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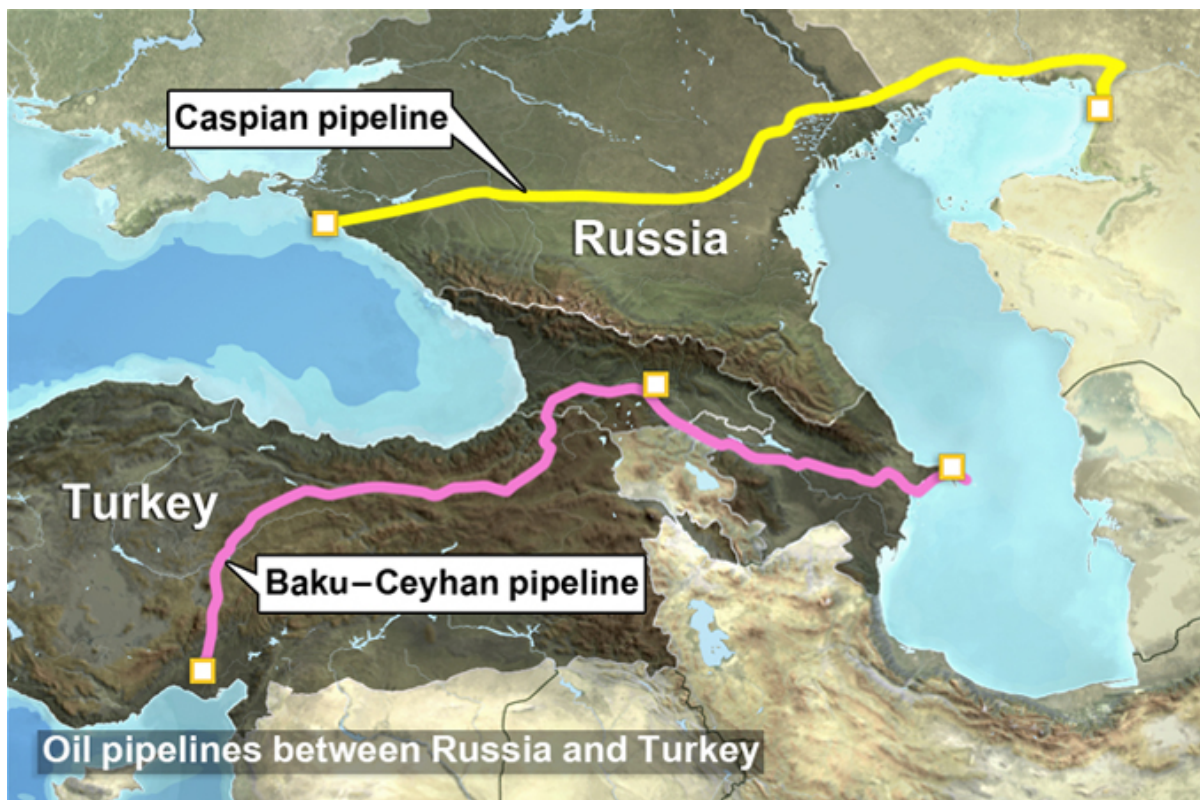
Position Paper

Turkey and Russia: economic convergence but political divergence

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After two visits by the American secretary of state, John Kerry, Russian foreign minister, Sergei Lavrov, arrived in Turkey on 17 April 2013 on an official visit that was of high importance. Lavrov has met Turkey's foreign minister, Ahmet Davutoglu, on many occasions on the sidelines of international conferences and forums. The visit included the first meeting this year between the two ministers and it focused on Russia-Turkey relations. This was particularly relevant since Lavrov visited Turkey on the forum's third convention for strategic planning of the relations between the two countries. The forum's activities are viewed with great interest in Turkey and Russia, despite the history of conflict between them. The Syrian crisis demands the attention of observers, however, as it is the most severe, bloody and brutal in the east, and the two countries have adopted opposing stands on it.

How, then, would the Turks and Russians regulate their relations? Would their dispute over Syria impact their relationship?

Institutionalising and strengthening relations

In an interview Russian President Vladimir Putin gave a few years ago, he said that, in the past, Moscow had not taken Turkey seriously and that it had had regular talks with the Americans and not with the Turks, hinting that Russia considered Turkey a state that was not entirely independent with regards to foreign interference. Putin continued that Moscow had been surprised in early 2003 when the Turkish parliament voted against allowing American forces to use Turkish territory to invade Iraq, and against opening a

northern front against Saddam Hussein's regime. The Justice and Development Party took that decision, which still governs Turkish policy.

Since 2003, Russian-Turkish relations began to take a turn which made it different from the Cold War era, when Turkey, as a member of the North Atlantic Treaty Organization (NATO), was considered a frontline state in the divide between the communist bloc and the western bloc. Surprisingly, given the unrest in the North Caucasus and the Balkans on which issue the policies of Ankara and Moscow clashed, these relations changed. There are several factors for this development:

1. Turkey and Russia prioritise their economic and trade relations, and their co-dependence. Turkey needs oil and gas supplies from Russia, and is working to consolidate the distribution of its industrial products in the large Russian market. Russia considers its need to diversify its economic partners, and not to be limited to the main European countries.
2. The economic interests of both countries meet but collide in various strategic plans to extend oil and gas pipelines between the countries of the Caspian Sea, Central Asia, and the Middle East on the one hand and the European market on the other hand. Therefore, they both need to rationally organise their interests.
3. Similarly, the policies of the two countries intersect and collide in the North Caucasus, particularly with regards to the position of Georgia, Armenia and Azerbaijan; and in the Balkans, particularly towards the position of Serbia, Bosnia and Kosovo. To prevent the political differences from deteriorating, it is necessary to have close and continued communication between the two capitals.
4. Turkey will remain Russia's necessary window to the Mediterranean, just as the Ottoman Empire was in the past.

In an effort to institutionalise relations between them, the leaders of the two countries agreed to establish the Turkish-Russian Cooperation Council in April and May 2010, during a visit by the former Russian president, Dmitry Medvedev. The strategic planning forum is part of this council. The leaders of the two countries now meet annually. The last meeting was between Turkish prime minister, Recep Tayyip Erdogan, and Russian president, Vladimir Putin, in Istanbul in November and December 2012.

Russia is currently one of Turkey's main trading partners. The volume of trade reached 26 billion dollars in 2012. Nevertheless, the balance of trade leans in favour of Russia

since it is the primary exporter of gas to Turkey. The Turkish energy minister recently said that a quarter of Turkey's electricity production depends on imports of Russian natural gas. At their meeting in Istanbul, Lavrov and Davutoglu reiterated their desire to raise bilateral trade to 100 billion dollars over the next two years. The two countries had already agreed that Russia would build Turkey's first nuclear power plant on Turkey's eastern Mediterranean coast, with an investment of 20 billion dollars.

The two governments recently abolished visa requirements for their citizens to travel between the two countries, and softened customs duties on goods traded. This favours Turkish products exported to Russia. Turkey receives an increasing number of Russian tourists, while surplus Russian money whether private or public, heads for investment in Turkey at increasing rates. Russians find the Turkish market safer and providing higher returns, given the continued economic and financial crisis in the European market, and the collapse of the Cypriot financial market, which was the main repository of Russian money. This significant development in trade and economic relations is not necessarily matched by political consensus on common regional issues.

Political differences

As the situation in the Caucasus stabilises, there is no fundamental disagreement between Moscow and Ankara. The exception is the recognition of an independent Kosovo, which under the auspices of the UN is supported by a large number of countries. It is therefore not a subject of controversy between the two capitals. In the North Caucasus, there are more profound differences, albeit less severe. For example, Ankara stands with Azerbaijan in its conflict with Armenia over Nagorno-Karabakh, while Armenia is considered Russia's ally. Russia seeks to restore its control over Georgia, which is located at the entrance to the strategic Caucasus corridor to Russia. Ankara sympathises with Georgian independence however, and hopes that Georgia will remain close to the United States and NATO, and will act as a buffer between Turkey and Russia. Georgia's return to the Russian fold, as it was during most of the twentieth century, means the return of a direct land link between Turkey and Russia. This is not a welcome development for Ankara.

Although none of the issues of dispute in the north Caucasus region has a direct negative impact on their relations, there is no imminent war between Azerbaijan and Armenia. Russia also seems to be satisfied with the process of dividing Georgia. This was carried out by its sweeping attack on its tiny neighbour in the summer of 2008.

The Cypriot issue does not differ much as Russia is pursuing a traditional orthodox policy and supports the Greek government of Cyprus against Turkish Cyprus. Because Russia used the Cypriot financial system extensively in recent years, Moscow has welcomed the accession of Greek Cyprus to the European Union. This is in spite of Turkey's protests

and the stumbling attempts to reunify the island. Russia's position was based on the benefits that Russian investors would receive in Cypriot banks. The burden of the special Russian relationship with Greek Cyprus does not seem to be a major concern in Turkey. As the Turkish minister for European affairs, Egemen Bağış, alluded to on 17 April, attempts by the fathers of Cyprus independence, namely Britain, Turkey and Greece, to save the Greek-Turkish 'marriage' on the island, failed because the two sides have been sleeping in 'separate beds' for decades. On the other hand, financial collapse in Cyprus left a significant impact on the direction of Russian investment. Furthermore, it affected the Russian confidence in the island's leaders. This was especially true after the increased risk of the island's government seizing a percentage of foreign financial investments in Cyprus banks in order to rescue public finances. In fact, Cyprus's deteriorating status is one of the reasons behind the increasing Russian zeal to invest in Turkey.

The most pressing political difference between Turkey and Russia is the Syrian crisis. Syria has probably occupied a prominent position in talks between Lavrov and Davutoglu in several meetings during the past two years.

At the press conference held by the two foreign ministers after their talks, Lavrov did not need to further clarify the extent of the differences between the countries with regard to Syria. Just three days before the meeting of the Friends of Syria group in Istanbul, Lavrov sharply criticised the group. He described it as friendly only to one side. He also argued that the activities of the Syrian opposition have had a negative impact on efforts to find a solution to the crisis as provided for by the Geneva Declaration, which had been issued in June 2012, and had provided for the formation of a transitional government chosen by the Syrians.

Lavrov also stressed his rejection of efforts to remove Asad from power. He said: 'The attempt to isolate one of the two parties in the crisis will not serve the cause of dialogue between them.' The Russian foreign minister criticised countries that supported the Syrian rebels, stressing that there could not be a military solution in Syria. He also criticised the Arab League for handing over its Syrian seat to the Syrian National Coalition, which the League regards as the umbrella for the Syrian opposition abroad.

The Turkish foreign minister responded that his country was searching for common ground to resolve the Syrian crisis, stressing that dialogue with Russia would continue. Davutoglu indicated that the continuation of the crisis represented a significant burden on Turkey, which hosts more than 300 000 Syrian refugees. It also poses a threat posed to Turkey's security. He stressed that his government would not hesitate to take the necessary measures to protect his country's security. Without directly addressing Lavrov, Davutoglu said: 'Syria is the concern of the Syrian people, and not of any other country;

Syria is not the private property of Bashar al-Asad. The Syrian people must be allowed to map their future. We in Turkey are ready to support efforts to achieve this goal.'

Russian-Turkish pragmatism

During Putin's visit to Turkey in December 2012, and after his talks with Erdogan, it was clear that the dispute between the two countries on Syria persisted and was wide-ranging. This was despite Putin's conciliatory language, which pointed out that Moscow was concerned with the Syrian people and not Asad's future. The dispute over Syria, however, did not prevent the two countries from signing eleven further agreements to strengthen economic and trade relations. In the meeting between the foreign ministers, the dispute over Syria was more explicit, and Lavrov's language was less diplomatic. This did not prevent Lavrov and Davutoglu from emphasising that their countries were on their way to raising bilateral trade to 100 billion dollars annually over the next two years.

There are other political differences between Turkey and Russia. Some date far back to a centuries-old history of conflict, and others relate to contemporary geo-political considerations. Some are concealed and dated, while others cause current mounting tensions. It is believed that Lavrov's direct language on Syria was not a coincidence, but was generated by developments that had surprised Moscow, in which Ankara had played a significant role. For example, the Syrian National Coalition's decision to form an interim government to manage the liberated areas, and the granting of Syria's seat in the Arab League to the coalition. Moscow regarded both developments as a blow to the Russian approach, which is based on dialogue between the regime and the opposition that would lead to the formation of a transitional coalition government, leaving Asad as head of state.

Whatever the case, it is clear that Turkey and Russia recognise the extent of their differences. They either marginalise these differences, or try to search for consensus that does not affect the development of their economic and trade relations. There is no doubt that this rationalisation of their differences, and the amount of pragmatism adopted in resolving them, has served the two countries well. It is unclear, however, what could happen to these growing relations in the event of one of the issues of dispute deteriorating and becoming more intense. Nothing, for example, indicates that western military intervention is imminent in the Syrian crisis. If the crisis evolves to beyond the assessments by the various parties, and such an intervention occurs with the Turkish support or participation, this may change.

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