

Insights into Turkish Domestic and International Politics during October 1-15th 2013

By John VanPool, EGF Turkey and Black Sea Regional Analyst

Key Points:

- *Turkey agrees to a Chinese manufactured missile defense system, worrying its NATO allies.*
- *The European Commission says Turkey's bid remains open to joining the EU while criticizing the government's handling of the Gezi Park protests.*
- *Turkey's EU negotiator expresses his doubts towards his Sisyphean task, saying that full membership is not likely.*
- *Abdullah Ocalan calls on the government to act on its promise to negotiate. The PKK's military leader in the field has halted the organization's withdrawal from Turkey, meaning that should talks fail, a resumption of violence would likely soon follow.*
- *TANAP and TAP pipeline projects move forward, while the KRG has made more than \$1 billion in profits shipping oil overland to Turkish ports. The situation continues to draw the ire of Baghdad.*

Chinese Arms Deal

Questions remain over the missile defense system agreement signed in late September between China Precision Machinery Import and Export Corp's (CPMIEC) and the Turkish Under-secretariat of Defense Industries. Turkey insists that concerns over cost and coproduction were the main factors in the decision to choose the Chinese firm over American firm Raytheon and French-Italian Eurosam.

CPMIEC was recently added to a U.S. sanctions list for violations relating to the Iran, North Korea and Syria Nonproliferation Act. Concerning for Turkey's NATO allies is the Chinese system's lack of compatibility with alliance missile defense systems.

At an October meeting of NATO's permanent representatives in Brussels, Secretary General Anders Fogh Rasmussen led the criticism of the deal. American diplomats also voiced their apprehension about the agreement. Should Turkey establish a method for integrating the Chinese-made system with NATO's, the U.S. fears there being a significant risk of China gaining alliance technical information. (Blanchard, "China dismisses worries over Turkey missile deal," *Reuters*, 8 October 2013.)

Turkish Ambassador to NATO, Fatih Ceylan, briefed his fellow diplomats over the decision, citing costs and coproduction as the main factors. In response to the extended criticism, Ceylan reportedly said that the decision was not final and that talks with other bidders, presumably Raytheon and Eurosam, were ongoing. (Demirtas, "Turkey's China deal in NATO questioning," *Hurriyet Daily News*, 11 October 2013). At the date of writing, the deal had been agreed to, but has yet to be officially signed and confirmed.

This isn't the first time that an allied nation has gone outside of Western vendors to procure an air defense system. Greece currently boasts a Russian-made anti-ballistic missile system that is incompatible with the European Phased Adaptive Approach (EPAA) system.

While Western commentators saw the agreement as a signal of Turkey's ongoing turn away from NATO and

its former close alliance, in all likelihood, Turkey's decision came down to money.

RUSI's Aaron Stein provides the best summation on the matter in his Turkey Wonk blog, saying "Turkey would have been better served to choose the (Eurosam produced) Samp/T because the system can be integrated with NATO and MBDA was offering technology transfer. However, that would have required Ankara to spend a little more money up front and to make a few sacrifices on the coproduction arrangement. The choice, therefore, is not a signal to the 'West', but rather an indication of the major factors that influence Turkey's procurement decision-making. Those factors elevate price and coproduction over defense..." (Stein, "Turkey's Missile Defense Decision: Ankara will miss NATO Cueing Capabilities," Turkeywonk.wordpress.com).

It remains to be seen what its allies' reception will result in for Turkey. The government certainly doesn't mind the presence of American-made Patriot batteries protecting its southern flank from errant (or intentional) Syrian missiles. Greece's use of a Russian system also indicates that a major rupture is unlikely should Turkey go forward with the CPMIEC. Yet the consequences for both Turkey and its NATO partners may be far reaching.

Should Ankara establish its own air and missile defense system, which CPMIEC's will likely do, the country might find itself less constrained by NATO's pull when it disagrees to regional policies its Western allies support. But that autonomy comes at a price, as being untethered from NATO's air defense system means losing the alliance's substantial satellite and early warning infrastructure. Though current prospects don't indicate that the country could become embroiled in a large scale regional war, Turkey's experiences with the once-close al-Assad regime in Syria should be a good indicator at how quickly relations can turn adversarial. NATO's early warning capabilities may be missed should Turkey ever need it.

EU Accession

The European Commission released its annual progress report on Turkey's EU accession at mid-month. 18 years after applying, Turkey formally opened the negotiations in 2005. The process has been glacial, with negotiations being opened on 13 chapters. Only one, science and research, has been closed.

The main sticking point is Turkey and Cyprus' estrangement over the island's decades long split. Eight chapters remain permanently closed until Turkey allows the passage of ships and aircraft that have made their last port of call in Cyprus, or are Cypriot in registration.

The EU's major powers, Germany and France, also have maintained their opposition to its membership to the bloc. As the European Parliament has gained expanded authority, the two most populous countries covet their ability to shape legislation at the EU level. Should Turkey enter the Union, it would become the Parliament's largest contingent country-wise, a threat to the balance of power in Brussels and Strasbourg. Most recently, Berlin used the Gezi Park crackdown as its latest reason for pushing back the opening of a new chapter.

The Commission's report left the door open to the process, as it has for nearly ten years. While critical of the government's response to the Gezi Park protests over the summer, it commended the AKP and opposition parties for efforts to further democratize.

According to the report, "The government maintained its overall commitment to further democratization and political reforms. Nevertheless, a divisive political climate prevailed; the government notably adopted overall an uncompromising stance during the protest late May and early June, including a polarizing tone towards citizens, civil society organization and businesses."

Turkey's lead negotiator for accession, Egemen Bagis, spoke on the intransigence facing Turkey's bid. In remarks made shortly before the progress report was released, Bagis said that "In the long run I think

Turkey will end up like Norway. We will be at European standards, very closely aligned but not as a member."

Bagis cannot be blamed for his gloomy outlook. Fault lies on both sides to be sure, and leaders around the continent continue to face legitimate criticism about whether the EU overextended itself in the previous decade when much of Eastern Europe came into the fold. Turkey's negotiations have gone on far too long, especially when leaders in Ankara watch the once wholly-dysfunctional Balkans make significant strides in their own membership campaigns.

The EU-Turkey relationship is strong in economic terms. Bilateral trade between the two was worth \$168 billion in 2012, while 71 percent of Turkey's foreign direct investment emanated from the EU. Citizens and nationals of Turkish descent are also deeply ingrained in a number of countries throughout Europe. Yet these economic ties are unlikely to bridge the major differences that have thus far, kept it out of the EU. Turkey is not the same case as Norway, whose standards of living and prosperity might have been lowered had it joined. But such an agreement, as a free trade partner, may be the best deal it will ever get from Brussels.

PKK-peace agreement

Though rumblings from the Kurdish BDP continue to warn of stagnation in the PKK-peace deal, no news remains good news.

The AKP's democratization reforms were lacking in substance in terms of rights for the country's Kurdish population when announced last month. This view was echoed by BDP co-chair Selhattin Demirtas, who said "This package has nothing to do with the peace process. There is no dialogue either. The government has de facto terminated the process. But we will struggle. We will open our schools and print our schoolbooks. It will also be up to us to solve the mother tongue problem."

Dually disillusioned, PKK-military leader Murat Karayilian said the organization had halted its withdrawal due to the lack of government movement on the peace process. The Turkish military and intelligence services have disputed that the PKK ever made a large scale withdrawal in the first place. The situation is reflective of the mistrust on both sides.

Yet a glimmer of hope remains. On October 14, imprisoned PKK founder Abdullah Ocalan released a statement on the matter.

"I have presented my proposals to the state... I am waiting to see the state's position toward the start of meaningful and deep negotiations." ("Jailed Kurdish rebel leader Ocalan calls for the start of 'meaningful' peace talks with Turkey," *Associated Press*, 14 October 2013.)

The statement was not inflammatory, and the PKK will in all likelihood adhere to Ocalan's stance in waiting for the government to act.

For now, the status quo will hold. While some commentators believe that the government should not link Kurdish reforms to negotiations with the PKK, the reality is that the two are inexorably connected. The sizeable Kurdish minority certainly are not all members of the outlawed paramilitary organization, but the vast majority reveres Ocalan. It is also doubtful that the AKP would have undertaken such a bold step in negotiating seriously with the BDP at the parliamentary level without the threat of further violence from a disgruntled PKK hanging over the country like a shadow. In the end, progress on the Kurdish issue is also progress on the PKK issue. Now that the Gezi Park protests have mostly subsided, the government must make a sincere effort soon.

Pipelines and Energy

Sitting in close proximity to 71.8 percent of the world's proven gas reserves and 72.7 of its oil reserves is a boon to any nation. Turkey's geographic position will always make it a major player in Eurasian energy, despite its lack of domestic reserves. Transmitting

these reserves West, the Trans-Anatolian Pipeline Project (TANAP) continues to progress. Foreign Minister Ahmet Davutoglu spent early October promoting the project, saying it was an instrument in strengthening regional stability. The 1,100 mile pipeline looks to be on schedule, with construction slated to start in 2015. Final completion is expected in 2018, when it will be connected to the Trans-Adriatic Pipeline (TAP).

That project is the great hope for Brussels following NABUCCO's long-delayed demise this past summer. While TAP will only carry a small percentage of Europe's supply needs in comparison to Russia's 30 percent, any progress in diversifying supply lines away from the Kremlin is seen as a positive.

In Iraq, the Kurdish Regional Government (KRG) and the national government in Baghdad are on course for another collision over energy revenues. By most estimates, the KRG has made more than \$1 billion by trucking oil supplies across the border into Turkey where they are distributed to world markets. The KRG's calculus has been that it can eventually yield a higher profit margin from producing and distributing its energy exports rather than going through Baghdad and waiting for its cut. The Kurds say that while the Iraqi constitution allots them a 17 percent share of the national budget, in reality they only receive around 10 percent once the Iraqi Oil Ministry has taken its cut.

The government of Prime Minister Nouri al-Maliki, in addition to dealing with a rising tide of violence in Iraq, has threatened to cut the budget allotment further if Erbil continues to collect revenue first, then send it on to Baghdad. And while his government continues to criticize Turkey for its complicity in the matter, its leverage over Ankara remains minimal. Like the situation with the Kirkuk-Ceyhan pipeline, which remains closed over the dispute, a resolution isn't in sight. For its role in the situation, Turkey will continue to benefit despite the poor relations with Baghdad.

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

