Strategy, 2016, *Republic of Turkey Ministry of Foreign Affairs* (online) URL: http://www.mfa.gov.tr/turkeys-energy-strategy.en.mfa, accessed May 2016

It should be noted that Turkey, located between the leading suppliers of oil and natural gas and Europe, is actively promoting its geoenergetic interests. Thanks to “correct” energy diplomacy, Turkey succeeded in signing and implementing major projects on transportation of energy resources through its territory.

In particular, the following pipelines:

i. Kirkuk-Ceyhan oil pipeline;
ii. Baku-Tbilisi-Ceyhan oil pipeline;
iii. Baku-Tbilisi-Erzurum;
iv. Interconnector Turkey-Greece (ITG);
v. Western route (West Line);
vi. Blue Stream;
vii. Iran-Turkey;
viii. Tanap is supported by EU in a serious manner. This pipeline provides transportation of natural gas from Azerbaijani field Shah-Deniz Phase-2 to Europe through Turkey. There may be a potential for a major transit route for natural gas sales from Iraq and Iran to Europe. As a result, natural gas from these countries will further reduce the dependency of Europe on Russia. Energy Ministers of Turkey and Azerbaijan in December 2011 signed an agreement on its future construction, and the process of reconciling the location and route of the gas pipeline started. The share of Turkish BOTAŞ in the project will amount to 30%, and 70% are amounted to Azerbaijani company Socar.

It should be emphasized that Russia is an important actor in Turkish energy diplomacy. The rapid increase in demand for imported energy resources and geographical closeness to energy powerful Russia have become a solid foundation for a long-term cooperation between two countries in fuel and energy spheres. The expansion of relations in the energy sector resulted in signing a number of agreements on various projects — from construction of oil and gas pipelines to nuclear power plants (Ozdemir V. 2013). Despite mutually beneficial interaction, deep problems in Turkish-Russian relations arise from time to time in connection with clash of national interests in the sphere of gas transit. Turkey is trying to position itself as an alternative route of gas supplies because of

growing concern about Europe's increasing dependence on Russia. Russia in turn tries to strengthen its current position in European market as a leading energy supplier by different delivery routes.

Even though despite the conflict of national interests, two States continue to cooperate in the field of energy, which again proves the implication of liberal theory in Turkish-Russian relations.

Turkey imports nearly 99% of the natural gas it consumes. Over the last decade, Turkey has been the second country, after China, in terms of natural gas demand growth. In 2016, Turkey imported around 46,1 bcm of gas. 52,9% of natural gas is imported from Russia, followed by Iran (16,6%), Azerbaijan (13,9%), Algeria (9,24%) and Nigeria (2,6%).

Figure 2.1: Share of Imported Natural Gas by Source Country in 2016(%)

Source: Botas and EMRA

Turkey imports around 89% of its oil supplies. In 2016, Turkey imported 40 million tons of oil mainly from Iraq (23,09%), Russia (19,38%),Iran (17,32%), India (9,95%), Kuwait (6,31%), Saudi Arabia (6,02%).

Figure 2.2: Turkey's oil imports by source in 2016

Figure 2.3: Turkey's crude oil imports by source (2015)

Source: EMRA

Turkey was actively negotiating with Russia concerning the discount for supplied gas. In early 2015, with persistent efforts the country partially achieved its aim — the discount rate was increased to 10.25% (Guliev I. & Litvinyuk I. 2015). In recent years, Turkey set an important task — to turn from transit country into a regional gas hub. The events in

Ukraine increased geostrategic importance of the Black Sea region for Russia, and also strengthened the ambitions of Turkish side. Turkey is a difficult figure on the energy chessboard of Europe. The transformation into the gas hub without strategic partnership with a major exporter does not seem possible. To implement the tasks is not possible due to several problems, primarily due to lack of necessary transmission infrastructure in the country.

From geopolitical point of view, Turkey contributes to strengthening of Russia as a leading supplier of energy to Europe. In turn, Russia is helping Turkey to implement its ambitious intention to become a transport hub of energy resources. So, it should be emphasized that Turkey pursues an independent policy from EU that becomes the most important factor of dynamic development of energy dialogue with Russia. It should be noted that Turkish-Russian energy dialogue on issues of gas transit in the triangle Turkey – Russia – EU is dominant and becomes the foundation of cooperation between two countries. It is obvious that Russia and Turkey have reached a mutually beneficial formula of cooperation in this sphere, although sometimes their interests and positions differ (Guliev I. & Ozdemir V. 2012, pp. 104-112). Their geographic closeness and Turkey's deficit in energy resources together with Russian energy expansion increased the prominence of energy relations over the past few decades.

With a historical background dating back to 1980s, an intergovernmental agreement on natural gas delivery to Turkey was signed between the USSR and Turkey in 1984. In accordance with this agreement a pipeline through Ukraine, Moldova, Romania and Bulgaria for 6-8 billion cubic meters of natural gas sale was built. According to the agreement 70% of gas cost Turkey was obliged to pay with goods and services. This form of payment for energy ensured further development of economic relations between the countries. During these years in 1980-1990s Turkish companies participated in construction of tourist complexes, shopping malls, industrial enterprises on Russian territory as a payment for gas (Avatkov & Druzhilovskii and Fedorchenko 2015) Following these years of cooperation and bilateral trade, Blue Stream pipeline, the world's deepest undersea pipeline was launched. Russia and Turkey play prominent roles on energy map of the world: the first as the owner of large stocks of energy-developed fuel, and the second as a promising transportation corridor, connecting European

consumers and suppliers of energy resources of Caspian, Central Asia and Middle Eastern regions.[31]

a) SOUTH STREAM

Originally, South Stream was seen as a competitive project to Nabucco, which was never implemented. For a long time clash of interests between Russia and Turkey in connection with realization plans of Nabucco project (construction of a gas pipeline from Turkmenistan and Azerbaijan to EU) was discussed. The project involved Turkish side, the pipeline was supposed to pass through its territory (bypassing Russia). However, the project was not realized.

South Stream project was started in 2010 to decrease the dependence of Russia from hostile neighbors. In the first stage it was being developed quite successfully. Seven intergovernmental agreements were signed. However Russian government decided to stop the country's participation in December 2014.[32] High cost of the project (over the last few years, its value increased by almost half), uncooperative position of EU, introduction of economic and political sanctions against Russia, geopolitical situation around Ukraine and other factors played a big role (Andreev Y. 2015).

b) TURKISH STREAM

At the same time with closing of South Stream in 2014, the decision to "rotate" it in Turkish direction was announced. The project, which gained a name Turkish Stream provides transportation of natural gas from Russia across the Black Sea to Turkey and end in "hub" on Turkish-Greek border, where Europe can buy Russian gas. For construction of the pipeline the existing infrastructure designed for the South Stream was expected to be used. Russian side was expected to take the offshore part of Turkish Stream, while the onshore construction of gas transport infrastructure would be mutual.[33] One of the important tasks in construction of a new pipeline is the exception of Ukraine,

[31] Hudyakov N., Being a "bridge" between Europe and Asia is very profitable, 2012, *World Energy* (online) URL: http://www.worldenergy.ru/index.php?id=20_47_2531, accessed August 2016
[32] Klimentyev M., Russia and Turkey signed eight documents after Putin's visit, December 2014, *RIA news* (online) URL: http://ria.ru/east_politics/20141201/1036041148.html, accessed March 2015
[33] Joint press conference with President of Turkey Recep Tayyip Erdogan dated December 01, 2014, *President of Russia* (online) URL: http://www.kremlin.ru/events/president/news/47126, accessed September 2016

or at least a radical reduction of its role as a transit country in supplies of Russian gas to Europe. This project will allow Turkey to strengthen its position on Eurasian market.

The capacity of a new gas pipeline should make 63 billion cubic meters of gas per year. Of this amount, 14 billion cubic meters will be delivered to Turkey's consumers.[34] According to some experts the termination of supplies through Ukraine in 2019 will leave European companies no choice, but to connect to Turkish Stream.[35] The head of Gazprom Alexei Miller made the Statement that Turkish Stream will be in use as of December 2016 after signing the agreement on May 7, 2015 with Turkish Energy and Natural Resources Minister Taner Yildiz.[36] However, On July 9 a message was received about cancellation of Gazprom contract with one of the major contractors for construction of Turkish Stream, the Italian company Saipem S. p.A. The formal reason was the prolongation of negotiations on the question of gas discounts for Turkish side. In March 2015 BOTAŞ bargained with Gazprom over 10 % discount, but it was not enough for Turkish side.

[34] "Turkish Stream" 2016, *Gazprom* (online) URL: http://www.gazprom.ru/about/production/projects/pipelines/turkish-stream/, accessed September 2016
[35] Ratnikov A., Galaktionova A., Podobedova L. The two-way flow: How do Gazprom and Russia risk in Turkey, May 2015, *RBC* (online) URL: http://www.rbcdaily.ru/industry/562949995305598, accessed September 2016
[36] Gazprom, Ankara agree to start Turkish Stream gas deliveries in December 2016, May 2015, *Russia Today* (online) URL: http://www.rt.com/business/256509gazprom-turkeypipeline-launch/, accessed September 2016

Figure 2.4: Turkish Stream map

Source: Oxford Institute for Energy Studies

Turkish Stream project experienced several obstacles, which were likely to cause delays beyond 2020 and possibly cancellation. Notwithstanding much initial enthusiasm of Russia and Turkey, and signing of a memorandum of understanding (MoU) in December 2015, Gazprom (2014c) parties didn't succeed to sign an Intergovernmental Agreement (IGA) on the project despite negotiations for most of 2015. Gazprom also failed to secure a number of permits from Turkish government it would need to proceed with the project. Turkey did not give permission to build the offshore section of pipeline in its EEZ (Exclusive Economic Zone) and territorial waters, although it cleared the usage of South Stream EIA (Environmental Impact Assessment) study. Despite not having the necessary permits, Gazprom raised delays of its contract with Saipem of Italy (originally contracted to build the offshore section of South Stream) to build an offshore section of Turkish Stream.[37] This decision was made after Miller's announcement in May 2015 (after a

[37] Reed S., Gazprom cancels Italian Contractor's deal for Black Sea pipeline, 2015 July (online) *New York Times*, URL: https://www.nytimes.com/2015/07/10/business/international/gazprom-saipem-pipeline.html, accessed January 2016

meeting with Turkish Energy and Natural Resources Minister Taner Yildiz) that an agreement was reached for gas to start flowing via Turkish Stream in early 2016; however, this announcement was contradicted by Turkish ambassador to Russia, Umit Yardim, who stated that the project would only be launched after 2017.[38] As disagreements continued, Gazprom cancelled the Saipem contract in July 2015.

Turkish Stream pipeline will enhance stronger political cooperation between Turkey and Russia. Russia's attitude is explained by the fact that it sees Turkish Stream as a commercial project, allowing it to exclude Ukrainian transit in terms of existing supplies to Western Turkey as well as to meet an increase in Turkish demand. It also sees Turkish Stream as a transit diversification project in respect to its exports to Europe. This was suggested by Putin's Statement, made in December 2015, that the project's restoration would be conditional by receiving 'written guarantees' from EC, acknowledging that all pipelines routes including through Turkey were 'priority projects and will be supported.'[39] This was further confirmed by Russian energy minister, who said that Russia would be ready to work on the project if Turkey and European countries 'demonstrate their interest.'[40] However, EC is unlikely to provide any guarantees, especially as Turkish Stream's absence will imply continue gas transit across Ukraine.

In contrast to Russia, Turkey sees it as a strategic project, potentially increasing its import dependence on Russia (but without necessarily turning it into a 'hub' as it had previously hoped). If this idea gains dominance, Turkey might decide not to continue with the project and cancel its offshore permits (Platts, 2015). However, such a decision will imply Turkey's continuing dependence on Ukrainian transit for two thirds of Russian gas imports. It can also create a potential shortage of capacity for additional Russian imports if its demand continues to increase as expected.[41] In October 2015 the expansion was scaled down to 1 bcma, (see 'Gazprom mulls reduction in Blue Stream natural gas link

[38] Vladimir Putin's press conference, 2015, December 17, President of Russia (online), URL: http://en.kremlin.ru/events/president/news/50971, accessed February 2016
[39] It has been rumored that Turkey has already cancelled the permits; if true this would indicate that such thinking is prevailing, see 'Interview: Stern on gas supplies, markets in the year ahead', Natural Gas Europe, 2016, January 21
[40] In October 2014, Gazprom agreed to expand Blue Stream's capacity of 16 bcma by 3 bcma (at Turkish request), see Gazprom (2014a)
[41] For an analysis of these alternatives see Stern (ed.) (2014)

capacity expansion'),[42] given the possibility of limited realistic alternatives up to the mid-2020s.[43]

The realization of Turkish Stream is possible when Turkey builds consistent energy policy. In order to implement this project, Turkey must first of all resolve a number of issues with Russia. These include a right of Turkish side to re-export Russian gas, investment in gas transportation system, structure of Turkish-Russian partnership in the gas sector, etc. It is necessary to note that in December 2015, in connection with the crisis in Turkish-Russian relations, the project Turkish Stream was suspended.

For Russia, the implementation of Turkish Stream will mean:
i. diversification of gas supply routes to European market;
ii. financial savings because Turkish Stream is a cheaper alternative to South Stream;
iii. important geo-economic step for strengthening geostrategic positions;
iv. stabilization of gas exports by eliminating dependence on Ukraine;
v. a possibility of temporary conflict with Balkan countries.

Turkish-Russian cooperation in gas sphere is not limited by supply of Russian gas to Turkey through Blue Stream and through the Eastern corridor. In the period of aggravation of Russian-Ukrainian relations, when Ukrainian side has been playing the "environmental map", not wanting to allow South Stream construction bypassing Ukraine, Turkey after talks at the highest level between the heads of Russia and Turkey agreed to provide its EEZ for the passage of underwater part of gas pipeline under the Black Sea.

Turkey had an intense pressure from the West forcing Ankara to give up the project. However Turkey chose to follow its own geopolitical and geoeconomic interests, which strongly encourage it to take an active part in relations with Russia, including the gas sector. It is not the exclusion that the West, especially EU, will continue its pressure on Turkey and Russia.

[42] Tanas O. & Kravchenko S. July 2016, Putin, Erdogan Mend Ties as Post-Coup Turkey Turns to Russia (online) URL: https://www.bloomberg.com/news/articles/2016-07-26/putin-erdogan-mend-ties-as-post-coup-turkey-turns-toward-russia, accessed December 2016
[43] 1933, October 29, *Izvestia*, (from Soviet Documents III, pp. 32-33)

c) BLUE STREAM

A turning point in Turkish-Russian relations was the visit of Prime Minister Viktor Chernomyrdin in 1997 to Turkey, when the agreement on joint construction of gas pipeline Blue Stream to supply Russian natural gas to Turkey via the Black Sea was finally reached. Blue Stream pipeline is a unique project in the world. It is aimed to supply 365 billion cubic meters of gas to Turkey for 25 years. The project started operating in 2005. In February 1999, Gazprom signed an agreement on cooperation with an Italian company Eni.[44]

After the construction of Blue Stream gas pipeline, 68% of consumed natural gas by Turkey is supplied by Russia.[45] This means that Turkey chose a long-term development direction of Turkish-Russian relations. Among other suppliers of natural gas to Turkey, Gazprom holds an extremely important place. Russian company, having completed projects of a high technological level, has proved itself as a reliable supplier of gas, fulfilling all its obligations. Turkish side values Russian reliability. This is evidenced by the fact that Turkish representatives in 2009 began discussions with Russian colleagues of increasing the capacity of Blue Stream. This project was named Blue Stream-2. Both sides are interested in expanding the capacity of gas transportation pipelines from Russia to Turkey.

Implementation of Blue Stream project laid a solid and mutually beneficial economic foundation in Turkish-Russian relations, which in turn has a positive impact on the warming of political relations between the countries. “The level of trade and economic ties gives us every reason to believe that we have come to a friendly country, not just a partner”, – stated President of Russia Vladimir Putin during his visit to Turkey on December 3, 2012. “We aim to achieve in the coming years 100 billion dollars of trade turnover, and it is a completely realistic goal,” – said Vladimir Putin during a joint conference with R. T. Erdogan.[46]

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[44] Blue stream, 2016, *Gazprom* (online) URL: http://www.gazprom.ru/about/production/projects/pipelines/active/blue-stream/, accessed August 2016

[45] Joint press conference with President of Turkey Recep Tayyip Erdogan dated December 1, 2014, *President of Russia* (online) URL: http://www.kremlin.ru/events/president/news/47126, accessed September 2016

[46] Rozhkov E., December 2012, Putin and Erdogan discussed investment projects and the situation in Syria, *Vesti.ru* (online) URL: http://www.vesti.ru/doc.html?id=974381&cid=5, accessed October 2016

d) EUROPE

Turkish and Russian policies on gas transit to European markets demand a more active relationship with EU. More than four-fifths of volume production of Russian energy resources is exported to European countries; the share of Russian gas in the markets is about 25%. To improve the reliability of supply and transit of Russian natural gas in South-Eastern Europe, a large-scale project on construction of energy export infrastructure of Blue Stream gas pipeline is implemented.

Turkish-Russian cooperation in the gas sector can create a powerful gas distribution center in South-Eastern Europe. Due to the absence of gas hub in Eastern Austria and European Commission's blocking the acquisition of 50% of Austrian Central European gas hub by Gazprom, the interests of Russia and Turkey are finding common ground. Both countries want to play a more active role in changing the structure of European gas trade. In this respect Eurasian gas hub, located in the joint management of Russian and Turkish companies is a great solution.

With the beginning of transit projects implementation in the Black Sea region there is a rivalry between Russia, Turkey and EU in strengthening their influence with the aim to gain control of prospective energy transit corridor Central Asia — Caspian Sea — Black Sea region – Europe. Russia strives to energy infrastructure control and to strategic dominance in the Black Sea countries (Guliev I. & Mustafoniv R. 2015, pp. 18-20). At the same time, in the process of implementation of Southern corridor Turkish factor is becoming increasingly important for Europe. The choice of pipeline routes is the most important aspect of the project. Because the one who determines the route of pipelines, in fact is controlling energy resources (Guo X. 2006, p. 126). It can be said that Turkey's aim to become the fourth important gas artery for Europe after Russia, Algeria and Norway coincides with European project Southern corridor. In addition, due to its position as an energy transit hub, Turkey will be able to diversify its own energy supplies and to re-export energy. To the East from Turkey is Russia, the Caspian basin and the Middle East — there are about 71,8% of proven world gas reserves and 72.7% of oil reserves. To the West from Turkey there are South-Eastern Europe transit countries, linking the energy-rich region with the world's largest energy market, European Union. Thus, the strategic location gives Turkey an opportunity to become an energy "bridge"

between energy producers in the East and markets in the West (Bilgin M. 2005, p.73). The transit role of Turkey makes it an indispensable element in the progress of energy diversification supplies to EU. With the completion of construction of Baku–Tbilisi–Ceyhan (BTC) pipeline and South Caucasus pipeline (SCP) Turkey makes an important step to achieve this task.

EU is the largest trading partner of both Russia and Turkey. In 2012 nearly half of Russian exports and imports were to EU.[47] The lion's share in the turnover amounted Russian energy exports: about 63% of oil exports and 65 % of gas exports.[48] Similar is the case with Turkey: in 2013 the share of European Union accounted 41.5% of Turkish exports.[49] That is, EU is a pole of economic attraction for both Moscow and Ankara, a kind of "top" in this triangle (Guliev I. & Ozdemir V. 2012, pp. 104-112).
But even more important is their energy role as a strategically important supplier and transit country that Europe does not have. Russia occupies 1st place in the world in gas reserves and the 8th in oil reserves.[50] Turkey, not having its own fields, occupies a unique place in the region where up to 70 % of proven reserves of hydrocarbons are concentrated (Isaev A. 2015).

However, some European countries, including EU members are already preparing for normal operation with the flow of Russian gas through Turkey. So, Hungarian government plans to negotiate with Greece, Macedonia and Serbia on Russian gas supplies projected through Turkish-Greek hub. However, the West, especially US, will continue to work against the project with a global, strategic goal to limit and reduce the influence of Russia on Europe.

[47] The Trade, 2016, *Permanent Mission of the Russian Federation to the EU* (online) URL: http://www.Russianmission.eu/ru/torgovlya, accessed September 2016
[48] Energy Cooperation and Energy Security, 2016, *Permanent Mission of the Russian Federation to the EU* (online) URL: http://www.https://russiaeu.ru/ru/energosotrudnichestvo-i-energobezopasnost, accessed September 2016
[49] Foreign Trade, 2016, *Investment Support and Promotion Agency of Turkey* (online) URL: http://www.invest.gov.tr/ru-RU/investmentguide/investorsguide/Pages/InternationalTrade.aspx, accessed February 2017
[50] Vercueil J., December 2007, European Union – Russia: Energy neighborhood policies, (online) URL: http://geoconfluences.ens-lyon.fr/doc/etpays/Europe/EurScient7.htm, accessed September 2016

Many assume that without Russian gas Europe will freeze, but in recent years there have been some changes in the structure of energy consumption in Europe (Egorshin, A.P. & Guskova, I.V. 2013, pp. 120–125). Russia's gas industry is almost completely focused on European countries and CIS: 64,70 % of Russian gas is supplied to Europe. Europeans have long been looking for ways to reduce "gas dependence" of Russia and they are quite successful.

With monopolistic assertion of Russia as an energy source or Turkey as an energy transit, EU will be able to get in direct dependence on them. French General W-B. Pinatelle States: "Europe can not (...) trust the keys of gas supply to Russia and Turkey, with whom it entered into a strategic long-term Alliance" (Pinatel J.B. 2012).

e) BTC

In the early 2000s there was a problem in transportation of energy resources from the Caspian basin to Western European markets in Turkish-Russian relations. Two projects were competing: Turkish Baku — Tbilisi — Ceyhan oil pipeline and Russian oil pipeline Tengiz — Novorossiysk. The oil pipeline Tengiz — Novorossiysk of the Caspian pipeline consortium (CPC) was established to export Russian and Kazakh oil through the Black Sea port.

The construction of Baku — Tbilisi — Ceyhan oil pipeline, which is named "energy project of the century" and involves Turkey and Azerbaijan, obviously does not coincide with strategic interests of Russia, because it makes possible the transportation of energy to Europe bypassing Russian territory. The construction of Nabucco and other pipelines was aimed at oil or gas supply from Azerbaijan and possibly Turkmenistan to Europe bypassing Russia.[51]

However, the possibility of a conflict arising from this project is mitigated by the fact that both countries still have common interests and they are important partners in terms of economy and trade.

[51] Butrin D. & Skorlygina N. & Rebrov D., March 2008, Caspian pipeline is not a subject to expansion *Kommersant.ru* (online) URL: http://www.kommersant.ru/doc/864671, accessed August 2016

Turkey depends on major projects that include nuclear power plant in Akkuyu and Turkish Stream. Russian offer to build pipeline to Europe via Turkey gives Erdogan trump card through which he could exert influence on EU, which blocks Turkish entry for many years.

Actively connecting an international oil and gas pipeline system from the Caspian region and the Persian Gulf to EU, securing its status as a stable transit partner in oil and gas supplies from Russia, Turkey uses this advantage as powerful "leverage" not only economically but also politically on European Union.

Russia is a reliable supplier of energy, which Turkey requires to meet the needs of growing economy and a growing population. Turkey has expectations from Russian side regarding participation in its future energy projects. Primarily, of course it is Samsun – Ceyhan project. It is important that Russia becomes a major investor in Turkish economy and its presence in Turkey in such fields as infrastructure, energy, industry, real estate, etc. has significant growth potential and is encouraged by Turkish side.
Turkey is a net energy importer, on the other hand Russia has become dependent on beneficial energy contracts with Turkey, concluded by the principle of "use it or lose it", which allows to suspend agreement services in case of improper fulfillment of the contract.

Thus, Turkey solves its strategic goal by using its geographical potential and transforming into an energy hub in the region. At the same time Russia in the context of international sanctions and unstable geopolitical situation in Europe is trying to diversify its export routes to deliver gas to European markets.

2.1.2 Nuclear

In 2009, Turkey and Russia signed agreements about developing nuclear technology, including a nuclear plant development in Mersin-Akkuyu in 2010. Construction was anticipated to be completed by 2019.[52]

[52] Akkuyu Nuclear Power Plant Project, October 2012, *Turkey Atomic Energy Agency* (online) URL: http://www.taek.gov.tr/bilgi-kosesi/165-nukleer-enerji-ve-reaktorler/akkuyu-nukleer-gucsantrali/430-akkuyu-nukleer-santral-projesi.html, accessed September 2016

However taking into consideration the recent political situation, all these were suspended. “There is no reason to halt the planned Akkuyu nuclear power plant with Russia”, Ahmet Davutoglu said on December 14, 2015 after Turkish officials claimed that Russia had stopped construction on the plant. “We want to keep all communication channels with Russia open. There is no problem with the inflow of Russian gas to Turkey. I hope Russia will not refrain from fulfilling its liabilities from existing agreements. There is no reason to stop Akkuyu power plant project now,” he said in an interview on A Haber, as quoted by Reuters.[53]

Currently, the construction of Turkey's first nuclear power plant can be called the “flagship” of investment process, both from value, which according to preliminary estimates will be about $ 20 billion, and complexity of the project. Station will be operated by Russian side, which will sell produced electricity on Turkish energy market.[54] It is worth noting that nuclear power plant construction is the foundation for Turkish-Russian trade and economic relations over the next several decades. So which party will remain in a larger gain from this project? According to liberal theory it seems that a definite answer to this question is hardly possible, as both countries plan to meet their expectations.

An agreement on NPP Akkuyu as “a positive example” stimulates the development of the second nuclear power plant construction in Sinop, where Turkey is actively negotiating with potential investors. Turkish leadership may offer Russians “not to stop” in case of Akkuyu and to continue their work in Sinop, for example with reference to that it is always easier to have the same type of equipment and technologies from a single source, especially in such sensitive sectors as nuclear energy. Turkish experience in terms of institutional reforms, creation of a liberal market model, support for small and medium businesses, as well as exporters, establishment of organized industrial zones, work of various business associations (especially operating in the international arena), commercialization of studies, etc. can be interesting and useful for Russia.

[53] Reuters, December 2015, *Lenta.ru* (online) https://emc.lenta.ru/news/2015/12/14/akkuyu/, accessed March 2016

[54] NPPs under construction abroad, 2016, *Rosatom* (online) URL: http://www.rosatom.ru/production/design/stroyashchiesya-aes/, accessed September 2016

Nuclear power plant construction in Mersin-Akkuyu will continue energy relations between two countries. Evidently, the political position of Turkey is not easy at all. Having a unique geographical location in the heart of Europe and Asia it has no other option, rather than keeping balance in relations with both Europe and Russia. Turkey's crucial role in European energy security affects relations between Turkey and EU. Being dependent on Russian natural resources and interdependent with Europe, Turkey's main role is to preserve energy security. Having inherited enormous natural resources from the Soviet Union creates a big advantage for Russia's trade and economy. There is no doubt it strives to be the main exporter of gas, oil and energy to Europe in order to create the dependency and to be the main power. Turkey, being a NATO member does not meet Copenhagen Criteria to become an EU member. Still, "This double commitment to Europe and to Asia", as Chamberlin once remarked, continues to this day. (Chamberlin W. H. 1960, pp. 309-315)

Russian benefits include:

i. implementation of a complex project, which will expand the competences of Russian companies with creation of references that have a great importance in energy business;

ii. foreign dividends from "creating" relations with Turkey;

iii. the project fits into Russian energy policy, which at the present stage focuses not only on the sale of natural gas and oil products, but on the transfer to foreign countries of peaceful nuclear technology;

iv. nuclear power plant in Turkey will be among the most valuable international assets of the Russian Federation.

Turkey in turn:

i. "unlocks" for decades the issue of NPP construction in the country and in the prospect gets additional 4.8 GW for its energy system, representing approximately 10% of the current total installed capacity;

ii. the country achieves acceptable conditions for project financing (not investing in its assets) and price of sold electricity;

iii. implementing the project wins shifting on the contractor issues of development a detailed feasibility study and technical project, as well as "gluing" of diverse competences of the companies – participants of the project;

iv. the participation of Turkish construction companies results in positive economic effect and creation of additional jobs, which is very important for a country where unemployment is quite high;

v. in addition, Turkey gets status of the country – owner of peaceful nuclear technology.

2.1.3 Energy Security

Energy security basically means provision of the State with energy resources, necessary for economic functioning and to meet needs of population, and conditions for effective and profitable trade of these resources on international market. (Mironov N.V. 2008, p. 296)

The main factors of energy security, relevant to most countries in the world are: diversification of supply, transit security, availability of necessary reserves, know-how, infrastructure security, stable functioning of international markets, improving energy efficiency, ensuring a steady flow of investment, scientific and technological progress, protection of environment. A term "security of supply" focuses on the assurance of conditions under which gas can be delivered to buyers, with an acceptable level of threat of supply and price disruptions, which may arise in any part of the supply chain including source, facility, and transit.

Russia concentrated on alternative energy routes and also markets to secure its strategic position and economic interests. According to this strategy, Russia created new routes and markets for gas and oil export. In addition to exporting energy resources to Europe, Russia also underlined energy investments and projects not only in East Asia, but also Middle East and Far East. Nord Stream, Blue Stream and South Stream energy pipelines are the major expected Russian projects in Eurasia. In respect to these pipelines, Turkey gained a key role as a good importer of Blue Stream project and a corridor-hub for carrying energy sources to Europe from the Middle East. Yet, even in these projects Turkey emphasizes it will not exclude Russia, trying to show that Russian presence in

such projects will make an important contribution to stability and economic prosperity in the region. At the same time the main aim of Russia is to avoid conflicts and disagreements with its neighbors by creating interdependency on economic relations, especially on the energy sector. Therefore, Russia focuses on improving its relations with other countries to secure its energy export, creating new routes and markets.

Turkey is one of these countries and it is the major customer of Gazprom with Blue Stream project. This means that Turkey is also becoming a new candidate as one of the hubs for exporting Russian natural gas and crude oil to other markets.[55] At the same time, Turkey will be a good alternative for Ukraine's energy transit role. Thus, Russia could increase its bargaining power by diversification of market and energy routes. In addition, Turkey itself became an important destination for Russian gas. In respect to this argument, Turkey would play a key role in importing Russian energy and transferring it to different markets. As for Turkey, it also strives to have this role, to become an energy bridge and hub after collapse of the Soviet Union.[56]

Turkey is actively integrating into European Union's energy security and is involved in diverse energy projects.[57] In March 2015, the European Commission and Turkey set a new initiative — High Level Energy Dialogue, which included discussion of mutual cooperation areas such as gas, electricity, nuclear and renewable energy. Cooperation in South Stream and TRANS-Anatolian gas pipeline construction was highlighted.[58]

It should be emphasized that Russian active gas policy is a growing concern of EU about European energy security and stimulates the search for alternative supply sources. Caspian region and the Middle East play a major role in this task because they represent potential providers who can act as leading producers of alternative gas sources to Europe in the framework of South Stream. This energy project was a priority for European Union,

[55] Turkey, 2016, *Gazprom* (online) URL: http://www.gazprom.com/about/production/projects/deposits/turkey/, accessed July, 2016
[56] Cevikoz U. September 2016, *Turkish Policy Quarterly* (online) URL: http://turkishpolicy.com/article/813/could-turkey-become-a-new-energy-trade-hub-in-south-east-europe, accessed January, 2017
[57] Turkey's Energy Profile And Strategy, *Republic of Turkey Ministry of Foreign Affairs*, 2016 (online) URL: http://www.mfa.gov.tr/turkeys-energy-strategy.en.mfa, accessed September, 2016
[58] The Energy Union: an ambitious bet, March/August 2015, *Energy Union Watch* (online) URL: http://www.iai.it/sites/default/files/euw_01.pdf, accessed September, 2016

because it aimed to diversify routes and sources of supply and thereby increase the energy security of EU.

Turkey began to propose energy projects and Turkish Petroleum Corporation has been involved in Central Asian Republics and South Caucasus. BTC project became one of the main projects, which has been operating since 2006. Such projects were perceived negatively by Russia, specifically where Russia was excluded. Therefore, Russia always tried to block new pipeline projects and proposals of Turkey in the region during the mid-1990s. Russia insisted on being involved in the Caspian Basin and managing the energy corridors as it wished.

It should be noted that energy interdependence did not cause any military conflict between European countries and Russia.

Both sides created a solid foundation for further development of trade-economic ties and cooperation on a wide range of issues, particularly concerning security and stability in the region.

From the first glance, it is obvious that in order to ensure its own energy security and key functions in the diversification of energy supplies to Europe, Turkey has to import energy from other States in addition to Russia. On the other hand, the strengthening of energy cooperation with Russia provides Turkey with additional opportunities for trade and economic relations development with Moscow. Ankara is striving to increase strategic partnership with Moscow, despite different interests on the issue of energy transportation. Besides, Russia is ready to provide Turkey with major investments with the condition to support Russian gas exports to Southern Europe via a system of pipelines passing through its territory.[59]

At August 2009 summit Russia agreed to supply the crude oil to Samsun-Ceyhan pipeline. This also meant the end of conflict on BTC between Russia and Turkey. Russia and Turkey also agreed on construction of Blue Stream-2 pipeline towards the Middle East, specifically to supply natural gas to Israel.[60]

[59] Gazprom and Botas again failed to agree on gas prices? June, 2015 *Neftegaz.ru* (online) URL: http://neftegaz.ru/news/view/139061, accessed September 2016

[60] Nesterenko A., July 2009, Foreign Ministers of Russia and Turkey "verify hours", *RIA news* (online) URL: http://www.rian.ru/interview/20090701/175984623.html), accessed October 2016

U.S. Ambassador James Jeffrey in an interview with Bloomberg Businessweek (2014, 30 November – 6 December, p. 28) claims, although Turkey is not a country producing oil and natural gas, with a growing economy, it is located in the most critical position in energy transition between Europe and Asia. Turkey is an important transit country for natural gas and oil. Iraqi oil delivering through Turkey and Azerbaijani gas to Europe via TANAP will increase further importance of Turkey. Oil and natural gas from Iraq will be a very positive development for both, the country and Europe. It's especially beneficial project for Turkey, because the security of natural gas supply will have a more robust structure. It will also be selling more gas to Europe via TANAP because 10 billion cubic meters of natural gas will be delivered from Azerbaijan to Europe. Without a doubt, an increase of Iraqi gas will play a critical role in Europe supply security.

30 percent of Europe's energy comes from natural gas. Approximately 30 percent of natural gas is provided by Russia. So, about 10 percent of the total energy comes from Russian gas. But this rate has a strategic importance, because the major part of natural gas trade is done via pipeline. This, of course, adds a political dimension to natural gas trade. Therefore, natural gas trade is supposed to be more independent. TANAP is an alternative to reduce this political dependence.
Today, Russia and Turkey would like to strengthen their cooperation in economic sphere, especially in energy sector. This attempt rises often, but its impact on political affairs is limited due to some beliefs without basis, as well as Turkey's membership in NATO.

From the above, it can be concluded that a struggle for energy resources most likely remains a reason of violence. This view is shared by a leading researcher of energy security – M. Claire. He believes that high dependence of the world economy on oil and gas is inextricably associated with the risk of increased violence that may be expressed both in local conflicts and regional and potentially even global. (Claire M. 2009, pp. 44-66)

According to neoliberals, relationship between energy market players should not be considered as "game with a zero sum", in which achieving energy security of one country means a corresponding weakening of others. (Goldthau A. & Witte J. M. 2009. p. 361)

According to a neoliberal theory, the existence of a global free market, where large amounts of oil are bought and sold, minimizes the possibility of using an “oil weapon” through embargo on oil supplies, and keeps control over pricing. Thus, international energy markets, primarily the global oil market makes peaceful cooperation between exporting and importing countries possible.

Another key feature of neoliberal studies is special attention of institutions’ role, behind which are considered formal and informal networks, establishing interaction rules. Examples include International Energy Agency, International Energy Forum, and Energy Charter Treaty.

The most important aspect of neoliberal theory is the interest in cooperation between energy importing and energy exporting countries. So, A. Bressand, analyzing prospects of cooperation between exporting countries and importing countries, (Bressand A. 2009, pp. 269-286) distinguishes two paradoxically combined trends: on one hand, strengthening of role of liberal markets and multilateral institutions, and on the other hand – an increased role of governments in energy sector. In this regard, the researcher is considering two possible scenarios: global market-based regulation, based on energy inclusion in WTO mechanisms, as well as join of China and India to IEA, or dialogue continuation between suppliers and consumers, based on recognition of driving role of governments. In both cases, the key issues of cooperation are the following: protection against unforeseen disruptions in energy supplies; long-term investment promotion; reduction of energy consumption and long term problem solving in oil and gas resources reduction.

So, C. J. Fettweis argues that prospect of military confrontation in struggle for energy resources is unlikely, primarily due to the fact that global energy trade meets interests of energy suppliers and importing countries. Any possible complications for energy trade that can occur because of military conflict are a threat to all market participants.

In addition, high cost of military operations does not justify the aim of seizing deposits: it is cheaper and easier to buy oil, says the researcher. In his view, low likelihood of

“resource wars” is due to general decline in military conflicts in the modern world. (Fettweis C. J. 2009, pp. 66-78)

2.2 TRADE

International political economy (IPE), as Robert Gilpin famously suggested, may be defined as ‘the reciprocal and dynamic interaction in international relations of the pursuit of wealth and the pursuit of power’ (Gilpin, 1975, p. 43). As a practical reality, political economy has always been part of what we call international relations. Nothing better illustrates the birth of IPE than Susan Strange’s seminal 1970 essay, ‘International Economics and International Relations: A Case of Mutual Neglect’ (Chapter 1). For too long, Strange argued, a gulf had been allowed to persist between the disciplines of international economics and international relations. Gilpin’s three ‘models of the future’, he acknowledged, were really representative of three distinctive schools of thought on political economy – liberalism, marxism (or structuralism), and realism (economic nationalism or statism). Initially, most research tended to draw on the realist (or neorealist) tradition, focusing on the state treated as a rational unitary actor. A state-centric approach was comfortable for economists, who could thus reason by analogy with atomistic firms in competitive market settings. It also naturally appealed to political scientists at a time when mainstream IR theory stressed, above all, the system level (or structural level) of analysis, analogous to Kenneth Waltz’s ‘third image’ of international relations (Waltz, 1959,1979). Typical was Gilpin himself, who from the start insisted on the dominant role of the state in economic affairs – a theme he has developed at length in several monumental works of scholarship, including U.S. Power and the Multinational Corporation (1975), The Political Economy of International Relations (1987), and Global Political Economy (2001).

Debate was kicked off by Joseph Nye and Robert Keohane (Chapter 5), writing at the start of the 1970s. For these two political scientists, change meant an emerging ‘control gap’ between governments’ aspirations for authority and their capacity to achieve it, owing to the constraints
imposed by growing economic interdependence. The post-Second World War revival of trade and investment had created vast areas of international intercourse, with significant political importance that were conducted without direct governmental participation.

Furthermore, states were no longer the only powerful actors in world politics. The stage was increasingly crowded with 'transnational actors' of all kinds, engaged in all sorts of 'contacts, coalitions, and interactions across state boundaries that are not controlled by the central foreign policy organs of governments' (p. 121). States may still be the most important actors in global affairs, Nye and Keohane maintained, but with the expansion of world markets they could no longer claim exclusive power to determine outcomes. The state-centrism of traditional realist theory, therefore, was no longer adequate to fully comprehend the implications of what was going on, particularly in relations among the open, advanced economies of the industrial world. A new, more encompassing transnational paradigm was needed, more consistent with the outlook of a liberal perspective. Soon their new 'neoliberal' paradigm came to be codified under the label of 'complex interdependence' (Keohane and Nye, 2001 [1977]), emphasizing especially the multiple channels that now connected many national societies and an absence of hierarchy among issues.

Can conflict in the world economy be suppressed?

Cooperation among states, following Keohane (1984), was identified with a mutual adjustment of policy behaviour achieved through an implicit or explicit process of negotiation. Stimulated by a seminal collection of essays edited by Krasner (1983), attention focused initially on the new concept of international regimes.

Through trade, monetary relations, and foreign investment, the destinies and well-being of societies have become too inexorably interwoven for these bonds to be severed. In short, the rise of the welfare state and the increasing sensitivity of national governments to the rising economic expectations of their societies have made them dependent upon the benefits provided by a liberal world-economic system.

In the contemporary world, there is more to be gained through economic cooperation and an international division of labor than through strife and conflict.

In short, the economic theory of comparative advantage does not care where the wheat in your bread was grown, or who baked the loaf, but only that the production of the bread is not inefficient or wasteful. Nation-states define themselves by population and geography. States, therefore, do care about the where and the who and this creates a tension between the economic and the political analysis of trade.

The political analysis of this subject treats international trade as fundamentally different from domestic economic activity (while economic theory sees no important distinction between the two). The international exchange of goods, services, or resources with another country raises many political questions of national interest, especially questions concerning the economic and military security of the nation.

The design of the postwar international trade institutions was heavily conditioned both by the free trade views of economists and by the interwar experience of beggar-thy-neighbor trade policies that created an environment of destructive competition and retaliation. Thus the mission of the WTO, and before that the General Agreement on Tariffs and Trade (the GATT), is to progressively reduce the barriers to free trade through multilateral negotiations. This movement towards global free trade, however, has not stopped states from using trade tools to further their own foreign policy goals when they can. Thus we live in an environment where the political and the economic viewpoints of international trade compete for attention.

Theoretical discussions on international political economy are generally held within the framework of liberal and realistic theories. These theories have different points of view on the place of the foreign trade in the international relations system. Focused on both the individual and the state liberals see foreign trade as a vehicle to achieve state's main goal, which is maximization of social welfare. As the foreign trade takes an important part in the social welfare, globalization and peace are strongly supported in order to keep international trade volume on track. In other words, according to the liberals, trade relations induce countries to develop political relations. The basic assumption here is that the importance countries give to trade relations prevents trade partners from entering conflicts and foster improving of political relations between them (Çakmak and Ustaoğlu, 2017, pp. 304-305). So we can say that, in liberals' opinion, political relations between countries are determined by economical purposes. As for realists, the most important actor in international relations is the state. With the main goal of political power maximization, trade is considered as one of many instruments available to states in their pursuit of power. The realist view is that all foreign policy, including trade, exists for the purpose of achieving national security or power, so trade relationships are seen as

temporary arrangements that can be easily broken when conditions necessitate other strategies to secure national interests (Barbieri, 2003. pp. 18-19). In this case, economic relations are determined by political decisions of countries. Hence, evaluating two different approaches mentioned above, it can be said that the importance given to the foreign trade determines political relations between countries; at the same time political decisions, including the level of country's national security and power, also affects the bilateral trade balance.

Successful cooperation between Russia and Turkey in migration, trade and tourism spheres seemed possible until November 24, 2015. This date was a point of change when a Turkish F-16 fighter jets shot down a Russian Su-24.[61] In response Vladimir Putin announced to media that after this terrible incident negative consequences between Russia and Turkey would soon follow.[62] As a result, Russian government released sanctions against Turkey that were implemented in January 2016. After this, it was evident that this affair would shape the economy not only of Russia and Turkey, but also the neighboring regions.

Only after 1980 Turkey started building a modern economic system, based on the policy of liberalization, while import substitution model of development was transformed into export-oriented. Modern Turkey is a regional leader, one of the most developed States in Muslim world; at the same time it is closely connected with European market and aims to be a full member of European Union.

These results Turkey achieved mostly as an outcome of liberal market reforms: increased GDP (Growth Domestic Product) growth, changing sectoral structure of economy, comprehensive development strategy and promotion of exports contributed to the growth of foreign trade, its structure and geography changes. As a result, there was a sharp decrease in the share of agricultural products and increase in the share of industrial goods in exports.

[61] Anon., November 2015, Putin condemns Turkey after Russian warplane downed near Syria border, *The Guardian* (online) URL: http://www.theguardian.com, accessed January 2016
[62] Executive Order on measures to ensure Russia's national security and protection of Russian citizens against criminal and other illegal acts and on the application of special economic measures against Turkey, November 2015, *President of Russia*(online) URL: http://en.kremlin.ru/acts/news/50805, accessed February 2016

In 1995 Turkey became a member of WTO. In January 1996, the Customs Union agreement with EU on trade in industrial goods entered into force. Today agreements on free trade are signed with Iceland, Norway, Switzerland, Lichtenstein, Georgia, Israel, Macedonia, Croatia, Bosnia and Herzegovina, Tunisia, Morocco, Palestinian authority, Syria, Egypt, Albania, Montenegro, Serbia, Chile, Jordan, and Lebanon. Under the influence of liberalization policy of foreign trade and investment, promotion export quotas of manufacturing industry have increased (see Fig. 2.5), i.e., Turkish economy has become more open.[63]

Figure 2.5: Turkish exports

Source: The World Bank, TSI

In 2014, according to Turkish Statistical Institute (TSI), exports to Russia were worth 5.9 billion USD while imports from Russia were worth 25.2 billion USD.[64]

[63] Foreign Trade, 2016, *ISPAT* (online) URL: http://www.invest.gov.tr/en-US/investmentguide/investorsguide/Pages/InternationalTrade.aspx, accessed March 2016
[64] Foreign Trade Statistics, 2016, *Turkish Statistical Institute* (online) URL: http://www.turkstat.gov.tr/PreTablo.do?alt_id=1046, accessed February 2017

Table 2.3: Export/import volumes of Russia in 2014

Export volume shares		Import volume shares	
Products	Percentage (%)	Products	Percentage (%)
Textile	18.8	Petroleum gases – natural gas	46.1
Food	15.4	Petroleum and petroleum products	19
Automotive industry products	11.8	Food	7.6
Other semi-products	8.9	Iron and steel	6.4
Chemicals	8.2	Coal	6.3
Other consumer goods	7.8	Metals other than iron	5.1
Other devices	7.1	Ore	4.0
Ready to wear garment	6.1	Chemicals	3.3
Electrical devices and tools	5.3	Other semi-products	1.3
Mining products	4.3	Agricultural row materials	0.3

The trade volume between Russia and Turkey was approximately USD 31.2 billion in 2014, and related to exports of Turkey worth USD 5.9 billion, while imports were valued at USD 25.3 billion.[65] The largest export categories of Turkey were (i) manufactured goods, fabrics, textiles, (ii) fruits and vegetables and (iii) vehicles, while import categories included (i) natural gas, (ii) crude oil and fuel products and (iii) iron and steel. (Bozbay, B. & Topanoğlu, E. 2014, June 20) Turkey was also one of the main importers of Russian grain.[66] Economic relations between Turkey and Russia were expected to grow as both countries set up a bilateral trade volume target of USD 100 billion to be reached by 2023.[67] The trade volume in the first nine months of 2015 amounted $18.1 billion, of

[65] Trade with Turkey, 2016, *Republic of Turkey Ministry of Economy* (online) URL: https://www.ekonomi.gov.tr/portal/faces/home/disIliskiler/ulkeler/ulke-detay/Rusya%20Federasyonu/ekonomik-gorunum?_afrLoop=23884805555822823&_afrWindowMode=0&_afrWindowId=n92miz9qd&_adf.ctrl-state=u23r6y81p_652#!%40%40%3F_afrWindowId%3Dn92miz9qd%26_afrLoop%3D23884805555822823%26_afrWindowMode%3D0%26_adf.ctrl-state%3Du23r6y81p_656, accessed February 2017

[66] Ballard E., November 2015, Fighter-Jet Dispute Between Russia and Turkey Disrupts Wheat Trade, *The Wall Street Journal* (online) URL: https://www.wsj.com/articles/fighter-jet-dispute-between-russia-and-turkey-disrupts-wheat-trade-1448647634, accessed November 2016

[67] Druzhinin A., September 2015, Turkey aims for $100bn trade with Russia by 2023 – Erdogan, *RIA news* (online) URL: https://www.rt.com/business/316308-erdogan-putin-turkey-russia-trade/, accessed November 2016

which $15 billion was Russian exports to Turkey (Turkish import of goods amounted to just over $3 billion).

The following table shows foreign trade figures of Turkey with Russia in recent years. (billion USD)

Table 2.4: Trade figures of Turkey with Russia

Year	Export	Import	Balance	Gross volume
2010	4.6	21.5	-16.9	26.1
2011	6	24	-18	30
2012	6.6	26.6	-20	33.3
2013	7	25	-18	32
2014	5.9	25.3	-19.4	31.2
2015	3.6	20.4	-16.8	24
2016	1.5	13.8	-12.3	15.3

Source: Russian Foreign Ministry

During Putin's regime, control over economy in the country has been increased. Inflation in Russia has slowed down greatly. Major investors strived to earn on the rapid growth of Russian economy, which due to effective reforms began to generate a significant income. If in the beginning of 2000s Russia was not in top ten countries by volume of attracted investments, then by the end of 2013 it was ranked third, following U.S. and China. One of the key points of Putin's economic policy was the maximum reduction of governmental debt.[68]

In spring 2014 in connection with political events in East Ukraine economic sanctions against Russia were applied. In response to sanctions from the West, Russia announced a number of its restrictive measures. (Guskova, I. V. & Shagalova, T. V. 2014, pp. 74–82)

On March 28, 2015 Russian Foreign Ministry announced that sanctions against the citizens of EU countries, US and Canada were expanded on the "mirror" principle, considering the extension of sanctions on their part.

After payment systems VISA and MasterCard at the request of the U.S. Treasury Department have frozen transactions on credit cards in several domestic banks in Russia,

[68] Anon., May 2014, 10 years of Vladimir Putin as President of Russia. 10 facts, *Vestifinance* (online) URL: http://www.vestifinance.ru/articles/42530/, accessed November 2016

action to create its own national payment system was intensified. According to forecasts with full cease of operations in Russia, VISA and Master Card lost revenues would be around 350-470 and 160 million dollars a year.

Speaking about relations between Russia and Turkey, it should be noted that after the collapse of the Soviet Union, relations between the countries intensified. However, relations developed unevenly in various spheres: while economic relations between the countries were very intense, which was reflected in a significant growth of turnover, there were serious contradictions in the political sphere. For example, the parties had opposing positions on the conflict in Nagorno-Karabakh and Abkhazia, which slowed down the relations development.

However, neither political divisions, nor rivalry for influence in the region has led to a serious cooling of relations between Russia and Turkey. On the contrary, by the end of 1990s they reached a qualitatively new level, especially in trade, oil and gas supply from Russia, as well as supply of military equipment, which was essential for Turkey to suppress terrorist Kurdistan workers' party. (Ivanova Y.M. 2009)

The 1990s were the peak point of mutual trade. This was due to deep crisis in Russian economy, which led to a dramatic increase in consumer goods from abroad.

Turkey, with its developed textile and food industries over 1990s has developed into one of Russia's main trading partners.

The list of main economic agreements is presented below,

May 14, 1992 an agreement on establishment of the Intergovernmental Joint Economic Commission was signed between the Russian Federation and Turkish Republic.[69]

[69] Anon., Medvedev has signed economic caution towards Turkey, December 2015, *Vatan* (online) URL: http://www.gazetevatan.com/medvedev-turkiye-ye-ekonomik-tedbirlere-imza-atti-890134-ekonomi/, accessed November 2016

May 25, 1992 The Treaty on the Principles of Relations between the Republic of Turkey and the Russian Federation was signed. The parties confirmed their intention to maintain and strengthen good-neighborly relations, historically as well as to promote stability in the region.[70]

April 20, 1994 an Intergovernmental Agreement for military-technical and defense industry cooperation was signed. The fact that Turkey signed the Treaty, being a NATO member, despite general anti-Russian stance of this unit, proves Turkey's interest in developing relations with Russia, because it did not consider the opinion of key NATO members.[71]

March 24, 1995 Turkish-Russian Joint Commission on Tourism Protocol was signed.[72]

September 16, 1997 agreement between the Russian Federation and Turkish Republic on cooperation and mutual assistance in customs matters was signed.[73]

December 15, 1997 was a particularly important date in Turkish-Russian relations. On this day seven agreements, treaties and protocols were signed.

i. Double taxation avoidance agreement on revenue-taking taxes.[74]
ii. Agreement on mutual encouragement and protection of investments.[75]
iii. Agreement on energy cooperation.[76]

[70] The Treaty on the Principles of Relations between the Republic of Turkey and the Russian Federation, 2016, *Republic of Turkey MFA* (online) URL: http://www.mfa.gov.tr/joint-declaration-between-the-republic-of-turkey-and-the-russian-federation-on-progress-towards-a-new-stage-in-relations-and-further-deepening-of-friendship-and-multidimentional-partnership_-moscow_-13-february-2009.en.mfa, accessed November 2016
[71] Litovkin V., June 2006, The future of Russian-Turkish military-technical cooperation, *Sputnik International* (online) URL: https://sputniknews.com/analysis/2006062650021092/, accessed November 2016
[72] Turkish-Russian Joint Commission on Tourism Protocol, 1995, *Turkish Republic MFA* (online) URL:http://ua.mfa.gov.tr/, accessed November 2016
[73] Agreement between the Russian Federation and Turkish Republic on cooperation and mutual assistance in customs matters, October 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016
[74] Double taxation avoidance agreement on revenue-taking taxes between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016
[75] Agreement on mutual encouragement and protection of investments between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016
[76] Agreement on energy cooperation between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016

iv. Agreement on supplies of Russian gas to Turkish Republic via the Black Sea.[77]

v. Agreement on cooperation on establishment and operation of a nuclear power plant in Akkuyu.[78]

vi. Long term program on commercial, economic, industrial and scientific technical cooperation.[79]

vii. Agreement on prevention of incidents at sea beyond territorial waters.[80]

November 5, 1999 agreement on visa-free travel for diplomatic passports was signed.[81]

April 12, 2000 Agreement on search and rescue cooperation in the Black Sea was signed.[82]

The main focus of relationship has always been the economy.
In the 1990s economic relations between Russia and Turkey has developed quite rapidly, but as it will be shown below in the 2000s this development has sharply accelerated and brought economic cooperation to a much higher level. A rapid economic development of both Russia and Turkey contributed to economic ties, especially before the crisis of 2009, in contrast with the situation in 1990s, when Russian economy was in deep decline.

Some of major joint economic projects and transactions happened in 2000s. In 2005 a Turkish company Cukurova Telecom Holding, which owns the biggest mobile operator in Turkey Turkcell, purchased 49% stake of Russian Alpha group. In 2009 a branch of

[77] Agreement on supplies of Russian gas to Turkish Republic via the Black Sea between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016
[78] Agreement on cooperation on establishment and operation of a nuclear power plant in Akkuyu between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016
[79] Long term program on commercial, economic, industrial and scientific technical cooperation between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016
[80] Agreement on prevention of incidents at sea beyond territorial waters between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016
[81] Agreement on visa-free travel for diplomatic passports between the Russian Federation and Turkish Republic, December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016 (online) URL:http://archive.mid.ru/bdomp/spd_md.nsf, accessed November 2016
[82] Agreement on search and rescue cooperation in the Black Sea between the Russian Federation and Turkish Republic (not valid) December 1997, *Turkish Republic MFA* (online) URL: http://ua.mfa.gov.tr/, accessed November 2016

Lukoil Oil Company in Turkey (Lukoil Eurasia Petrol A. S.) purchased a network of gas stations from Turkish company Akpet, which accounted for 5% of the retail market of petroleum products in the country.[83] Since 2011, Yandex presents in Turkey. It is the first country outside the CIS, which market was chosen by the company. The main search engine in Turkey is Google, the share of Yandex in the local market for a long time did not exceed 4-5%. However, in summer 2015 Yandex signed a sponsorship contract with a Turkish football club Fenerbahce, due to that the share grew to 7% in just three months.[84]

November 16, 2001 Foreign Ministers of Russia and Turkey signed "Joint Action Plan for Cooperation in Eurasia" (From bilateral cooperation to multidimensional partnership).[85]

December 06, 2004 Presidents of Russia and Turkey signed a Joint Declaration on deepening of friendship and multifaceted partnership between the Russian Federation and the Republic of Turkey.

February 13, 2009 Joint Declaration between the Republic of Turkey and the Russian Federation on Progress towards a New Stage in Relations and Further Deepening of Friendship and Multidimentional Partnership was signed.[86]

August 06, 2009, 20 agreements were signed, including

a) Agreement on cooperation of atomic energy usage for peaceful purposes.[87]

[83] Tokareva A. What Russia and Turkey mean to each other, June 2015, *Kommersant* (online) URL: http://www.kommersant.ru/doc/2736421, accessed November 2016
[84] Frolov A., October 2015, "Yandex" increased the share in Turkey to 7% due to the contract with "Fenerbahce" (online) URL: https://vc.ru/, accessed June 2016
[85] Turkeys political relations with Russian Federation, 2016, *Republic of Turkey MFA* (online) URL: http://www.mfa.gov.tr/turkey_s-political-relations-with-russian-federation.en.mfa, accessed November 2016
[86] Joint Declaration between the Republic of Turkey and the Russian Federation on Progress towards a New Stage in Relations and Further Deepening of Friendship and Multidimentional Partnership, February 2009, *Republic of Turkey MFA* (online) URL: http://www.mfa.gov.tr/joint-declaration-between-the-republic-of-turkey-and-the-russian-federation-on-progress-towards-a-new-stage-in-relations-and-further-deepening-of-friendship-and-multidimentional-partnership_-moscow_-13-february-2009.en.mfa, accessed November 2016
[87] Turkey and Russia signed twenty agreements, August 2009, *Tarihte Bugun* (online) URL: https://www.tarihtebugun.org/16914-6-agustos-2009_turkiye_ve_rusya_arasinda_yirmi_imza_atildi.html, accessed March 2017

b) MoU between the Federal Customs Service of Russia and the Undersecretariat of Customs of Turkish Republic on customs procedures. Accordingly, two new "green corridors" will be created.[88]

c) Protocols of cooperation in gas and oil fields.[89]

d) Turkey's Economic Exclusive Agreement on South Stream.[90]

On May 12, 2010, 17 agreements between Russia and Turkey were signed, including pacts to build Turkey's first nuclear power plant and furthering plans for an oil pipeline from the Black Sea to the Mediterranean[91] and agreement on visa-free travel regime.[92]

The Russian Federation and Turkish Republic, possessing a unique geopolitical position at the same time in Europe and Asia – two Eurasian countries, playing a role of a natural bridge between major centers of world civilization – the West and the East, and united in their commitment to such fundamental principles and values as democracy and the rule of law, claim they will continue their efforts to strengthen security, peace, stability and prosperity in the region where they are located, and in the whole world... The Russian Federation and Turkish Republic noted the similarity of approaches to many international and regional issues. Convinced that the basis of the world order in XXI century should be mechanisms, based on the rule of UN Charter and other norms of international law, multilateral and collective basis in solving key problems of IR, the Russian Federation and the Republic of Turkey highlight the need for increased bilateral and in the framework of UN and other multilateral forums cooperation and consultation in order to make a joint contribution to strengthening international peace and security, preventing and settling

[88] Turkey and Russia signed twenty agreements, August 2009, *Tarihte Bugun* (online) URL: https://www.tarihtebugun.org/16914-6-agustos-2009_turkiye_ve_rusya_arasinda_yirmi_imza_atildi.html, accessed March 2017

[89] Turkey and Russia signed twenty agreements, August 2009, *Tarihte Bugun* (online) URL: https://www.tarihtebugun.org/16914-6-agustos-2009_turkiye_ve_rusya_arasinda_yirmi_imza_atildi.html, accessed March 2017

[90] Turkey and Russia signed twenty agreements, August 2009, *Tarihte Bugun* (online) URL: https://www.tarihtebugun.org/16914-6-agustos-2009_turkiye_ve_rusya_arasinda_yirmi_imza_atildi.html, accessed March 2017

[91] Arsu S., May 2010, Turkey's Pact With Russia Will Give It Nuclear Plant, *The New York Times* (online) URL: https://www.nytimes.com/2010/05/13/world/europe/13turkey.html, accessed September 2017

[92] Anon., May 2010, Russia and Turkey agreed to build a nuclear power plant and cancel visas, BBC (online) URL: https://www.bbc.com/russian/international/2010/05/100512_medvedev_turkey_visit, accessed May 2017

regional conflicts, improving the efficiency of the Security Council, General Assembly and other principal organs of UN, their adaptation to new global realities.

In recent years, economic cooperation between Russia and Turkey is actively growing, playing a significant role in overall structure of bilateral relations. Russia continues to occupy a leading position in Turkish foreign trade turnover for a long time. In the first decade of the XXI century it was possible to observe its dynamic growth.

In 1930s Turkey took first steps towards the organization of its own industry. And here a great support was made by the Soviet Union. Only with the beginning of the Second World War economic cooperation between the countries was suspended for two decades. Thus, only in 1960s, when the warming in IR occurred, there were positive changes in Soviet-Turkish economic relations. In early 1990s in relations between Russia and Turkey there was a fundamental shift that was largely based on the growth of economic ties. During this period political relations between the countries did not receive the same development as economic. If contradictions were resolved through dialogue and cooperation would reach the highest level, it would benefit the entire region.

A series of economic crises that developed in 1990s and early part of 2000s developed some mistrust between Turkey and Russia. The reasons behind this instability varied. Significant changes that occurred in transformation of economy from State-controlled to market-controlled, in addition to oil prices decline immediately preceding and following the dissolution of the Soviet Union, all conspired to weaken Russian economy. Turkish economy on the other hand experienced extreme levels of instability due to governmental weakness and a lack of consistency in economic practices.

Turkey occupies an important place in world politics and economy, as well as in Russian foreign policy. The last two decades can be characterized as a breakthrough in bilateral relations between Russia and Turkey. In 1990s their foundation was based, and from 2000s an active cooperation in various economic spheres has started. After the collapse of the USSR Turkish-Russian relations reached a qualitatively new level of development. There was a rapid growth of mutual economic relations: the volume of foreign trade increased, scientific, technical and cultural ties expanded. With the improvement of

quality of tourist services and the growing prosperity of Russian citizens, the flow of tourists to Turkey has dramatically increased and favorable conditions for doing business for both Russian and Turkish entrepreneurs were created.

Figure 2.6: Trade volume between Turkey and Russia 2000-2012 (bln USD)

Source: Russian Federation. Country Trading, Foreign economic relations, 2012, p. 23

Even though the trade volume expanded quickly in the last decade, there was a problem with growing trade deficit that benefited Russia. There were several reasons of change in trade balance, including Blue Stream agreement, increase in oil and gas prices, and greater competiveness from Russian economy.

The main areas of trade (70%) in recent years were products of fuel and energy complex. However, in the past year the positive balance of official trade remained in favor of Russia (about 14.5 billion dollars) and was reflected largely by income from “Shuttle” business, implementation of construction works by Turkish firms, income from tourism, and money transfer of Turkish citizens working in Russia. (Russian Federation. Country Trading, Foreign economic relations, 2012, p. 23)

Intergovernmental body dealing with development and coordination of Turkish-Russian trade and economic cooperation is the Intergovernmental Commission on trade and economic cooperation (IGC), last meeting of which was held on October 21, 2017 in Kazan.[93]

On December 3, 2012 the third meeting of HLCC was hosted in Istanbul with the participation of Putin and Erdogan.[94]

During the event on behalf of the Russian Federation, Deputy Minister of Economic Development A. E. Likhachev and Turkish Minister of Economy Z. Chalanam signed a Medium-term program on trade-economic and scientific-technical cooperation between Russia and Turkey for 2012-2015.[95]

It is worth noting that Turkey is one of the world leaders of textile production, leather, engineering, electrical industries, minerals – marble, limestone, boron and zinc; agricultural commodities, as well as tourism and contracting services.

In December 2017, the main partner country for exports was Germany with 1 billion 308 million dollars. The country was followed by the United Kingdom with 827 million dollars, Italy and Iraq with 771 million dollars. The top country for Turkey's imports was Germany with 2 billion 191 million dollars. The country was followed by China with 2 billion 122 million dollars, Russia with 1 billion 884 million dollars and USA with 1 billion 164 million dollars.[96]

[93] The 15th session of IGC took place, October 2017, *Ministry of Energy of Russian Federation* (online) URL: https://minenergo.gov.ru/node/9607, accessed May 2016
[94] Working visit to Turkey, December 2012, *President of Russia* (online) URL: http://en.kremlin.ru/events/president/news/17019, accessed May 2015
[95] Russia and Turkey signed 11 agreements at HLCC, December 2012, *MK-turkey* (online) URL: http://mk-turkey.ru/politics/2012/12/04/dokumenty-podpisannye-rossiej-i-turciej-po-itogam-zasedaniya-soveta-sotrudnichestva-vysshego-urovnya.html, accessed September 2016
[96] Dinc E. M., January 2018, *TUIK* (online) URL: http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=27783, accessed March 2018

Table 2.5: Trade between Russia and Turkey 2005-2014 (bln USD)

Turkey							
Year	2005	2009	2010	2011	2012	2013	2014
Export	73,5	102,1	113,9	134,9	152,5	151,8	157,6
to Russia	2,4	3,2	4,6	6,0	6,7	7,0	5,9
share of Russia in exports %	3,2	3,1	4,1	4,4	4,4	4,6	3,8
Import	116,8	140,9	185,5	240,8	236,5	251,7	242,2
from Russia	12,9	19,5	21,6	24,0	26,6	25,1	25,3
%	11,1	13,8	11,6	9,9	11,3	10,0	10,4
Turnover	190,3	243,0	299,4	375,7	389,0	403,5	399,8
with Russia	15,3	22,7	26,2	30,0	33,3	32,1	31,2
share of Russia %	8,0	9,3	8,8	8,0	8,6	8,0	7,8
Balance	- 43,3	- 38,8	- 71,6	- 105,9	-84	- 99,9	-84,6
in trade with Russia	- 10,5	- 16,3	-17,0	- 18,0	- 19,9	- 18,1	- 19,4
Russia							
Export	208,8	254,9	337,5	437,3	445,5	453,3	433,4
to Turkey	10,8	16,4	20,3	25,4	27,4	25,5	24,5
share of Russia in exports %	5,2	6,4	6,0	5,8	6,2	5,6	5,7
Import	79,7	145,5	197,2	260,9	272,3	276,4	254,0
from Turkey	0,7	3,2	4,9	6,4	6,9	7,3	6,7
share of Turkey %	0,9	2,2	2,5	2,5	2,5	2,6	2,6
Turnover	288,5	400,4	534,7	698,2	717,8	729,7	687,4
with Turkey	11,5	19,6	25,2	31,8	34,3	32,8	31,2
share of Turkey %	4,0	4,9	4,7	4,6	4,8	4,5	4,5
Balance	129,1	109,4	140,3	176,4	173,2	176,9	179,4
Russia	10,1	13,2	15,4	19,0	20,5	18,2	17,8

Source: Foreign Trade Statistics. Turkish Statistical Institute; Rosstat. Russia in figures, 2015

In 2014, Russia accounted almost 4% of exports and 10.4% of total imports, or almost 8% of the turnover in Turkey of 31.2 billion dollars. Almost the same performance Turkey showed in trade with Germany: turnover of 37.5 billion dollars, 9.2% of share in exports and 9.6% in imports. Turkey in 2014 accounted for 6% of Russia's exports and 2.6% of imports, almost 4.5% of foreign trade turnover.

In the commodity structure of Russian exports to Turkey more than 80% are oil, natural gas, coal and different metals. Russia imports products of textile industry (20%), food (about 17-18%), machinery and equipment (30%) and appliances.

In December 2014 Russian President Vladimir Putin arrived in Ankara at the fifth meeting of HLCC.[97] As a result of the visit, eight agreements to strengthen cooperation in the field of economy and energy were signed. Moscow announced the collapse of South Stream project and the construction of a new gas pipeline Turkish Stream. Agreements about volume increase of deliveries to Turkey via Blue Stream and price decrease by 6% of Russian gas in 2015 were reached. An important result of negotiations was the decision to build a nuclear power plant Akkuyu by 2022.

An interaction between two States continued in 2015. New agreements reflected another area of cooperation between Moscow and Ankara – tourism. It is known that in 2014 a record number of tourists – up to 4.9 million people arrived from Russia to Turkey.[98] Before the incident on Turkish-Syrian border in November 2015 and introduction of economic sanctions against Turkey, trade showed a steady growth, despite some decline during the crisis in 2008-2009.

In recent years, Russia consistently occupies second place in trade turnover, being the second after Germany trading partner of Ankara. Turkey is among main foreign economic partners of Russia and occupies the 7th place in Russian foreign trade turnover. In turn, Russia is Turkey's second largest export market. In economic sphere they achieved turnover of 35 billion dollars.[99]

[97] Klimentyev M., December 2014, Russia and Turkey signed 8 agreements as a result of Putin's visit, *RIA news* (online) URL: http://ria.ru/east_politics/20141201/1036041148.html, accessed March 2016
[98] Simsek G., March 2015, How much will Russian crisis affect tourism? *Haberturk* (online) URL: http://www.haberturk.com/yazarlar/guntay-simsek-1019/1055317-rusya-krizi-turizmi-ne-kadar-etkiler, accessed July 2017
[99] The 4th HLCC meeting, November 2013, *President of Russia* (online) URL: http://www.kremlin.ru/news/19676, accessed May 2016

The trade turnover between Russia and Turkey exceeded $ 38 billion, and by 2020 it was planned to increase to $ 100 billion.[100] Thus, the foundations of strategic partnership between the two countries were developing.

Turkish leadership, highlighting successful overcoming of the global financial crisis in 2008 plans not only optimistic, but also very ambitious strategies for the upcoming 2023 anniversary of Turkish Republic. In the centre of these plans, united under "Vision 2023" project, there is an entry of Turkey in top ten largest economies in the world in terms of GDP, which should exceed $ 2 trillion.[101]

Table 2.6: Dynamics of Turkish trade 2011-2016* (bln USD)

Index	2011	2012	2013	2014	2015	2016
Export	135	152,5	151,8	166,5	184,0	202,5
Import	240,8	236,5	251,6	262,0	282,0	305,0
Volume of trade	375,8	389	403,4	428,5	466	507,5
Balance	- 105,8	- 84	- 99,8	- 95,5	- 98,0	- 102,5
Export/Import %	56,1	64,5	60,3	63,5	65,2	66,4

Source: Medium Term Program (2014-2016)

Considering the current state of Turkish-Russian relations, a number of key areas of partnership, such as oil and gas industry, tourism and trade and economic cooperation should be highlighted. Moreover, Heads of States have repeatedly claimed the need to increase trade turnover to $ 100 billion, which obviously proves further economic development.

[100] Russia-Turkey annual trade could reach $100bn, October 2015, *Russia Today* (online) URL: https://www.rt.com/business/318746-russia-turkey-trade-projects/, accessed June 2016
[101] Finance, Banking and Development 2023, April 2012, *TASAM* (online) URL: hhttp://tasam.org/en/Belgelik?Spk=46&Mesaj=FINANCE,%20BANKING%20AND%20DEVELOPMENT%202023, accessed March 2016

2.3 TOURISM

In 2011, Russia and Turkey abolished visa regime that destroyed more of a psychological than a real barrier for Turkish citizens traveling to Russia.

Ministry of Culture and Tourism of Turkey reported that around 4.48 million Russian tourists visited Turkey in 2014, 12.6% of the total number of tourists that visited the country in the same year.[102]

Table 2.7: Number of Russian tourists visited Turkey (mln people)

2010	2011	2012	2013	2014	2015	2016/11
3,1	3,4	3,6	4,3	4,47	3,65	0,8

Source: Ministry of Culture and Tourism of Turkey

The average expenditure by a foreign tourist in Turkey in 2014 was 775 USD, meaning that Turkey earned around USD 3.472 billion from 4.48 million Russian tourists that year. If all potential Russian tourists would avoid coming to Turkey, the country's loss yearly should be around this number. A *CNN Money* article titled "Russia and Turkey will both lose from Moscow's sanctions" predicted the expected loss of around 3 billion USD.[103] For the first nine months of 2015 according to Turkish Ministry of tourism, 3.3 million Russians visited Turkey — this is 20% less compared to the same period in 2014.

Russian Federal Agency for tourism reports that Russian tourists prefer Turkey as a top foreign holiday destination and the number of tourists visiting Turkey was 3.2 million in 2013 increasing from 2.5 million in 2012. It should be stated that until the recent depreciation of ruble, the number of Russian tourists surpassed all other foreign tourists in Turkey.

After downing of Russian jet, tensions were increasing and seemed to continue increasing even more. Hours after the destruction of Russian airplane, Russian Foreign Minister

[102] 2016, Statistics of entry-exit, *Culture And Tourism Ministry of Turkish Republic* URL: http://yigm.kulturturizm.gov.tr/TR,9854/sinir-giris-cikis-istatistikleri.html, accessed January 2016
[103] Kottasova, I., November 2015, Russia and Turkey will both lose from Moscow's sanctions, *CNN* (online) URL: http://money.cnn.com/2015/11/30/news/economy/russia-turkey-plane-sanctions/index.html, accessed November 2016

Sergei Lavrov advised Russians not to visit Turkey, adding that the threat of terrorism exists there.[104] Additionally, following the incident, Russia's State tourism agency Rostourism suspended sales of tour packages to Turkey.[105]

Moreover, the report of WTTC (World Travel and Tourism Council) showed that travel and tourism generated, either directly or indirectly 96 billion USD of Turkey's GDP (gross domestic product) in 2014. Tourists from Russia made up around 12.2% of the 37 million tourist arrivals to Turkey in 2014 and spent an estimated 3 billion USD or 0.3-0.4% of GDP (TurkStat, Ministry of Culture and Tourism). Sanctions in tourism sector are projected to cost nearly 0.4% of GDP, with a loss in Turkish economy amounting to 3 billion USD. This calculation is based on the assumption of none Russian tourists visiting the country during 2016.[106] According to report by Today's Zaman, the conflict between Russia and Turkey now threatens Turkey's winter tourism. That is to say, tourism facilities at Turkey's premier skiing spots, including Uludag and Palandoken, witnessed declines in foreign arrivals as well as cancelations of reservations; precisely more than 25 percent of all reservations made by Russian tourists in Uludag region were already canceled. The losses in revenue from Russian crisis have already amounted to 300 million USD in winter tourism sector.[107]

Turkey has suffered its biggest drop in monthly tourism in more than 17 years, as the country grapples with ongoing domestic and international conflict. Visitor numbers fell by 28 percent to 1,75 m in April compared to the same month last year, the worst fall since records began, according to Turkey's tourism ministry.

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[104] Anon., November 2015, Turkish tourism to be first victim of Russian jet crisis, *Araabinews* (online) URL: http://araabinews.com/turkish-tourism-to-be-first-victim-of-russian-jet-crisis/, accessed January 2016

[105] Ellyatt, H., November 2015, Russia turns on Turkey in retaliation for downed jet, *CNBC* (online) URL: https://www.cnbc.com/2015/11/25/russia-warplane-hit-hurts-turkey-relations.html, accessed January 2016

[106] Kottasova, I., November 2015, Russia and Turkey will both lose from Moscow's sanctions, *CNN* (online) URL: http://money.cnn.com/2015/11/30/news/economy/russia-turkey-plane-sanctions/index.html, accessed November 2016

[107] December 2015, Russia crisis now threatens Turkey's winter tourism, *Today's Zaman*

Tourism sector is hopeful for 2017. Russia lifting its ban on chartered flights to Turkey, following the normalization process between Ankara and Moscow, is the main reason behind this hope.

The cost of crisis one after another in 2016 was huge in tourism sector. There was a decline of 10 million incoming tourists to Turkey comparing to last year, while the loss of income was 30 percent. Turkey's tourism revenues last year, with 9.4 billion decline fell to $ 22 billion 107 million 440 thousand. According to this result, tourism revenues remained even lower than during the global economic crisis exploded in 2008.[108]

Osmanbey Textile Businessmen Association (OTIAD), Ilker Karatas: "our exports to Russia fell by 40 percent". The economic contraction in Russia, especially in the textile, has resulted in a decline in trade and exports.[109]

Tourism industry is experiencing the worst year since the 1980s and waking up from this nightmare is not easy. The numbers from the sector unfortunately show the bitter truth. According to data from Turkish Tourism Investors Association, compared to last year, Antalya experienced a loss of 4.8 million tourists and Istanbul – 2.8 million.[110]

Due to the plane crisis "a little amount" of Russian tourists was expected to arrive in 2016. Contrary, from time to time strong Statements made from Moscow show that pressure would not fall in the next few years. "90% of Russians will not come. From 11 million annual tourists coming to the region approximately 6 million will not come this year," says the general coordinator of Vogue Hotel in Bodrum Cem Uzan. President of TÜRSAB Başaran Ulusoy says, "We were doing tourism without Russians. It is true; at one time 1.5 million tourists were coming to Antalya. Currently 6 million out of 11 million will not come. There is a huge difference between 1 million and 6 million not only economically but also affecting other areas. It is not that simple."[111]

[108] February 2017, *Bloomberg Businessweek*, p. 6
[109] March 2015, *Bloomberg Businessweek*, p. 26-27
[110] December 2016, *Bloomberg Businessweek*, p. 40-41
[111] March 2016, *Bloomberg Businessweek*, p. 50-51

2.4 TURKISH AND RUSSIAN RELATIONS WITH TURKIC REPUBLICS

One of the main reasons of conflict between Russia and Turkey is Caucasus. It is stated that Turkey strives to maintain the strengthening of relations between the States of Caucasus and their independence from Russia in order to establish economic ties with them.

Turkey traditionally supported Azerbaijan and Russia – Armenia, two irreconcilable enemies. Turkey also supported the accession of Georgia into NATO, which Russia did not want. However, during Georgian conflict Turkey hindered the delivery of U.S. aid to Georgia, not letting American ships pass through the Straits, and Erdogan announced that his country was in solidarity with Russia. Turkey also attempted to take over a peacekeeping role in the Caucasus, proposing creation of a "Platform of stability and cooperation in Caucasus" in August 2008 with the participation of all regional States. Turkey and Russia even managed to come to a common position in the sense that interference of extra-regional powers into Caucasus was unacceptable. Turkey and Russia are united on the nuclear issue of Iran, being sure that it should be solved solely by diplomatic means. At the same time Turkey's aspiration to join EU may create serious competition for many integration projects promoted by Russia. (Kudryashova Y. 2012, pp. 39-40)

In the 90s Turkey pursued a fairly active policy towards the newly independent States of South Caucasus and Central Asia. However, already in the mid-90's Turkey faced serious problems. The result of investment in the newly independent States turned out to be much less than expected. As a result of this policy in the second half of the 90's the economic crisis broke out in the country, and it was possible to get out of it only in the 21st century, but a lot of projects in Turkic States had to be rolled back. Turkey's activity in the post-Soviet space caused a negative reaction from Moscow: the post-Soviet space is still considered a zone of Russian interest. Therefore, the reduction of Turkish influence in the region was perceived in Russia positively and influenced the strengthening of Russian-Turkish partnership.

In early 1992, when the disintegration of the Soviet Union took place, one of the main tasks in Turkey's foreign policy was to convince the West, especially the United States,

in the advantages of using it in contacts with new States of Central Asia, and to convince the latter that it could be their defender in the West.[112] In February 1992, during the visit of Turkish Prime Minister Demirel to Washington and his talks with the US President Bush, Turkish side directly declared about changing its regional status, its ability to participate actively in determining the political future of Muslim republics of CIS. At the same time, Turks proceeded from the attractiveness of Turkish model of a secular State for these republics.[113]

Turkey's cultural proximity to Turkic people in Eurasia allowed declaring itself a guardian and an elder brother (agabeylik). This new direction in Turkish foreign policy was mentioned in Turkish parliament on July 30, 1993: "The emergence of new independent States in the post-Soviet space marked the beginning of a very new and important development for Turkey. In the 2000s the State should become the center of attraction in this vast region. Having close relations with Turkic republics, Turkey has special duties and obligations in the process of their integration into the world community."[114] In the late 1990s Ankara developed a geostrategic concept of the country's development until 2023. "Within the framework of this concept, Turkey's foreign policy in Eurasia was based on Pan-Turkism".[115]

According to analysis of Turkey's policy in Eurasia in 1990s, it can be concluded that Ankara seriously intended to create in the 21st century a powerful Turkic State in geographical framework of Ottoman Empire and some Russian territories with a compact residence of Turks. This should have happened in parallel with Turkey's accession to EU. Moreover, Ankara wanted to push EU towards more radical actions for its admission to a full membership.[116]

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[112] Bagdasarov S., Expansion of NATO's spheres of influence in the Near and Middle East, Middle East and Modernity, issue. 5, 1998, p. 12-19
[113] Demirel S., April 1999, Turkey: A Role Model at Turbulent, the Washington Institute (online) URL: http://www.washingtoninstitute.org/policy-analysis/view/turkey-a-role-model-at-turbulent-crossroads, accessed August 2016
[114] Urazova E., State and prospects of economic relations between Turkey and New Turkic States, Russian-Turkish Relations: History, Current State and Prospects, Moscow, Institute of Oriental Studies, Russian Academy of Sciences, 2003, p. 198
[115] Speech about Turkey's foreign policy / Council of Ministers, 1990 (online) URL: http://www.dpt.gov.tr/belgeler/arsiv432#223%, accessed January 2016
[116] Ibid

As it was written in Turkish Milliyet newspaper on 10.02.1993, T. Ozal, speaking to former members of Motherland Party, said that Turkey should raise the issue of boundaries of Ottoman Empire at the center of its interests in order to become an empire in the 21st century.[117] Turkish president proposed, at the first stage of implementation of "neo-Ottoman plan", to expand a zone of the so-called Black Sea economic cooperation in territory between Caspian and Adriatic Seas and eventually create an alliance that would oppose Western Europe.

It is noteworthy that unlike Ottoman Empire, which was striving for expansion to the West and the Mediterranean, in the 1990s, Turkish leadership relied on the "Eastern direction", not forgetting its traditional partners – US and Western Europe.
It can be seen that the concept of foreign policy slightly changed in 1997 with a new Foreign Minister of Turkey, Ismail Cem, who stated that relations with Eurasian States is one of the top priorities of Turkish foreign policy.

In April 2000, Turkish President S. Demirel, in his speech at summit of the Heads of Turkic Republics in Baku said that Turkic conglomerate that arose after the collapse of the USSR is a historical chance and Turkey was ready to become the locomotive of Turkic community.[118] The Russian Federation was extremely sensitive to these expansion plans that directly affected its economic and geopolitical interests, but until the mid-1990s it was not in a position to seriously resist Turkish aspirations.

The concept of Turkey on economic and humanitarian expansion with the purpose of consolidation of Turkic States can be divided into two stages:
1) 1992-1997 – time of an active expansionist policy of Turkish Republic;
2) 1997 to the present time – awareness of Turkish elite of their limited material resources and restoration of economic and political potential of Russia in the region.

[117] *February 10, 1993, Milliyet* (online) URL: http://gazetearsivi.milliyet.com.tr/Arsiv/1993/02/10, accessed May 2016
[118] The speech of Suleyman Demirel, the President of Turkish Republic at the meeting of the heads of Turkic republics in Baku, April 2000, *Presidency of the Republic of Turkey* (online) URL: https://www.tccb.gov.tr/konusmalari-suleyman-demirel/1718/4127/cumhurbaskani-sayin-suleyman-demirelin-turkce-konusan-ulkeler-devlet-baskanlari-vi-zirve-toplantisinda-yaptiklari-konusma.html, accessed May 2016

In 1992 Agency of Turkic Cooperation and Development (TIKA) was created under Ministry of Foreign Affairs, which is still responsible for the entire spectrum of relations of Turkey with Turkic States and Turkic people living in the territory of former Soviet republics in the field of economy, culture, education, tourism, etc.[119]

Despite ambitious and tremendous organizational efforts that have been undertaken by Turkish side during the 90-s of XX century Turkey felt its inability to hold Turkic States of CIS in the sphere of its dominant economic and especially political influence.

Analysis of the 1990s leads to a conclusion about active, flexible, outgoing from the purpose of ensuring the national interests of Turkey's foreign policy, which is implemented in accordance with the principle of interdependence, including the largest countries in the world – US and Russia. It is a fact that having a well-designed position in relation to EU, Turkey is able to maneuver between EU and Russia, to define their leadership role in development of the entire Middle East.

In the early 1990s, post-Soviet Central Asia became an arena of active work for Turkish diplomacy. With the collapse of the Soviet Union, Russia, traditionally perceived by Turkish military and political elite as one of the main threats to Turkey's security was weakened, separated from Turkish borders with the countries of Caucasus and deprived of the greater part of the Black sea coast. At the same time, however, there was a risk of decrease in strategic importance of Turkey for the United States and its role in the framework of NATO that could adversely affect US-Turkish Alliance and prospects for the country's accession to EU that remained as a priority in Turkey's foreign policy. In developing close relations with new independent States of the Caucasus and Central Asia, Ankara saw a chance to consolidate implications of the collapse of the Soviet Union, which were favorable for Turkey, limiting the possibility of Russia again to increase, to prevent the spread of Iranian influence on these regions and to emphasize the importance of Turkey for the United States and leading Western European countries.

[119] Yavuzalp E. Vision in politics, Contemporary Turkish Diplomacy: 200 year process, Ankara October 15-17, 1997, Presentations on Symposium, p. 660-673

Turkish diplomacy started vigorously acting on Central Asian direction since the end of 1991. On December 16, 1991, Turkey without waiting for the official collapse of the Soviet Union became the first country to recognize the independence of former Soviet States.

The signing in September 1994 of a major contract by Azerbaijan and a consortium consisting of thirteen oil companies from eight countries, to support the development of Caspian oil fields in Azeri, Chirag and Guneshli actually opened a new period in Caucasus and Central Asian policy of Turkey. Ankara's efforts focused on ensuring the export of Caspian oil and gas through Turkish territory. Turkish leadership saw the transformation of the country into the main corridor for transporting Caspian energy resources as an opportunity to achieve lasting influence in Caucasus and, potentially, in Central Asia, to increase the strategic importance of Turkey for US and European countries and to ensure the needs of Turkish economy in oil and gas.

In the end of 1990s in the struggle for transportation of major volumes of Azerbaijani oil via Baku – Ceyhan pipeline, Ankara in close cooperation with Washington, tried to receive support of Central Asian countries. Participants of the second summit of Heads of Turkic-speaking States gathered in Istanbul in October 1994, endorsed in the final document the idea of exporting Caspian oil and gas via pipelines passing through Turkey.[120] In subsequent years, Central Asian countries have repeatedly expressed their support for Baku–Ceyhan project. Kazakhstan had a particular importance as the leading oil exporter in the region. In October 1998, Kazakhstan and Uzbekistan, jointly with Turkey, Azerbaijan and Georgia signed a Declaration on support of Baku–Ceyhan pipeline.

By the end of 1990s, the ambitions of Ankara in political leadership in Central Asia, which has proven to be ineffective by mid-decade, were actually exhausted. An attempt of Turkey in the early 1990s to unite Turkic States under Ankara's leadership, ignoring an international political region with its integrity and internal logic of inter-State relations existing in the former Soviet Union, was historically premature and doomed to failure.

[120] Winrow G., 1995, *Turkey in post-Soviet Central Asia*, Royal Institute of International Affairs

However, in the end of the 1990s, in terms of half collapse of CIS region, political, military and economic resources of Ankara were not enough to qualify for sustainable and integrated political influence in Central Asia. Especially that Turkey has no borders with the region; Europe, Middle East and Caucasus foreign policy were of big importance.

Turkey was the first country that established diplomatic and economic relations with all countries of Central Asia, positioning itself as a partner who “brings stability”. However, Turkey did not fully succeed implementing the strategy of promoting “soft power” in the region. First, countries no longer wanted to have “big brother”, like the Soviet Union. Second, because of failures of economic assistance, the trust to Turkey was blown up.

The basic principles of the foreign policy of AKP government were:

a) balance between security and democracy, i.e. providing citizens with security without violating their freedoms;

b) “policy of zero problems” towards its neighbors;

c) proactive and primarily peace diplomacy: facilitating regional process of reconciliation and establishing friendly relations;

d) multidimensional foreign policy: diversifying Turkey's participation in various alliances to avoid dependence on a single factor;

e) equal diplomacy: participating in all important global issues and international organizations (Cîrlig 2013).

Central Asian region has always been a zone of interest for the Russian Federation. However, even nowadays Russia is not able to formulate an integral, long-term policy towards this region, although it makes efforts to establish relations with the countries of Central Asia and hopes for multilateral cooperation.

Significant factors in Russian policy towards Central Asia include:

a) Central Asia is an important region for Russia in ensuring the security of Southern borders.

b) The oil factor in the region has a special importance for Russia and determines the desire of Russia to maintain influence in Caspian region.

c) Central Asia is a zone for the deployment of Russian power protective equipment.

d) An important economic factor for Russia is ensuring control over the main pipelines and transport and communication routes of the region.

e) In addition, Central Asia has a large number of Russian-speaking population, and, undoubtedly, Russia is responsible for Russian-speaking population, preservation of Russian language and culture.

Geopolitical situation in Central Asia in the last decade experienced significant changes – a new military and political situation in the region showed a significant weakening of Russia's position in several areas.

First, Russia no longer dominates in military-political arena in Central Asia, as US is actively expanding its military-political presence. As a result, the network of military bases of NATO countries in Afghanistan and Central Asian States provides US with quite full control over the region and enables an operative management of the situation.

Second, United States is increasingly pretending to perform the functions of a guarantor of economic development and modernization of the region, thereby occupying a place previously reserved only for Russia.

Russia is closely connected with the States of Central Asia, and therefore has a lot of opportunities to strengthen its influence there. But for this, it is necessary not only to concentrate on energy and military-political cooperation, but to participate in the solution of all current problems in the region.

There are a number of problems that can be solved with the participation of Russia:

i. ecological problems of the region, problems of water deficit;
ii. problems of security, the fight against international terrorism and separatism;
iii. problems of illegal migration of labor;
iv. development of transport communications, transit of energy resources, development of foreign markets;
v. effective development of integration ties between CIS countries;
vi. problems of economic and political development of a single State.

Russia can realize some tasks in Central Asia without any expenses:

i. The possibility of using information space purposefully;

ii. Using the potential of pro-Russian national elites of the region. But here it is necessary to take into account that, although the majority of citizens in Central Asia still remember the times of joint work and living, however, a generation that is more oriented toward the West has already grown up;

iii. Russia provides countries of Central Asia with technical and humanitarian assistance.

iv. Intensification of humanitarian cooperation between Russia and Central Asian countries. The development of cultural ties is the basis for greater mutual understanding, which will strengthen political and economic cooperation between the countries;

v. Involvement of Central Asian countries in various cultural and economic events organized by Russia. Frequent communication at various levels will create fundamentals for a real rapprochement of national interests;

vi. Traditions and habits established for Russia and Central Asia, the presence of a large number of Russian-speaking population in the region;

vii. Active political and organizational support for the remaining cooperative economic relations between Russia and Central Asian countries;

viii. Stimulating the participation of Central Asian countries in integration in CIS area;

ix. Active Russian cooperation with neighboring countries (China, Iran, Pakistan) affects Central Asian countries;

x. Effective development of Russia's military-technical cooperation with Malaysia, India, China, Vietnam, the United Arab Emirates and other countries of the region. The creation of a zone for Russian weapons covering the countries of Southeast Asia and the Middle East will allow including countries of Central Asia, creating difficulties for the spread of Western weapons standards in the region;

xi. Stimulating labor migration from Central Asia to Russia.

So far, Russia showed the greatest interest in Central Asia in military strategic facilities and infrastructure related to energy resources. However, in recent years, there is a certain attraction of the least protected countries in the region to reliance on Russia and the desire of stronger countries to form an equal partnership. Supporting these trends, Russia is

focusing on developing relations with the leading powers – Kazakhstan and Uzbekistan.[121]

Thus, Russia's policy is aimed at intensifying military-political cooperation within the framework of Collective Security Treaty Organization (CSTO) and Shanghai Cooperation Organization (SCO). This can increase the dominance of Russian military standards in Central Asia, which is not beneficial to the West. However, Central Asian countries are interested in such cooperation, which is caused by the need to confront terrorism, extremism, drug trafficking and crime.

In accordance with the Foreign Policy Concept of the Russian Federation, "Russia builds friendly relations with CIS countries on the basis of equality, mutual benefit, respect and consideration of each other's interests, striving for intensification of integration processes in the Commonwealth space. With States that are ready for this, relations of strategic partnership and alliance are developing."[122]

In fact, there remains a high degree of interdependence between Russia and Central Asian States. It is a market for Russian goods.

The interests of Russia in the region are dictated by the task of ensuring security.
Russia's economic interests in Central Asia are closely intertwined with geopolitical ones, but analytically it is possible to note purely economic spheres of interaction that are formed within the framework of business-friendly factors existing in Central Asia.
These include:

a) various minerals, primarily oil, gas and uranium resources;

b) excessive labor resources, which can be used both by attracting labor to Russia, and by creating labor-intensive manufactures in Central Asian countries that are oriented to commodity deliveries to Russia.

c) a large domestic market with a high growth potential, which opens up wide opportunities for Russian exports and expansion of Russian enterprises and banks. For now, this is a less competitive market with relatively low requirements for technical level

[121] Ibid
[122] Ibid

of products, which opens up opportunities for exports of manufactured goods, with which it is difficult to enter markets of other countries;

d) preserved old operation ties and existence of objective prerequisites for development of new ties (a relatively high level of confidence in Russia in comparison with some other countries actively penetrating the region, business environment, a common language of communication, family ties, and so on);

e) possibility of expanding profitable transit from Central Asia and bordering Asian countries to Europe via Russian territory. Russia is not interested in oil and gas pipelines bypassing its territory, but it is also ready to participate in the construction and operation of pipelines in Central Asia.

Since the collapse of the Soviet Union, Russia sought ways to maintain its influence in Central Asia. Even in the early 1990s, when, due to domestic economic and political problems, Russian position in the region was visibly weakened, Moscow tried to maintain a military and political presence in the region, took part in the settlement of local conflicts (for example, a civil war in Tajikistan in 1993), supported security and stability in the region, fought against drug traffic, weapons and terrorism. As the situation stabilized, Russia's economic contacts with Central Asian States expanded and deepened.

Regarding the interests of Turkish side in Eurasian integration project, a meeting between Recep Tayyip Erdogan and Russian President Vladimir Putin took place on November 22, 2013, after the first discussion in the media of possible involvement of Turkey in Eurasian integration project together with Kazakhstan, Russia and Belarus. During the November meeting, the Prime Minister of Turkey noted that "the development of relations between Turkey and Russia has reached such a level that some States are jealous".[123]

[123] Le Monde, August 2016, Russia and Turkey are like an old couple –they fight, but they will never break up, *Russia Today* (online) URL: https://russian.rt.com/inotv/2016-08-07/Le-Monde-Rossiya-i-Turciya, accessed December 2016

3. THE DOWNED JET CRISIS

3.1 ELEMENTS OF STRATEGIC PARTNERSHIP. FROM COLD WAR TO COLD PEACE.

Stable and effective political dialogue between two countries, as evidenced by the signed agreements, joint declarations and bilateral projects deepen the partnership and strengthen bilateral ties. During Vladimir Putin's visit to Turkey in August 2009 HLCC was created, the first meeting of which was held in May 2010 in Ankara. Following the meeting of the Council in 2012, more than ten documents were signed, including agreements in energy, financial and cultural fields, and program of cooperation between two countries for 2012-2015.[124] Another factor for strengthening relations is deepening of Russia's economic presence in Turkey and vice versa based on the joint work of States and business organizations. As noted by the Chairman of Russian-Turkish Business Association (RUTID) Esat Sarah, the number of bilateral investments between Russia and Turkey over the past few years increased: in particular, Russian direct investments in Turkey reached 9 billion dollars, and direct Turkish investments amounted to $ 10 billion.[125]

According to Federal Customs Service of Russia, bilateral trade between Russia and Turkey amounted to $9.3 billion for the period from January to June 2017. Russia and Turkey seem more interdependent than ever before in history, and can jointly have a positive impact on geopolitics in the region in near future. Various economic relations, participation in the formation of a unified information environment, increased cooperation in the production sphere, including reciprocal participation in the development of modernization and innovation achievements, cooperation in financial sector — all these expose the growing interdependence and cooperation between Turkey and Russia, increasing globalization and regionalization of the world economy.
There is no doubt there are realistic reasons for finding compromise between Russia and Turkey in case of a conflict.

[124] Anon., December 2012, Russia and Turkey signed nine agreements during Putin's visit to Istanbul, *RBC* (online) URL: https://www.rbc.ru/rbcfreenews/20121203192546.shtml, accessed August 2016
[125] Ministry of Economic Development of the Russian Federation, December 2012 (online) URL: http://economy.gov.ru/minec/activity/sections/foreigneconomicactivity/cooperation/economicaa/doc20121203_08, accessed August 2016

i. Turkey is the second largest consumer of Russian gas after Germany.

70% of Russian exports to Turkey are oil and natural gas. In 2015, Gazprom delivered 26.9 billion cubic meters of natural gas to Turkey, which accounted for 55 percent of its needs. After the worsening of relations, Turkish Stream project was postponed. However, Turkey was unable to find alternative suppliers of natural gas and continued buying Russian gas from existing pipelines. New energy projects offered by Russia to Turkey include Akkuyu nuclear plant in Mersin. This can be referred to multi-dimensional partnership between Russia and Turkey. Nevertheless, that partnership is limited due to different views and perspectives on other political issues. The fact that construction of nuclear power station in Mersin (Akkuyu) is done by Russia is a vivid example of economic and strategic partnership.

ii. Turkey is the main foreign market for Sberbank.

Sberbank is the State-owned largest bank in Russia. In June 2012, Sberbank made the most important economic deal by acquisition of Turkey's DenizBank for $3.5 billion. In the end of that year Sberbank strengthened its position by signing a cooperation agreement with export credit Bank of Turkey (Turk Eximbank) and with Investment Support and Promotion Agency of Turkey (ISPAT). The signing of a Memorandum of understanding with Turk Eximbank facilitates financing of exports from Turkey to Russia and other countries where branches of Sberbank and Turk Eximbank are located. A Memorandum of understanding with ISPAT is aimed at strengthening development cooperation of investment projects in Turkey and Russia, as well as mutual improvement of investment climate between the countries.[126]

Lately, the interest of Russian companies to invest in other sectors of Turkish economy, including fuel and energy, ferrous metallurgy and production of construction materials is increasing. In addition, in 2013 Lukoil intended to significantly expand its network of filling stations in Turkey, whose number has already reached about six hundred.[127]

[126] Sotnichenko A., 2016, Russia and Turkey: from rivalry to cooperation. Prospects for the development of Russian-Turkish relations (online) URL: http://www.idmedina.ru/books/materials/turkology/1/plenary_sotnichenko.htm, accessed October 2016

[127] Anon., November 2012, There is no crisis in Turkish-Russian trade relations, *Sputniknews* (online) URL: http://turkish.ruvr.ru/2012_11_29/Tukiye-Rusya-ticari-iliskisinde-kriz-yok/, accessed September 2016

iii. Tourism.

For Russian tourists it is impossible to find an alternative to Turkish sea and resorts. The number of searches on package holiday tours in May 2016 decreased by 15.5 percent compared to the same period in 2015, Russian business daily Kommersant reported, citing analytical data of the Association of Tour Operators of Russia. "If there is a favorable decision on the resumption of cooperation with Turkey, holiday demand from Russian tourists could recover quickly," the Association said on its website.

Tourism is equally important for Turkey: around 4 million Russian tourists visit the country annually. According to this indicator Russia takes the second place after Germany.[128]

iv. Turkey provides vegetables and fruits.

For a long time, Turkey is the main supplier of fruits and vegetables to Russia. After the jet crisis, Russia imposed sanctions on the import of food products from Turkey. As a result, according to data from Ministry of Economic Development, food imports from Turkey in the first four months of 2016 decreased by $274.6 million compared with the same period last year to be exact they decreased to zero. By comparison, before the sanctions, almost 53 percent of the total tomato imports to Russia in cash and 54 percent through trade came from Turkey, Russian RBC business newspaper reported.[129]

There are at least eight reasons why Russia should keep friendly relations with Turkey.

a) Turkey has one of the strongest armies in Asia and in NATO.

The first reason why Russia should not argue with Turkey is military-political. The country has one of the most powerful armies in Asia, which is the second largest in NATO after American. TAF are well prepared and equipped with modern Western weapons. Therefore, in case of a local conflict, Ankara has an opportunity to take an advantage of Article 5 of North Atlantic Treaty Charter and call on all support members. So any armed conflict with Turkey also means a clash with entire NATO.

[128] The 4th HLCC meeting, November 2013, *President of Russia* (online) URL: http://www.kremlin.ru/news/19676, accessed May 2016

[129] Lossan A., June 2016, Reasons why Russia and Turkey are reconciling, *Russia Beyond* (online) URL: https://www.rbth.com/economics/business/2016/06/30/reasons-why-russia-and-turkey-are-reconciling_607627, accessed July 2016

b) Strategic control of the Straits.

The second reason is Turkish strategic geographical position. It controls the Straits. This means that Ankara (in theory, in case of an armed conflict) has an ability to block or restrict transit of Russian civilian and / or military vessels through the Straits, thereby locking them in the Black Sea. If the supply of Russian troops to Syria goes mainly through the Bosporus, any obstacles will immediately create serious transport and logistics problems for Moscow and immediately lead to a sharp price increase.

c) Leading position among Sunnis.

The third reason is Islamic factor. Ankara is ruled by an Islamic party relying on an absolute majority in the Parliament; in international arena Turkey is positioned as one of the Sunni leaders, and Muslims living in Russia are followers of this trend. At the same time, Russia is fighting on the side of the Shiites in Syria. Turkish leadership may in some form take an advantage of this circumstance.

d) Support of Crimean Tatars and Ukraine

The fourth reason is Crimea. Turks perceive Crimean Tatars as their comrades, and Ankara showed an obvious dissatisfaction about Russia's actions towards Crimea. The aggravation of Russian-Turkish relations will most likely lead to a rapprochement between Turkey and Ukraine, which can take many forms.

e) Russian tourists are used to travel to Antalya.

The fifth reason is tourism. In fact, the ban on tourist trips to Turkey is undoubtedly a painful blow in Turkish economic interests. For Russia, Turkey's tourist blockade is fraught with internal political risks. How will millions of Russians react to the fact that in a matter of weeks they lost two of their favorite tourist destinations – Egypt and Turkey?

f) The loss of Turkish gas market.

The sixth reason is gas. The aggravation of relations with Turkey is likely to completely bury Turkish Stream gas pipeline project. Until recently, the main buyers of Russian gas were Germany, Ukraine and Turkey. Now, following the Ukrainian one, Turkish market may sharply decline. Ankara will not be able to immediately and completely give up supplies from Russia, but in case of serious deterioration of relations, it is certain that it will actively look for other suppliers, as there is a choice in the region.

g) A variety of businesses are under threat.

The seventh reason is a foreign trade. Turkey is one of Russia's major trading partners, whose importance as a food supplier has increased after Moscow imposed an embargo on food imports from Western countries. The ban on supply of Turkish meat or fruits and vegetables will further narrow the list of countries supplying Russian market with food, which will make the counters poorer and prices even higher.

h) Joint investment projects.

The eighth reason is investment. Russian financial, oil, metallurgical companies made significant investment in Turkish market, which will suffer. The construction of a nuclear power plant in Turkey is under the threat of failure, and already cost a lot. In turn, a number of investment projects on Russian territory is realized with the help of Turkish constructors. What happens if they have to leave?

3.2 BOSPORUS AND DARDANELLES STRAITS

Currently, in connection with the active presence of NATO ships in the Black Sea Turkey's importance as controller of the Straits increased. Bosporus and Dardanelles, as the only entry point into the Black Sea can play an important role in case of a potential conflict escalation in the region. According to Montreux Convention, adopted in 1936 and governing passage through Bosporus and Dardanelles warships of the Black Sea and Non-Black Sea powers, Turkey is the only regulator to transit from the Black Sea to Mediterranean. A number of articles of the Convention allows Turkey to widely interpret their rights under the passage of ships through the Straits, and consequently Maritime transit of a particular country depends on its relations with Ankara. Turkey shouldn't be taken as unofficial master of the Straits, because the Convention itself has a clause that allows rendering pressure on Turkey in terms of use of Bosporus and Dardanelles.[130] The latter fact repeatedly served as the occasion to clarify relations between Moscow and Ankara, as the threat of rotational NATO forces in the Black Sea for Russia, being hypothetical in the period of 2008 crisis, now became a reality.

[130] Convention on the regime of the Straits, July 20, 1936 Montreux (Switzerland). Appendix "Turkey between Europe and Asia", M. Kraft, IW RAS, 2001, pp. 520-526

Americans do not hide the fact that visits of their warships in the Black Sea are of a rotary character. In 2014, the commander of NATO in Europe, General of the U.S. Air Forces F. Breedlove said that since February this year, the US ships were in the Black Sea waters "on a regular periodic basis" – when one American ship leaves the Black Sea, here comes another one (Belonogov A. L. 2014). An example of this can be an American guided missile cruiser "Vella Gulf", having been three times in the Black Sea in 2014, and French reconnaissance ship "Dupuy de Lôme" that actually embedded on combat duty in the Black Sea (the fleet entered Black Sea seven times in 2014). The tension in the Black Sea was added by NATO exercises in March, July and September 2014, as well as the Mediterranean NATO exercise in the framework of "Active Force" operation in April same year.

Entrance of NATO's Second permanent mine countermeasure group ships (SNMCMG2) into the Black Sea on March 4, 2015 (according to the Alliance for joint exercises with navies of Bulgaria, Romania and Turkey), Russian Foreign Ministry described as a "provocative idea" aimed at destabilizing situation in the region. The reason for such Statement was the words of Group Commander Admiral Barack Williamson, noting that aim of the exercise was to prepare for any mission implementation in the framework of NATO operations.[131]

Can lack of "Turkish" filter in NATO ships passage be assumed to change Turkish policy in the Black Sea region? Ankara's actions have already been a reason for a diplomatic squabble in April 2014 between the Foreign Ministries of two countries (this refers to the US Navy "Taylor", which due to propellers damage exceeded limits of staying in the Black Sea for 12 days, and (according to Moscow) long-term stay in the Black sea of USA missile "Donald cook", which made Russian foreign Ministry to doubt that Turkish side properly monitors compliance with Montreux Convention), again demonstrating that there is a serious distance in interpretations of Turkish Straits control functions between Moscow and Ankara.

[131] Krechinskyi V., March 2015, RF MFA: NATO and US ships arrived in Black Sea with "provocative idea", *Politnews* (online) URL: http://www.politnews.net/4934

Turkish warships are part of NATO's second permanent mine countermeasure group, that is Turkey will continue to participate in all scheduled activities of the Alliance, whatever nature those have.

The actual rejection of Turkey from filtering NATO ships during their entrance in the Black Sea extremely narrows maneuver for Ankara and may gradually draw it into closer cooperation with NATO in the Black Sea. The latter may directly threaten cooperation of Russia and Turkey in defending the priority of Black Sea States in all matters concerning defense and security. In other words, the constant rotation of NATO in the Black Sea can raise a question about preserving Black Sea organizations such as "Blackseafor" and "Black Sea harmony", as well as cooperation between Russia and Turkey in the non-proliferation of NATO "Active endeavor" program to the Black Sea.

What could cause Russia's concern is the ease with which NATO ships pass through the Straits, but Turkey hardly can be blamed, because all ships of non-Black Sea powers in general compliance stick to deadlines of staying in the Black Sea.
Turkish magazine "C4 Defence" notes the need for tightening of warships passage in Montreux Convention.[132] A newspaper Yeni Safak stands for restriction of non-Black Sea States' access in the Black Sea.[133]

It should be noted that "Turkish" filter exists. Therefore, at the end of 2014 Turkey banned the passage of American LNG tankers (reduced natural gas) through the Straits heading to Ukraine, citing the risks of gas transportation in conditions of heavy traffic. Both Ukraine and the US side were forced to accept this.[134] (In order to reduce dependence on Russian gas, Ukraine has been constructing LNG terminal near Odessa, which was supposed to be completed by the end of 2015. Turkey opposes the construction of Ukraine's LNG terminal on the Black sea due to environmental risks. LNG supply was

[132] Anon., May 2014, Turkey will protect the Black Sea with new rules, *the Kiev Times* (online) URL: http://thekievtimes.ua/society/367847-turciya-zashhitit-chernoe-more-novymi-pravilami.html, accessed May 2016
[133] Karagul I., April 2014, Watch out for the Black Sea! Montreux opportunity escaped, *Yeni Safak* (online) URL: https://www.yenisafak.com/yazarlar/ibrahimkaragul/karadenize-dikkat-montro-firsati-kacti-51341, accessed August 2016
[134] Anon., December 2014, Turkey will not let US gas tankers into the Black Sea for Ukraine, *x-true.info* (online) URL:http://www.x-true.info/11014-turciya-ne-pustit-v-chernoe-more-gazovye-tankeryssha-dlya-ukrainy.html, accessed July 2016

supposed to be implemented by an American company "Cheniere Energy" (Houston). In June 2014, Turkish Energy Minister Taner Yildiz claimed Turkish position on this issue and it has not changed.

In general, evaluating the impact of NATO on relations between Russia and Turkey the conclusion could be made that creation of NATO rotational group in the Black Sea was not reflected in any radical way in Turkish-Russian relations. The question about timing of stay of NATO ships in the Black Sea is clearly not confrontational and in addition, a periodic reminder to Turkish side that it is not an exclusive sovereign of the Straits is a favorite technique of Russian pressure on Turkey.

Despite official non-recognition of Crimean referendum, Crimean annexation in 2014 was not considered as annexation in Turkish media.

As it is noted in Russian publications about Turkish position in this matter, "their interests are more valuable".[135] In such circumstances, the most likely scenario is Turkey's encouragement of parties to dialogue and maintenance Ukraine's integrity. This will save the face of Turkey as a NATO member and will not spoil relations with Russia because the latter itself is not interested in further disintegration of Ukraine. Such equidistance between Russia and NATO is the most convenient option for Turkey, as its influence on Crimean Tatars in any case remains unchanged, and relations with Russia will be maintained at the same level.

During Vladimir Putin's visit to Turkey in 2009, Ankara has de facto agreed on construction of South Stream gas pipeline through its territorial waters in the Black Sea. This project was to connect Russian gas transmission system directly with countries of Eastern and Central Europe.[136] However, the destructive position of Europe in connection with contradictions between Russia and EU on Ukrainian issue has put this project in jeopardy. This forced Moscow to change the vector of gas distribution networks, giving Turkey exclusive rights to gas transit to Europe. With this purpose, the hub point of "blue

[135] Ponomarev V., Who has stronger nerves, 2014, *Expert online* (online) URL: http://expert.ru/2014/07/5/u-kogo-nervyi-krepche/, accessed June 2016
[136] Tovkailo M., August 2009, Turkey will let South Stream through its part in the Black Sea, *Vedomosti* (online) URL: http://www.vedomosti.ru/politics/news/2009/08/06/815172, accessed March 2016

fuel" delivery will be built on Turkish territory near the border with Greece. This combination dramatically enhances the role of Turkey in global gas distribution system, as Turks themselves are constantly positioning their country as the energy hub designed to accumulate and redirect the flow of oil and gas from Russia, Iran, the Middle East, Central Asia and the Caucasus to European countries.[137] New agreements with Russia allow increasing this role (Turkey gets additional security of gas supplies. Currently, the supply of "blue fuel" to Turkey is via Blue Stream and TRANS-Balkan gas pipelines. Thus, the construction of Turkish Stream will enable Turkey to secure its gas flows due to unstable situation in Ukraine).

However, despite the obvious benefits of a new project there are a lot of difficulties for its realization. First and foremost is the pressure from Turkey's Western partners, primarily the United States that was obvious during the visit of Vice President G. Biden to Ankara, who called Turkey to join Western sanctions.

While in Turkey there are many supporters of TAP (Trans-Anatolian-Pipeline), there is an alternative implementation of Turkish Stream project (the main investor is Azerbaijan), which in contrast to Russia will strengthen Turkey's role in transit energy through the transportation of Azerbaijani gas to Europe.[138]

Turkish side wished to set their own price on re-exporting Russian gas to third countries. Then Ankara got involved in Nabucco project, planning gas transportation from Turkmenistan, Kazakhstan, Azerbaijan, Egypt, Iraq and in future Iran to Europe, bypassing Russia. At the time this prompted Gazprom and its partners to come up with the idea of South Stream", designed to reduce the resource base of Nabucco.[139] To consider that along with Turkish Stream, Turkey actively participates in the implementation of TANAR-TAP project, the objectives of which are similar to Nabucco.

[137] Ibid
[138] Bakalinskyi M., January 2016, "Turkish stream" through the eyes of Turkish opposition media: political and neurolinguistic analysis, *International Affairs* (online) URL: https://interaffairs.ru/news/show/12446, accessed July 2016
[139] Anon., February 2015, Russian-Turkish "energy revolution": Europe and the USA respond, *Geopolitikum* (online) URL: httphttps://geopolitikym.org/rossijsko-tureckij-energeticheskij-razvorot-evropa-i-ssha-delayut-otvetnyj-xod/, accessed May, 2016

Rotating NATO policy in the Black Sea in 2014-2015 didn't have a negative impact on Turkish-Russian relations. With the exception of local problems associated with the rotation of NATO's Black Sea grouping, there was no other contradiction between Russia and Turkey. Both countries have sufficient experience of strategic partnership and tend not to focus on differences, rather to focus on those possible and mutually beneficial issues. From Russian side it is expressed in fact that Moscow does not notice lack of "Turkish filter" in the Black Sea, and Ankara has not joined anti-Russian sanctions.

In Turkey, Mustafa Dzhemilev – former head of Parliament, in a conversation with Ahmet Davutoglu asked to "close Bosphorus for Russian warships passage and to bring Turkish Navy to the shores of Peninsula", but received a polite refusal. Turkey not only did not close the Straits, but also sent a message to political elite of Crimean Tatars: Russia will not hurt you.[140]

Such equidistant non-interference position from NATO and Russia certainly "played up" Russia. The annexation of Crimea was quite fine for Turkey. On November 16, 2008 at the "round table" dedicated to stability and security in the Black Sea region in Simferopol, Tarakci Nezhat – Professor in Izmir University said: "We need to recognize the independence of Crimea or give it to Russia – it will be safer for all."[141]

Regarding Turkey's membership in NATO, there are a lot of examples when Turkey acted contrary to the wishes of NATO, in Russia's favor. So, in 2008 during Russian-Georgian conflict Turkey supported an idea to introduce NATO countries' navies in the Black Sea in addition to its own fleet. This largely contributed to conflict decrease.

In the formation of a Common European policy on security and defence, Turkey wasn't given equal rights as EU States. Leaving Turkey out of CEPSD, EU at the same time in 1999 declared it a candidate country for full EU membership.[142]

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[140] Muravitskyi V., April 2014, How Turkey quietly helped Russia with Crimea: the United States are still echoing, but no longer obeying (online), URL: http://www.odnako.org/blogs/kak-turciya-tiho-pomogla-rossii-s-krimom-ssha-vse-eshchyo-vtoryat-no-uzhe-ne-slushayutsya/, accessed May, 2014

[141] Tarakchi N. facts: conflicts of interests and balance of forces in the Black Sea region, 2008, International round table problems of security of the Black Sea and neutral status of Ukraine: Collection of materials – Simferopol, p. 98-105, accessed May, 2014

[142] The 4th HLCC meeting, November 2013, *President of Russia* (online) URL: http://www.kremlin.ru/news/19676, accessed May, 2014

3.3 TURKEY-NATO-RUSSIA

On November 24, 2015 TAF shot down a Russian military jet that resulted into a deep crisis in Turkish-Russian relations. Turkish experts came to the conclusion about "the end of domination of logic of pragmatism and fragmentation (kompartmantalizasyon) in bilateral relations".[143] The cooling of relations was obviously reflected in Turkish-Russian energy projects. After unsuccessful military coup attempt in Turkey on July 15, 2016 on the background of complicated relations with US and EU, Turkish leadership showed the intention to improve relations with Moscow and in September 2016, Turkey allowed the construction of Turkish Stream.[144] During the World Energy Forum in Istanbul on October 10, 2016 an intergovernmental agreement to implement the project Turkish Stream was signed.[145] A. Miller said that Russian side would finance an entire marine part of the pipeline, while Turkey — the land, and infrastructure construction would start in 2018.

Everything leads to the conclusion that this was done not because of the desire to protect its airspace. With this act, President R.T. Erdogan expressed his dissatisfaction with the success of Syrian army, which with the support of Russian aviation, comes to the position of militants in the areas of residence of Syrian Turkmen. Attack on Su-24 was possible due to a pre-organized Turkish trap. The ruling elite of Turkey diligently used its own and foreign media, as well as various political instruments for its preparation.

It is insisted that the attack was prepared by Turkey even before the aircraft flew to the mission. Turkey insists that Russian jet was in its airspace only 17 seconds, and US supports this version, completely ignoring any facts that allow to interpret this version of events differently.

In support of the fact that the destruction of SU-24 was carefully planned in advance by Turkish government, also confirm statements, according to which Russian pilots were warned about violation of airspace for five minutes and at least ten times! This fact

[143] Ozdal H., Ozertem H. S., Has K., Demirtepe T. M., July 2013, Turkish-Russian relations: from competition to multidimensional cooperation, *USAK report no 13-06*, pp. 2-5

[144] Gazprom, September 2016, Gazprom received permission to explore two threads of Turkish Stream in the territorial waters of Turkey (online) URL: http://www.gazprom.ru/press/news/2016/september/article287217/, accessed September 2016

[145] Basboga M., October 2016, Turkey, Russia sign Turkish Stream deal, *Natural Gas World* (online) URL: https://www.naturalgasworld.com/turkey-and-russia-signs-turkish-stream-deal-after-rapprochement-32069, accessed October 2016

already generates serious doubts: can this be true? How is it possible in five minutes to warn the crew ten times, to receive an order from Turkish mission control center to destroy the flying target and to receive confirmation for this order? Where could SU-24 fly in five minutes?

The statement of Turkish side raises many questions and does not allow formulating answers to them. After all, if Turkish side started warning Russian pilots about the airspace violation five minutes before the destruction, it turns out that they started doing this long before SU-24 turned towards Turkey. In addition, in order to inflict a missile attack, TAF should have already been in the air and in advance not only prepare to open fire, but also have a confirmed order on it.

All this allows making only one conclusion – the decision to shoot down SU-24 was taken by Turkish side before it rose up into the air. The video from the moment Turkish missile hits SU-24 and until its final fall, and the location of a group of militants from Syrian Turkmen who were in advance of the firing position on catapulted Russian pilots, are also evidenced in favor of this conclusion.

Turkish leadership itself would not have decided this primarily political, and then military act of intimidation, without approval of United States and NATO. In favor of the latter, NATO countries support "protecting Turkey's own airspace", in the course of which many norms of international law were violated. For example, US Department of Defense officials supported the incident, saying that militants had the right for protection completely ignoring Art. 20 of Hague Convention on the Rules of Air Warfare, according to which "if an aircraft suffers a disaster, those leaving it with parachute cannot become an object of attack."

To properly understand the tragedy with SU-24, it is necessary to distinguish real causes of this event and what in fact became reasons. It seems that formally Turkey had two reasons for accomplishing this extreme step. Both reasons were prepared by Turkey. One of them was for external use, primarily for Western countries: Turkey defended its airspace from Russians, who used to fly anywhere. The other was for internal use: Turkey defended its ethnic brothers – Syrian Turkmens.

It seems that Turkish President R.T. Erdogan really hoped for support and political establishment of Western countries, and for support of the world community. He positioned himself as a hero, who publicly gave a slap in the face to a nuclear superpower. Turkish President also counted on support of all NATO countries and on Article 5 of NATO Charter. In the eyes of his own population, he claims the title of a new "father of all Turks" and a defender of Syrian Turkmen from Russian bombing.

First of all, Turkish political elite does not accept the borders that were imposed on Turkey by victorious countries after the First World War, and is now seeking an opportunity to return to its "original" territories in the South. That is why, in Syrian conflict, the Republic of Turkey supports forces that are fighting against B. Asad, while Russia gave a significant advantage to Syrian army.

Second, the political elite of Turkey seeks to take control of emerging Islamic State and with its help once again to become the head of Arab world.

Third, Turkey is still trying to get into EU, and the action in relation to Russia gives it certain preferences in its relations with Europe.

Fourth, President of Turkey R.T. Erdogan is afraid to lose more than two billion dollars as a result of Russian air strikes, received annually from stolen by IS Syrian and Iraqi oil. 24 November 2015 appears to be a date that became separating between perception of Turkey as a close partner or even ally of Russia in the emerging multipolar world, and the country not able to go beyond the historical role of geopolitical opponent of Russia. The incident with military jet and the subsequent killing of two Russian pilots began to seem an extension of historical logic of relations between the countries. This is a serious reason to ask the question, to what extent can close economic and trade ties linking Russia and Turkey at a fundamental level serve as a guarantee to continuously progressive development of interstate relations. It is impossible not to agree with Professor S. B. Druzhilovskii that Turkey failed "to solve almost all problems with Russia in a constructive spirit" and it is "associated primarily with the utmost economic importance of Russia for Turkey" (Druzhilovskii S. B. 2015 p. 90). The events following the accident with Russian jet highlighted the problem of logic needed for stability of Turkish-Russian

economic relations and the limit of such relationship. The decline in political relationship weakened economic and social connection between two countries.

On October 29, 1933 at celebration of the 10th anniversary of Turkish Republic, Voroshilov stated “The friendship of our people (Turks and Russians) may be called a tried friendship that seems to me the most suitable word. It began in the years, when both countries were facing great historical trials. It was tried and tested in the years of armed struggles, in the years of peaceful reconstruction that followed, and in the efforts of our people and Governments to guard the peace from all threatening dangers. That is a friendship that fears no tests…” (Izvestia, 1933, pp. 32-33)

Prospects of Turkish-Russian relations in sphere of energy resources transit and creating a hub on Turkish territory will depend on a number of factors. These include economic factors related to situation on the world energy market: volumes of production, consumption diversification, which in turn will define the policy possibility to diversify export and import markets. However, the situation is largely influenced by political factors, namely by relations along EU — Russia — Turkey — EU — US. It should be borne in mind that the vector of development of bilateral relations between Moscow and Ankara is largely determined by developments in the Western direction of foreign policy of each of the actors. It seems that Turkish-Russian relations returned to usual pragmatic way. However, this does not exclude the existence of fundamental contradictions on a wide range of problems, including Karabakh issue, Abkhazia and South Ossetia, Kosovo and Crimean issues, the problem of NATO expansion to the East, and civil war in Syria. The fast improvement of relations after the military coup attempt on July 15 suggests that relations between Moscow and Ankara are not only receptive to the changing dynamics of foreign policy, but also domestic. Following the logics of pragmatism and preservation of fragmentation will ensure the sustainability of Turkish-Russian partnership, which is not going to be easy.

Not to mention, this is not the first time Russian aircraft crosses Turkish border. Violation of Turkey’s airspace occurred on October 3, 2015. Two days later, Turkey reported Russia’s violation of its airspace. The incident caused an emergency meeting of NATO

representatives. The organization called the violation of Turkey's airspace "extremely dangerous and irresponsible."

As Turkish Foreign Ministry reported in mid-October, in the beginning of the month Russian aviation twice violated Turkish airspace. In the period October 3-10, Russian aircraft 13 times dangerously approached Turkish Air Force on the border with Syria.[146] The debate of the military support given by Russia to Syria in different ways is now back on the agenda. It is unlikely that Turkey was not aware of a civil plane carrying military cargo from Russia to Syria.

On November 25, 2015 Davutoglu claimed that "he personally" ordered to destroy a Russian jet.[147] And already on November 27, Erdogan had tried to personally take off responsibility from the government for these actions and said that TAF began the bombardment of Russian fighter jet.[148] Nevertheless, President still tried to stick to the point that they had every right due to suppression of Russian aircraft on Turkish border.

Economic ties were not fully torn, and in light of recent ambassadors' statements, it could be said that Turkish-Russian relations would be recovered. Most likely, the warming of relations would be soon.
Later, on June 27, 2016 Erdogan sent an apology letter to Putin, expressing his condolences for what happened.

Vladimir Putin called this accident a "stab in the back" and as a result applied sanctions against Turkey.[149] Tensions between the countries for a long time had a hostile character and there was a belief in a short war. However, as liberal theory shapes, States strive to cooperation, which again showed its proof after Russian jet crisis. Both countries would

[146] Peremitin G., November 2015, Russia explained the violation of airspace by Turkish air defense maneuver, *rbc.ru* (online) URL: https://www.rbc.ru/politics/05/11/2015/563aea6c9a794795f37305b8, accessed November 2016
[147] Anon., November 2015, Turkish Prime Minister: I gave order to shoot down Russia's plane myself, *Sputniknews* (online) URL: http://sputniknews.com/military/20151125/1030762042/turkey-davutoglu-aircraft-orders.html#ixzz3vFOgQVDp, accessed December 2016
[148] Anon., November 2015, Erdogan: Turkish Armed Forces shot Su-24 on their own, *Vzglyad.ru* (online) URL: https://vz.ru/news/2015/11/27/780528.html, accessed December 2016
[149] Druzhinin A., November 2015, "Stab in the back": statements by Vladimir Putin about the incident with Su-24, *RIA news* (online) URL: https://ria.ru/world/20151124/1327592353.html, accessed November 2016

not benefit from war because there was a lot to lose economically and politically. Russia and Turkey are good strategic partners and will remain so in the next decade.

What could be done in this situation? There are two options: first, decisive military actions; second, economic sanctions. Could Russia start a war with Turkey? The norms of international law confirm this. The incident with SU-24 is a textbook "Casus belli", i.e. a formal and uncontested reason for Russia's war against Turkey. Russian legislation also confirms this right. Thus, Art. 3 of Federal Constitutional Law "On Martial act", defining the list of foundations for introduction of martial law in Russia, states that "in accordance with Part 2 of Art. 87 of Constitution of the Russian Federation, the basis for introduction by President of the Russian Federation of a martial law on the territory of the Russian Federation or in certain areas is aggression against the Russian Federation or an immediate threat of aggression ... In accordance with generally recognized principles and norms of international law, rights of acts of aggression against the Russian Federation, regardless declaration by the foreign State (group of States) of the war of the Russian Federation, are recognized: (including) ... the attack of Armed Forces of a foreign State (group of States) on the Armed Forces of the Russian Federation or other troops regardless location of their deployment."[150]

Thus, Russia already had legal reasons for launching military operations against Turkey and there was no way to challenge them. That is why Turkish President R.T. Erdogan immediately claimed the fifth article of NATO Charter, reminding Putin that a war between Russia and Turkey would be the basis for the latter to seek help from NATO, and this would already be the Third World War.

Formally, there is no aggression towards Turkey. On the contrary, there is aggression of the latter in relation to Russia. It seems that US does not want a war with Russia either alone, together with NATO, or with all Western countries. Therefore, within the framework of this conflict, NATO countries have an opportunity to "save the face", and to allow Turkey itself to deal with Russia. However, in this case the outcome of such a war is obvious: the military defeat of Turkey and the change of its ruling elite.

[150] "On the Martial Law": Federal Constitutional Law of 30.01.2002 N 1-FKZ (edited on March 12, 2014) SPS "Consultant Plus"

Putin chose economic sanctions. Many in the West sighed with relief that Putin chose sanctions instead of war. Is Putin right in this decision? The question is both now and in the future will be debatable and in many ways speculative. Economic sanctions will be more effective in this particular situation than military actions.

Sanctions imposed by Russia have already affected different spheres in Turkey: politics, economy, culture, tourism. In politics first of all, there is the deterioration of Russian-Turkish relations and the complete cessation of military cooperation. The ban on employment of Turkish citizens will also be tangible for its economy. Turkey is the second largest supplier of workers to Russia after China. A wide range of Turkish food products is under Russian sanctions. There is a huge damage in Turkish tourism industry: from January 1, 2016, Russia suspended visa-free regime with Turkey. Russian tour operators stopped selling tickets to Turkey, charter flights between Russia and Turkey were banned. Losses of Turkish tourism industry from sanctions will amount about $ 10 billion annually, or 1.2% of the country's GDP. Under restrictive measures imposed by Russia, there is Turkish Stream project. Russia covers 60% of gas needs in Turkish market. Other suppliers supply only about 40%. The gas is necessary and there is no source to replace its reserves, except Russia. Joint investment projects are also under the ban. First Turkish nuclear power plant project Akkuyu was stopped, where Turkey had already invested about $ 3 billion. Cultural ties will also suffer. Year of Russian-Turkish cooperation, which was due in 2016, was canceled. Cross-cultural year of Russia-Turkey planned for 2017 was also canceled.

Table 3.1: Russia's and Turkey's interests and contradictions

Russia's and Turkey's mutual interests	Contradictions between Turkey and Russia
Effective operation of communications and trade routes in Caucasus and Central Asia.	Excessive dependence of Turkey on Russian gas and Ankara's desire to diversify its energy routes, gaining greater independence.

Non-participation of non-regional actors (USA, EU and China) in the sphere of interests in Caucasus and Central Asia.	Competition for control over communications (especially energy) in Caucasus.
Regional political stability, understood primarily as a fight against terrorist and criminal networks.	The interest of the two countries in expanding the possibilities of their own influence on the States of Caucasus.

So, Turkey crossed the line dividing its world into "before" and "after". Turkey is fighting between NATO, US and EU, trying to get support, while continuing trying to get in direct contact with Russia. Russia is silent, NATO is turning away, and United States is openly supplying Kurds with weapons.

Not agreeing with this fact, Turkey nevertheless understands that it is in a desperate situation. Forced to constantly use its troops on one hand to suppress Turkish Kurds, and on the other hand to deter Iraqi forces, it does not have sufficient military potential for war with Russia. Worsening economic situation, with the introduction of economic sanctions by Russia and the absence of Russian tourists, can potentially become threatening and make it impossible to finance military expenses.

Not wishing a war, Russia will delay its beginning, while preparing for the worst development of events. The maximum weakening of Turkey by providing assistance to Kurds, will allow Russia if not to prevent a war, then get out of it as a winner with the least losses.

"Without Russia's participation, it is impossible to achieve a permanent solution in Syrian crisis, Turkish Foreign Minister Mevlut Cavusoglu said in an interview with Sputnik Turkey. "For Turkey, Russia is a friend in the region, and Russia could not find a more reliable friend than Turkey," Cavusoglu noted.[151] It should be recalled that in the 90's, XX century the leaders of this country, reviving Pan-Turkism in its radical forms, dreamed of recreating the "State of the great Turan", which includes all Turkic-speaking

[151] Anadolu Agency, August 2016, Turkey is Russia's best friend, *The Kiev Times* (online) URL: http://thekievtimes.ua/society/491114-turciya-luchshij-drug-dlya-rossii.html, accessed March 2017

States. However, nothing came out of this idea. During the two Chechen wars, Turkish authorities in fact supported separatists in Chechnya, providing financial, material and moral support to militants. Nevertheless, two countries have gradually established a mutually beneficial cooperation in trade, economic and energy fields. The nature and scale of such cooperation is indicated, in particular, by the construction on the bottom of the Black Sea and the launch in December 30, 2002 of Blue Stream gas pipeline with a capacity of 16 billion cubic meters of gas per year. It is also important to emphasize that millions of Russians spend their holidays in Turkey every year, which brings a substantial income to the State budget of the country. An intergovernmental agreement on the construction of the first nuclear power plant in Turkey was signed.

As a result of the confusion associated with the destruction of Russian jet by TAF in November 2015, Russia and Turkey were on the edge of war. But a number of factors, in particular the attempted coup on July 15, 2016, the sharp deterioration of the country's relations with EU member States and United States and other related events, prompted Turkey as a whole and particularly President R. T. Erdogan to apologize to Russia for the downed jet. As a result, normal relations and mutually beneficial cooperation between the two countries have been restored today.

4. CONCLUSION

Russia and Turkey were rivals immediately in the post-Soviet Eurasia after the dissolution of the Soviet Union. However, this process did not continue for a long time due to globalization of economics and increasing interdependency of both countries. Russia realized the importance of Turkey's geopolitical location after the mid-1990s, while Russian elites were activating the Eurasian perspective on Russian foreign policy. Therefore, Russia focused on diversification of energy export routes, taking into consideration foreign policy orientation where Turkey would also take its place. Turkey focused on creating deeper economic relations with Russia especially on energy sector, which would cause the rapprochement. In the beginning, investments of Turkish businesses were realized in Russian market, and then Turkey highlighted the operation of energy pipelines from Russia.

Following these developments, Russian tourists appeared to be one of the important profit sources of Turkish economy. Inevitably, intensive economic relations between the countries enhanced the political cooperation. Thus, both countries emphasized on rapprochement in international political sphere and suspended their domestic politics (PKK-Kurdish Problem and Chechen issues).

Eventually, Russia and Turkey became partners on economic sphere of Eurasia and had complex interdependency between themselves due to intensive economic-trade relations, especially in the energy sector. Moreover, both countries tried to reduce political problems between each other. In spite of such rapprochement and avoiding problems, they certainly have different perspectives on some issues such as Azeri Armenian Conflict, Abkhazia-Georgian Conflict, deployment of NATO Radar Station in Malatya, Turkey etc. (Turkey always points that emphasizes on territorial integrity of Georgia, on the other hand Russia already recognized the independencies of Republic of Abkhazia and South Ossetia. Malatya is a province of Turkey, which is located in the eastern part of Turkey.)

Turkey, being an ally of US and NATO limits its policies in the region and harmony with Russia. In spite of these, Turkish-Russian energy cooperation and interdependency on the

other economic sectors contribute to stability in Eurasia. Cooperation rather than competition dominates the energy sector, which obviously lets the implication of liberal theory.

Russian and Turkish governments are fully able to analyze the situation and see the prons and cons. Of course, considering liberal theory Russia will take all measures to avoid war with Turkey. This war is not welcomed because of difficult economic situation, and because of the danger of outbreak of a third World War, the result of which can be the death to all mankind. Turkey is more just a neighbor for Russia. It is a crucial strategic partner not only in the region, but on the world arena.

Immediately after the attack on Russian jet, Turkey repeatedly and persistently tried to contact Russia to discuss the situation. Russian side evaded direct communication, and through the media brought to the whole world its position regarding the incident: the destruction of Russian jet participating in the antiterrorist operation was promoting terrorism; Turkish side, as the guilty one, must officially apologize and compensate the damage. Turkey indeed declared that the blame for the crime it had committed was entirely Russian and was desperately seeking support from NATO, US and EU. Without receiving any apology, Russia refused to launch a retaliatory military strike and declared the initiation of the process of bringing servicemen guilty of the death to justice.

On November 28, 2015 "On measures for ensuring the national security of the Russian Federation and protecting Russian citizens from criminal and other unlawful acts" – an application of special economic sanctions against Turkey was adopted, which introduced temporary restrictions on import of Turkish products. The government later specified the list of prohibited import products.[152]

From January 1st, 2016 it was prohibited to import from Turkey the following product groups: roosters, vegetables (tomatoes, onions, cabbage, and cucumbers), fruits (oranges, plums, tangerines, grapes, apples, pears, apricots and peaches), berries (strawberries, strawberry), salt, and flowers – carnations.

[152] The Russian Government, November 2015, (online) URL: http://government.ru/media/files/GRARiHdNlWbl10wUg3LyPSAJPlDeTnLX.pdf, accessed October 2016

Visa regime was applied for Turkish visitors and Turkish companies experienced tough times leading to almost ceasing the business in Russia.

The situation with the downed Russian jet showed the whole world the following:

i) Russia knew and understood everything – it would independently resolve the conflict;

j) NATO knew everything, but did not understand what Turkey wanted from it – it invited Turkey to deal with Russia privately;

k) US did not know anything, but they understood that everything went wrong, they offered Turkey to deal with Russia privately;

l) EU did not know everything and understood just as much as the US understood – it suggested that Turkey turn to US;

m) Turkey knew nothing and did not understand – it invited NATO, US and EU to attack Russia;

n) IS and other terrorist organizations not only did not know anything and did not understand, but they also did not want to do it – their task was to kill and get money from Turkey for oil.

Having clarified the situation, Russia, in accordance with the promises made earlier, proceeded to the planned resolution of the conflict:

a) On November 25, 2015, Russian Air Forces attacked areas of the militants involved in the death of Russian servicemen in massive bombing;

b) Syrian airspace was immediately closed to Turkish Air Force and other air facilities threatening Russian bombers,

c) The implementation of joint Russian-Turkish project on the construction of Turkish Stream gas pipeline was immediately stopped;

d) Visa-free regime with Turkey was unilaterally abolished;

e) Charter flights between both countries were canceled;

f) Economic sanctions were imposed on Turkey;

g) In the shortest time, evidence regarding Turkey's involvement in oil purchase from terrorists and supplying them with weapons, food and medicine was gathered and presented to the world.

h) Direct interaction with Syrian Kurds, which Turkey attributes to terrorists, was initiated.

In today's changing world in times of profound transformations in the Westphalian system of IR,[153] Russia and Turkey have in general similar tasks. Foreign Minister Ahmet Davutoglu in his article notes that the path to the formation of a new stable and efficient world order is "through the formation of local and regional blocks". You need to understand deeply the regional problems, promote dialogue by restoring mutual confidence, and strengthen incentives for increasing cooperation in the regions. We can and should change things for the better, overcoming psychological barriers, opening hearts and minds to each other, combining resources. As they say in Russian proverb, "Many hands make light work. Literal: Take hold of it together, it won't feel heavy." (Davutoğlu, A. 2010, p. 65)

The benefits of international and regional cooperation and integration largely depend on successful selection of partners. Historical experience of interaction of Russia and Turkey officially started at the end of XV century, was and remains a great source of historical research, and experience for politicians and diplomats. Modern Russia and modern Turkey have a complex historical path; have undergone considerable transformation of the political, cultural and economic nature. In new conditions prevailing after the end of the Cold War, the two governments are faced with a huge number of new phenomena, both regional and global in nature.

The countries realised that they would not benefit from rivalry and tension in the region. The recent history of relations between these countries shows that the contacts between them are developing on the basis of mutual respect, recognition of interests and desire to establish a profitable and efficient dialogue on all spheres of interstate cooperation. Russia and Turkey are major players in their regions and actively cooperate to maintain stability and peace. The last decade was marked by new partnerships with a broad spectrum of

[153] The Westphalian system has been named as a result of Westphalia peace in 1648, when two peace treaties were concluded that ended the 30 year war in Europe. In science of international relations, these treaties are considered as the milestone signifying the beginning of a system of international relations

international problems. “Road map” for regional cooperation on many issues was created, as well as conditions for “in-depth multidimensional partnership.”

As A. Davutoglu notes, “...bilateral relations and cooperation in political, economic and energy areas, and also in the sphere of culture and education will continue to evolve. The dialogue on regional and international issues will continue. In general, relations with Moscow are very promising, and we will do our best to get further development” (Davutoğlu, A. 2010, p. 65)

Russia and Turkey have enormous historical and civilization experience of intercultural cooperation and collaboration. These States played a crucial role in the formation of the Eurasian space and took an active part in modern processes. They actively cooperate on economic issues in the framework of the “Big 20”. A. Davutoglu notes: “Turkey and the Russian Federation have a historic and moral responsibility to unite efforts in achieving peace, stability and prosperity in the South Caucasus, and it will be easier to perform this duty, if we cooperate on the basis of a common understanding of facing problems and their solutions. Cultivating compromise and good neighbor relations in the South Caucasus, we will contribute to resolving other conflicts in the world as well as create an atmosphere of harmony and understanding. That’s what we should do to shape the present and to prepare the bright future of our common region”. (Davutoğlu, A. 2010, p. 65)
Russia must actively cooperate with Turkey to prevent critical foreign policy interests of Russia’s impact on the region. From this point of view, the partnership with Turkey could become for Russia an additional bridge to the Middle East, and communications of the Russian Federation with the Middle East countries would be an additional support for Turkish integration projects. New economic and political positioning of Turkey in the Middle East is developing a new regional space, motivated by economic benefits and based on Turkish potential and desire to become a bridge between Europe and the Middle East. Russia has something to offer to integrating area of the Middle East. Cooperation between Russia and Turkey enables in addition to ensuring national economic interests, to create a major cross-border projects and strengthen the development and security of this volatile region.

The formation of a single economic space resulting from global division of labor, according to which some countries insert resources and others produce necessary goods, was the first step towards creating a global social community. The second step was awareness of the need for joint efforts of all mankind in fight against modern challenges that did not recognize borders between countries and civilizations. In the circumstances no nation can exist in isolation from the others, so the prospect of relations development between Russia and Turkey, the largest regional leaders has opportunities on a mutually beneficial development level.

Turkey has taken a very important place, acquired a role of “hub”, not only in energy, but also in geopolitics. Turkey does not hide that it is difficult to take a balanced position without disturbing balance of forces that has developed around it. It can't abruptly “roll” into a new reality: every wrong step can lead to serious error. It is an extremely delicate chess game. (Avatkov 2016)

Russia and Turkey periodically find themselves in situations where their positions do not coincide and have potential for conflict; however the leadership of both countries succeeds in protecting a high level of relations.
President of Russia Vladimir Putin congratulated his Turkish counterpart Recep Tayyip Erdogan on New Year Eve in 2015. President expressed the hope that large-scale projects between the two countries would develop faster. As the press service of Kremlin stated, Putin considered the past 2014 year as the beginning of a new stage “in rising Turkish-Russian relations development”, attached special importance to HLCC that took place in early December 2014 in Ankara, where “agreements, enabling countries to develop more intensive cooperation in a number of areas and directions” were reached. First and foremost, it is about the reversal of South Stream gas pipeline towards Turkey, which dramatically changes the vector of Turkish-Russian cooperation in energy sector. Moscow also sees Ankara’s refusal to join anti-Russian sanctions as a demonstration “of its independence in foreign policy” that would “coordinate efforts in international arena”.

A new geopolitical context of relations between two countries is built. So, Minister of energy and natural resources Taner Yildiz said that relations with Russia were based on the principle of “business – separately, politics – separately.” Despite the presence of

serious differences on Syrian war and other regional issues, the parties are to expand trade and economic cooperation.[154]

Thus, Ankara and Moscow give priorities to cooperation development, primarily in the field of economy and trade, and issues related to disagreements in foreign policy are left outside. Trade volume between the countries in 2014 reached 33 million dollars, and it is aimed to be increased it to 100 million in 2020.

The last but not the least, the murder of Andrei Karlov, Russia's ambassador to Turkey inevitably affected Russian-Turkish relations, but not for the worst. Fatih Öke, the press attaché of Turkey's embassy in Washington, DC, tweeted: "The bullet to Ambassador Karlov is not only aims him. It aims also Turkish Russian relation." This statement indicated that there were a number of third parties interested in alienating Ankara and Moscow, but this incident would not damage bilateral relations. Sinan Ülgen, a former Turkish diplomat now at the Carnegie Endowment for International Peace, said the killing in Ankara would not cause the same crisis in relations triggered by the Turkish shooting down of a Russian warplane along the Syrian border in November 2015.

As proof of liberal theory, the following information is given: the turnover amounted 33 billion dollars and is planned to reach 100 million in 2020. Russian investments in Turkish economy amounted 1.57 billion dollars and Turkish investments in Russia reached 740 million. High-quality stage in the development of economic relations will result in an implementation of nuclear power plant construction at Akkuyu on the Mediterranean coast. Industrial cooperation in steel and automotive fields in the financial sector is accelerating; there are processes of mutual associations. Cooperation development in military-technical sphere is increasing, as well as between law enforcement and intelligence agencies. There is a continuous growth in number of Russian tourists annually visiting Turkey. The number reached 4 million people. Only mutual dependence of both countries can prevent future crisis in their relationships. And that's pragmatic politics, which is today in the basis of Turkish-Russian relations.

[154] Tarasov S., January 2015, Russia and Turkey change the balance of power in the Middle East (online) *Regnum.ru*, URL: http://www.regnum.ru/news/polit/1882238.html#ixzz3UGOg31RK, accessed March 2016

If each of the countries gradually takes into account each other's interests, formulated so that they do not prejudice the interests of the other party, in spite of any reasons, then step by step an atmosphere of mutual trust will begin to develop, which is important for creating a true strategic partnership. To realize this in relation to Russia and Turkey at first glance seems unreal. However in the modern world, in conditions when all templates of the past are ceased to operate, the one who will show in practice a sample of new approaches and share these approaches at least in solving regional problems that one will demonstrate its right to go ahead in deeds and not words.

In Taksim, the Central square of Istanbul there is a monument in honor of the national liberation struggle of Turkish people, and near Ataturk there are full-length sculptures of Kliment Voroshilov and Mikhail Frunze. It reminds of warm relations in the history. And if such relations two young countries were able to build in the most difficult years of formation, they can probably do it today.

To conclude with the words of A. Davutoglu, who believes that successful cooperation between Russia and Turkey today is the basis "for the comprehensive strategic cooperation between our countries and will give a powerful impetus to strengthening the partnership between our countries in Eurasia, the Middle East, the Balkans and in other regions."[155]

In this thesis an attempt to analyze the liberal theory by Joseph Nye and Robert Keohane was made in light of Turkish-Russian relations.

The twentieth century gave rise to a new trend associated with such concepts as globalization and interdependence. All of these changes and contradictions could not be escaped in the views of modern scholars on society and politics. Ideas formulated by Keohane and Nye are one of the most interesting alternatives of the world models. One of the best examples of interdependence nowadays is relations between Russia and

[155] Ibid

Turkey. Since the beginning of the history both countries experienced a lot of wars; however none of them left hostile marks in economic cooperation.

Statements made by two scholars are close to neorealism as well as neoliberalism. Many specialists in international studies divide these two areas by such indicators as the role of State in IR. Based on this, scientists like R. Palan and B. Blair relate the ideas of R. Keohane and J. Nye, along with the ideas of K. Waltz to neorealist direction. The analysis of Keohane's and Nye's ideas in the context of liberal conception development leads to the conclusion that the basic principles of political theory are rooted in liberalism.

Keohane and Nye, by analyzing the contemporary world system, came to completely new understanding of power in the international arena, formulated the concept and conditions of complex interdependence as opposed to the anarchy of international relations, developed a new foreign policy strategy and came to a fundamentally new model of world order.

Keohane and Nye formed an obvious role of transnational relations and the theory of complex interdependence. They analyze the role of international institutions in a world system, the formation of a new world order, the strategy of foreign policy, etc. NATO, UN, SCO, HLCC can be considered as the most vivid examples of international institutions.

Environment for formation of the world order, according to Keohane and Nye is complex interdependence. This phenomenon transforms the entire system of IR and fundamentally changes the nature of power in modern conditions. The concept of power acquires systemic characteristics and depends on the State position, the authority in the complex structure of international and transnational interactions. Thus, American scientists refuse to understand the power as a collection of certain resources, traditional for international relations approach.

Changing perceptions of power leads to leadership change in IR. On this basis, Joseph Nye and Robert Keohane formulate their theory of the new world order. The world order seems to be much more complex, consists of three levels, which include not only States

but also transnational actors. The multi-level model of the world reflects current trends in the international arena and takes into account the actions of all participants of IR that allows making a conclusion about its high heuristic value.

The multi-level model of the world and the phenomenon of complex interdependence, according to Keohane and Nye affect the foreign policy of any State. The changes affect numerous factors, influencing the formation of foreign policy. Keohane and Nye believe that the new world order will be the most effective strategy for flexible power, which includes non-violence and relies on the impact on mass consciousness.

Thus, the theory of world order proposed by Robert Keohane and Joseph Nye is one of the most important in modern political science and proves to be applied in relations between Russia and Turkey.

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