EGF Turkey File

16-30th June 2013______ www.gpf-europe.com

Insights into Turkish Domestic and International Politics during June 16-30th 2013

By John VanPool, EGF Turkey and Black Sea Regional Analyst

Key Points:

- Germany again blocks Turkey's EU accession negotiations, citing the AKP government's response to the Taksim Square protests.
- Turkey's leading official in charge of EU negotiations criticizes German Chancellor Angela Merkel over the matter.
- Prime Minister Tayip Erdogan continues assertions that foreign powers are at play behind the protest movement.
- A lack of evidence to this assertion, and the obvious lack of a "Deep State" that he subdued continues to make Erdogan look like a leader proffering conspiracy theories rather than listening to protesters demands.
- NABUCCO (West) meets its end when Shah Deniz Consortium chooses TAP pipeline project on June 28.
- NABUCCO's end is a result of over a decade of rising cost and changing geopolitical positions of the stakeholders involved.

16-30 June 2013 ______ www.gpf-europe.com

EU Accession

Turkey's EU accession talks were one casualty of the uproar in Taksim Square in late June. Yet another political row erupted between Berlin and Ankara. The row occurred when German Chancellor Angela Merkel criticized the heavy handed actions of Turkish police.

Turkey's top official in charge of EU negations, Egemen Bagis, was not impressed with the German leader saying, "If Ms. Merkel is looking for a topic to exploit in domestic elections, she should look elsewhere than to Turkey."

Berlin, citing the usually conciliatory Bagis as evidence of the Turkish government's autocratic attitude, announced that it would block negotiations once again. On June 19, with backing from the Netherlands and Cyprus, Germany halted the talks, which are now set to resume in October 2013.

Erdogan, true to form, also weighed in, saying criticism from Brussels meant nothing to him and that he no longer recognized the legitimacy of the European Parliament. The AKP leader continued on, saying the EU held no democratic authority in his view.

Sweden, representing a separate block of EU members open to the accession talks, pushed Germany to reconsider its position. Swedish Foreign Minister, Carl Bildt, led the charge, stating that continuing negotiations would help keep Turkey's domestic policy norms more in line with those of other EU states. He also pointed out that the majority of the Taksim Square protest movement was supportive of EU accession and the rule of law, and that halting the talks only alienated them further.

Erdogan's take on the matter was expected. The prime minister's incessant allusions to foreign conspiracies and terrorist plots regarding the Taksim Square protests resemble that of a leader out of ideas. More so, lashing out at the unpopular Merkel and other unknown foreign saboteurs only boosts his profile amongst his supporters. Bagis' response was surprising though. The normally measured Turkish official was responding to a last minute slight by Berlin

after three years of patient work at getting talks restarted.

As for Berlin, it is no secret that Merkel's center-right coalition has long solidified its own domestic support by opposing Turkey's accession. Germany's issues with its substantial Turkish minority have long been at the heart of this issue. At the EU level, Turkey's larger population would render Germany the second most populous EU country should it successfully join the bloc. Meaning Germany's voting power in the European Parliament would also be affected.

The Turkish government's response to Taksim Square has been heavy handed, and there are legitimate concerns by many EU member states about its respects for the rule of law, freedom of speech and other civil liberties. Yet the halt of accession talks at Berlin's behest seems like a political move rather than one made out of concerns for human rights alone. Berlin still engaged with Athens and Madrid despite civil unrest and mass protests in those countries, and the fact is that Turkey's EU accession opponents continue to block its accession regardless of the issue. The harsh response from the AKP government over Taksim Square just provided the excuse this time.

Taksim Square protests

The government's defiant response to the demands of protesters saw the square largely cleared of demonstrators on several occasions as the month closed out. Again and again though, the crowds would return to carry on the movement that started over a proposed construction project in one of Istanbul's last green spaces.

Despite the statements of the prime minister, "terrorists" have not hijacked the Taksim Square protest movement. Mainly secular, well educated and without long standing political affiliations, the crowds have been drawn by the idea that the AKP government is increasingly overstepping its bounds by forcing its conservative ideology on the country.

16-30 June 2013 ______ www.gpf-europe.com

The absence of political affiliation from within the protest movement is evident in the CHP's lack of support amongst protesters. The party's leader, Kemal Kilicardoglu, as the most formidable opponent to the AKP has made an effort to coalesce the protests' energy into support for his party. Yet he appears more a man reacting to the events in Turkey rather than helping shape them.

This lack of support for the traditional political opposition may in turn cause the creation of new political parties. Consisting of the younger, secular minded protesters who are the backbone of the Taksim Square movement, these new parties are likely to be unencumbered by the troubled histories that hang over the CHP, the nationalist MHP and Kurdish BDP. The only obstacle to the success of these newcomers, as evidenced in the BDP's case, is the difficulty in navigating the parliament's ten percent voting threshold. (Paul and Seyrek, "Gezi Park one month on: what lies ahead?", European Policy Center, 27 June 2013).

NABUCCO

The June 28 announcement by the Shah Deniz consortium put the final nail in the coffin of the troubled NABUCCO (and later NABUCCO West) pipeline project. The BP-controlled consortium chose the Trans-Adriatic pipeline (TAP). TAP will carry gas supplies via Turkey, Greece, Albania and onto Italy.

Turkey's BOTAS, which held a 16 percent share in the proposed NABUCCO project is set to lose out mightily, though an agreement last year calling for TAP to link up with the TANAP project may be able to heal this latest setback. BOTAS has a 20 percent stake in TANAP. It will deliver 10 billion cubic meters of gas to European markets in 2019.

NABUCCO's original plan was EU centric in its very nature, providing a breadth of stakeholders who each did little to speed along the process. Indeed, though it was proposed in 2002, the stakeholders only ratified a final vision of the proposed plan in 2010. This lack of

efficiency was complicated by the waning influence and attraction of traditional EU carrots as the bloc's currency faced an existential crisis following the 2008 financial collapse.

The project's costs have been expanding at a rapid rate since first proposed in 2002, something that many cash conscious stakeholders have watched with some trepidation. Indeed, the statement of Azerbaijani Energy Minister, Natik Aliyev, appears prophetic.

Speaking at the 2012 World Economic Forum, Aliyev said "We have waited for Nabucco for a very long time. It had been said it would cost 5-7 billion euros when the project was first put forward. Nowadays, 10 billion Euros is being mentioned. What is the need for Nabucco after the Trans Anatolia Natural Gas Pipeline has been signed between Azerbaijan and Turkey?" (Benmayor, "Energy is the significant topic at the World Economic Forum", *Hurriyet Daily News*, 6 June 2012.)

More so, the past decade of changing geopolitical transformed the relationships priorities motivations of different actors. Though it tried, Turkey was unable to leverage its importance in the NABUCCO project into a viable bargaining chip in its EU accession. Facing intransigence from a number of powerful EU capitals, notably Berlin, Turkey's political and business leadership has increasingly seen that when it comes to energy matters, it has to find its own way without Brussels. The leadership in Berlin has a cozy relationship with Gazprom's in the Kremlin, and their ongoing cooperation in energy matters lent little motivation for German representatives in the EU to push for NABUCCO.

Turkey's key geographic location cannot be understated though, as it looks to remain the key transit hub for Asian energy making its way to the lucrative markets in the West. One factor it will have to deal with however is its own increasing domestic needs for energy. One of the initial causes for Turkey's signing on to NABUCCO is that it would also purchase some of the transiting gas.

EGF Turkey File

16-30 June 2013 ______ www.gpf-europe.com

TANAP will certainly provide some of these needed gas supplies, but Turkey's leaders will have to

continue searching for new suppliers and diversification.

Disclaimer

The information presented in this report is believed to be correct at the time of publication. Please note that the contents of the report are based on materials gathered in good faith from both primary and secondary sources, the accuracy of which we are not always in a position to guarantee. EGF does not accept any liability for subsequent actions taken by third parties based on any of the information provided in our reports, if such information may subsequently be proven to be inaccurate.

EGF Turkey File

Published by European Geopolitical Forum SPRL Copyright European Geopolitical Forum SPRL Director and Founder: Dr Marat Terterov Email: Marat.Terterov@gpf-europe.com Avenue Du Manoir D'Anjou 8
Brussels 1150 Belgium
Tel/Fax: + 32496 45 40 49
info@gpf-europe.com
www.gpf-europe.com
www.gpf-europe.ru