

Energy security policy in Greece and Turkey during the years of
“rapprochement”, 1999-2007

Cooperation or antagonism?

(with a concentration in pipeline diplomacy dimension)

A dissertation submitted to the Social Sciences Institute of Istanbul Bilgi
University in partial fulfillment of the requirements for the Degree of
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İşbirliği mi Düşmanlık mı?

(boru hattı diplomasisi boyutu ağırlıklı)

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ABSTRACT

This dissertation examines the nature of Greek-Turkish relations during the years of “rapprochement”, 1999-2007 in energy security policy, especially by concentrated to the oil and gas pipeline diplomacy on each country. Helsinki U-turn and earthquake diplomacy offered the appropriate preconditions for Greece and Turkey to engage the period of “rapprochement” in their bilateral relations. Energy security policy is a critical factor of the overall power status of a nation/international body and a powerful instrument of effective and forceful nation/international policy making. Instead, pipeline diplomacy (cross-border pipelines) is more than just an economic cooperation among nations; rather it has security and geopolitical nature. In both cases (Greek and Turkish) third party role directly influence the route of energy security policy and pipeline diplomacy. While 2004 onwards, after Cyprus accession to EU and the opening of Turkish-European negotiating process, Greek-Turkish relations seems that demoted to the level of a *détente*, according to energy security policy level they established a cooperating status.

ÖZET

Bu tez, "yakınlaşma" yılları arasındaki Türk-Yunan ilişkilerinin doğasını, 1999-2007 yılları arasındaki enerji güvenliği politikaları ve özellikle iki ülkedeki petrol ve gaz boru hattı diplomasisi açısından inceler. Helsinki U-turn ve deprem diplomasisi, Yunanistan ve Türkiye'ye ikili ilişkilerinde "yakınlaşma" sürecini başlatmıştır. Enerji güvenliği politikası, bir ülkenin güç statüsünde, uluslararası organizasyonlarında ve etkili bir ülke olmasında önemli bir rol oynar. Bunun yerine boru hattı diplomasisi, ülkeler arasında ekonomik işbirliği, güvenlik ve jeopolitik karakteridir. Her iki ülke açısından da (Türkiye-Yunanistan) üçüncü şahıslar, enerji güvenliği politikasını ve boru hattı diplomasisini doğrudan etkiler. 2004 ve sonrasındaki dönemde Kıbrıs'ın AB'ye girmesi ve Türkiye müzakerelerinin başlamasından sonra, Türk-Yunan ilişkileri "détente" seviyesine gerilemiştir ama enerji güvenliği politikaları açısından işbirliğine başlamışlardır.

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List of abbreviations

- AKP (Adalet ve Kalkınma Partisi/ Justice and Development Party)
- BA (Burgas - Alexandroupolis)
- BSEC (Black Sea Economic Cooperation)
- BOTAŞ (Boru Hatları İle Petrol Taşıma Anonim Şirketi / Petroleum Pipeline Corporation)
- BTC (Baku – Tbilisi – Ceyhan)
- BTE (Baku – Tbilisi – Erzurum)
- CFSP (Common Foreign and Security Policy)
- DEPA (Δημόσια Επιχείρηση Αερίου/ Public Gas Enterprise)
- DYP (Doğru Yol Partisi/ True Path Party)
- EEC (European Economic Community)
- ELPE (Ελληνικά Πετρέλαια/ Hellenic Petroleum)
- EU (European Union)
- ICJ (International Court of Justice)
- IEA (International Energy Agency)
- LNG (Liquefied Natural Gas)
- MNER (The [*Turkish*] Ministry of Energy and Natural Resources)
- NATO (North Atlantic Treaty Organization)
- ND (Νέα Δημοκρατία/ New Democracy)
- OECD (Organization for Economic Cooperation and Development)
- OIC (Organization of the Islamic Conference)
- OPEC (Organization of the Petroleum Exporting Countries)
- OSCE (Organization for Security and Cooperation in Europe)
- PASOK (Πανελλήνιο Σοσιαλιστικό Κίνημα/ Pan-Hellenic Socialistic Movement)

PKK (Partiya Karkeren Kurdistan/ Kurdistan Workers' Party)

RP (Refah Partisi / Welfare Party)

TGI (Turkish Greek Interconnector)

TPAO (Türkiye Petrolleri Anonim Ortaklığı/ Turkish Petroleum Anonymous Corporation)

TPES (Total Primary Energy Supply)

UN (United Nations)

US (United States of America)

USSR (Union of Soviet Socialist Republics)

Introduction

The aim of this paper is to examine the nature of Greek-Turkish relations, through the lens of energy security policy, and pipeline diplomacy. The main focus of the current script is on oil and gas pipelines project/activities (in the wider area of Eurasia), in an attempt to trace and define the role of (modern) International Relations doctrine; and its possible effects/influence on to Greek and Turkish reconciliation process. The author's perception is that pipeline diplomacy is incorporated in the wider spectrum of energy security policy, which is a structural parameter of modern geopolitics; thus from a specific point of analysis to a wider one. Furthermore, the period of "rapprochement" process is considered to be the historical backbone, on which, the present study will be based. During that period (1999 onwards) Greece and Turkey had intensified their energy security - pipeline diplomacy policies.

In the beginning, we offer the historical framework of Greek-Turkish relations since 1996. The essence of Greek-Turkish conflict in modern period lies on two critical areas. Cyprus and Aegean Sea issues stand at the nucleus of all conflicts between the two countries. Greek-Turkish dispute(s) reflect not only the different perspectives in bilateral relations, but also define the range of further cooperation or antagonism among the two parties in Southeastern Mediterranean region. Additionally, the Greek-Turkish "rapprochement" process offers us an interesting case study, which we attempt to explain by Putnam's Two Level Game theory. This theory allow us to analyze the effects of domestic-level constraints on the "win-sets" on Greek-Turkish "rapprochement" process (1999-2004) and realize the pre-conditions as long as the future challenges and risks of such a venture in bilateral relations. In 2004, Cyprus accession in the EU and the opening of Turkey-EU's

negotiating process, were catalytic events that reversed the status over Greek-Turkish-Cypriot trilateral affairs. During the period 2004-2007, the Greek-Turkish dilemmas over issues such as Cyprus and the Aegean revived and new dimensions in the bilateral relations such as the energy security and pipeline diplomacy emerged.

Chapters one and two laid the groundwork for the theoretical framework through which the given analysis will be conducted. Energy security policy composes a vital element in modern foreign politics. As a consequence, there is a need to provide a brief clarification on the terminology and definitions used in this paper (Ch.2). Terms such as: geopolitics, geo-strategy, energy security policy, cross-border pipelines are to be explained further in the essay. In the course of this examination, it seems that energy security policy was and will be a critical factor of the overall power status of a nation and a powerful instrument for effective and forceful national policy-making.

Chapter three deal with the Greek energy security policy in the Eastern Mediterranean region and the Balkans. Greek Europeanization process along with the geostrategic advantages and disadvantages of the Greek Republic, constitute the initial framework, by which, we can realize the range and level of Greek security policy. Furthermore, a short presentation of the current and planned energy networks and oil/gas pipeline projects follows. It is important to highlight that cross-border oil/gas pipeline projects are not just an economic cooperation among states. As a result, the examination for third party's role (EU-USA-Russia) in Greek energy security and pipeline diplomacy is crucial in order to foresee any potential developments in the Greek energy field, and Greece's future position as a transit state in South-eastern Europe.

Respectively, we present the Turkish case (Ch.3). Turkey's Energy security policy and pipeline diplomacy in Central Asia, Caucasus, the Black Sea region and South-eastern Europe is a crucial element in modern Turkish foreign policy agenda. The geostrategic position of Turkey as a 'natural' bridge, between Middle East and Caucasus region on one hand, and the European peninsula on the other, renders Turkey as a future key - regional player in the wider Eurasian region. Erdoğan's 'Strategic depth' doctrine and "neo-Ottomanic" Turkish aspirations present the census of modern Turkey's foreign policy over the Eurasian region. It is a fact that Turkey, unlike Greece, is already an energy transit state; a reality that is manifested through its current energy infrastructure, present and future oil/gas pipeline projects. Nevertheless, Turkish energy policy inspirations to be an energy hub between East and West rely on third party strategies in Eurasia as well. US-European converged energy policy interests in the region, and Russian antagonistic efforts to restore its hegemonic role in former Soviet Union's zones of interest by using energy as a mean or a tool, are significant aspects for understanding Turkey's energy policy initiatives.

After the presentation of Greek and Turkish energy agendas, Chapter four discusses the degree in which Greek and Turkish energy security and pipeline policies are cooperative or competitive. The Turkish-Greek gas pipeline "Interconnector" is a significant paradigm of cooperation among the two neighboring countries in the energy field and an indicator, for the Greek and Turkish sides, who can potentially develop bilateral policies and expand them at a higher level. On the contrary, through the comparison between Bourgas - Alexandroupolis and Baku – Tbilisi - Ceyhan oil pipeline projects - and their interlinked pipeline projects - that follows, we are trying to see if the above mentioned ventures compose another field of confrontation between Greece and Turkey. Furthermore, we try to identify how USA-Russian

conflicting energy policies influence bilateral and multilateral relations in Eurasia and how they and the EU as a third factor reflect the current route of Greek-Turkish energy policy agendas (apart from the ongoing issues diplomatically, politically as well as economically speaking).

In the concluding chapter, the aim is to present a brief explanation of our thesis topic inquiry. The potential opportunities and challenges in both countries due to their energy security policies will be presented and will be answered by the following set of questions: To what extent did the “rapprochement” procedure sets a stable base on which, Greek-Turkish differences can reach a potential solution in the near future? How did this process of reconciliation influence the Energy policy-pipeline diplomacy in Greece and Turkey and how did these developments affect Greek-Turkish relations? Recent pipeline projects in Greece and Turkey formed an antagonistic or have they created a cooperative environment between the two states? Is a potential weakening of “rapprochement” process possible/capable to destabilize the Turkish-Greece relations over energy policy issues? Among all the above mentioned questions, the most important issue about Energy policy and pipeline diplomacy is the following: First and foremost, to what extent a transit state has the ability to use its pipeline networks to exercise national foreign policy and how this capacity can strengthen or impede certain bilateral and multilateral relations with other states which are connected by the same pipeline networks or excluded by a project.

Part I: Greek-Turkish relations, 1923-2007

The historical framework of modern Greek-Turkish relations, 1923-1996

Admittedly, the multifarious nature and course of Greek-Turkish relations the last nine decades (since the establishment of the Turkish Republic in 1923) have composed a unique field of analysis in international relations. Tensions and rivalry, which periodically have escalated and have brought the two countries “close to an all-out war in 1974, 1976, 1983, 1987, 1996, 1998 and 1999”¹, along with significant periods of betterment and peaceful coexistence, still stigmatize bilateral relations in Greece and Turkey.

The Lausanne settlement in 1923 and the subsequent exchange of population between Greece and Turkey was a response to the fundamental necessity of modernity for two independent homogeneous nation-states² and for the establishment of solid-“stable” land and maritime boundaries.

However, half a century later and specifically in 1974, the Lausanne’s Treaty alleged³ boundary stability changed. According to Brian W. Beeley, Cyprus de facto partition had revealed in 1974 that: “Ankara [...] wishe[d] to renegotiate the agreement over the Aegean in face of the prospect of oil under the sea bed.”⁴ In the aftermath of Cyprus invasion/intervene⁵ and the ongoing three decades, the bilateral

¹ T. A. Coulombis and A. E. Kentikelenis, ‘Greek-Turkish Relations and the Kantian Democratic Peace Theory’, *Southeast European and Black Sea Studies*, ELIAMEP, Vol. 7, No 4, (December 2007), pp.518

² Obviously the consequences of such a measure have traumatic and disastrous outcomes for both populations and have marked the history of Greece and Turkey with dark pages.

³ Referring to the way Greece and Turkey examine its legal aspects.

⁴ B. W. Beeley, ‘The Greek-Turkish boundary: Conflict at the interface’, *Transactions of the Institute of British Geographers*, New Series, Blackwell Publishing on behalf of the Royal Geographical Society, 1978, pp.351

⁵ The usage of double terminology reflects the antithetic perceptions of Greece and Turkey over this issue. This writing technique will be followed in the rest of the essay present both countries aspect (Greece’s/Turkey’s) without further inquiry.

relations passed through serious periods of deterioration which shaped the foreign policy agenda of Greco-Turkish controversy over Cyprus and the Aegean Sea.

Jon M. Van Dyke in his ‘analysis of the Aegean Disputes under International Law’ offers how Greece and Turkey perceive their dispute(s)⁶ over Aegean. Greece considers the delimitation of the continental shelf as the only unresolved and problematic issue. Turkey claims a set of assertions by questioning: the sovereignty over certain islands (grey zone theory)⁷, the de-militarization of Eastern Aegean Greek islands close to Turkish Anatolian coasts, the breadth of the territorial waters around Greece’s Aegean islands- the longitude/length of Greek national airspace and F.I.R status over the Aegean.⁸

Greece and Turkey, the two countries that encircle the Aegean Sea, are in conflict about the Aegean’s strategically control. “The more of the Aegean over which each country has sovereignty, the better its economy will be. There would be more potential shipping that each could control and more potential oil, gas and mineral reserves that each could reap. More sovereignty over the Aegean means more fishing, and could also boost potential money for recreation and tourism.”⁹The settlement of the sea boundaries in Aegean, which is a law/political decision-making case, composes a crucial factor that will form a realistic political and negotiable field for the systematic ameliorating process for the two neighboring countries.

⁶ J. M. Van Dyke, *An Analysis of the Aegean Disputes under International Law*, (Hawaii: University of Hawaii, 2005), pp.63

⁷ Imia/Kardak crisis derivative was according to T. Veremis that: “the new Turkish claim was the first regarding Greek territory, accompanied with statements over “grey zones” in the whole of the Aegean.” see Thanos Veremis, *Ιστορία των Ελληνοτουρκικών σχέσεων, 1453-2003*, [The history of Greek-Turkish relations, 1453-2003], (Athens: I. Sideris, ELIAMEP third edition, 2003), pp.166

⁸See also <http://www.mfa.gr/www.mfa.gr/en-US/Policy/Geographic+Regions/South-Eastern+Europe/Turkey/Turkish+claims/> (Greek argumentation); <http://www.mfa.gov.tr/sub.en.mfa? a5665231-082c-4832-abdb-46cf75694b50> (Turkish argumentation)

⁹ A. M. Syrigos, *The status of the Aegean Sea according to International Law*, (Athens & Brussels: Sakkoulas/Bruylant publications, 1998), pp. 355

Nasmi Akiman argues that: “it is apparent that progress in the climate of relations and agreements on a host of noncontroversial subjects cannot be a substitute to resolving the two major issues, the Aegean and Cyprus[...] there are major risks of the current détente faltering and causing more aggravation or even worse for the two neighbors.”¹⁰

As a matter of fact, Cyprus and Aegean Sea disputes are historically interlinked and an indicative solution seems to presuppose simultaneous or successive agreements in both fields of dispute.

The examination of Greek-Turkish relations cannot be achieved by limiting this event as a pure local issue. External dynamics and international environment have and will influence the developments over Greece and Turkey. Admittedly, the collapse of Soviet Union (USSR) and the subsequent end of Cold War brought to the surface an entire new environment in Eurasia region and mainly in the perception over geopolitics. The dissolution of the Warsaw Pact through the agreement of 25th of February 1991¹¹ denoted the end of the World War II bipolar structure and led to the emersion of ‘newly independent states’, including the Russian Federation.

European security environment rapidly changed and new challenges from the East arose mostly because of the existence of enormous amounts of hydrocarbon natural sources in the Caspian Sea and Caucasus region. This fact combined with the oncoming depletion of Middle-Eastern energy reserves and OPEC monopolistic policies constitute an explosive cocktail for this region. This “gap” in the former

¹⁰ N. Akiman, ‘Turkish-Greek Relations: From Uneasy Coexistence to Better Relations? A retired Ambassador Takes Stock’ *Mediterranean Quarterly*, *Project MUSE*, Vol. 13, No. 3, Summer 2002, pp.30

¹¹ R. Allison and C. Bluth, *Security Dilemmas in Russia and Eurasia*, (Great Britain: The Royal Institute of International Affairs: Russia and Eurasia Programme, 1998), pp.335

Soviet Union's zone of interest became a major field of competition among the West and Russia. European energy security 'environment' and the U.S.A energy policies in Eurasia along with Russian national and geostrategic interests entered a new era of contradicted and erratic relations. Energy and its safe-strategic (politically and economically speaking) transportation constitute the new arena of antagonism among the great powers in 21th century.

Eventually, the aim of this paper is to analyze how and under which conditions Greek-Turkish relations were shaped during the 1999-2007 period in a particular but crucial field, this of Energy policy and especially by examining a specific sector: the pipeline diplomacy of Greece and Turkey. Each country tried to adapt to this new global era by exercising energy policies which could upgrade their international and regional position.

A set of questions raises the issue over a modern but controversial dimension of Greek-Turkish relations: To what extent did the "rapprochement" procedure create a stable base under which Greek-Turkish relations can reach a potential solution in the near future? How did this process of reconciliation influence the Energy policy-pipeline diplomacy in Greece and Turkey and how did these developments affect Greek-Turkish relations? Recent pipeline projects in Greece and Turkey formed an antagonistic or have they created a cooperative environment between the two states? Is a potential weakening of "rapprochement" process possible/capable to destabilize the Greek-Turkish relations over energy policy issues? Among all the above mentioned questions the most important issue about Energy policy and pipeline diplomacy is the following: First and foremost, to what extent a transit state has the ability to use its pipeline networks to exercise national foreign policy and how this

capacity can strengthen or impede bilateral and multilateral relations with other states which are connected with the same pipeline networks or excluded by a project.

The “Rapprochement” Process

a. From Helsinki U-turn to Cyprus referendum, 1999-2004

During the years 1996-1999 the course of bilateral relations played a catalytic role in nowadays reconciliation process. The “self-restraint-prudent leadership”¹² and management of the above mentioned period crises (Imia/Kardak islets¹³-Abdullah Ocalan case -Russian S-300 missiles) in both sides formed a new period of understanding in Greek-Turkish affairs. Therefore the foreign ministers of Greece and Turkey at that time, George A. Papandreou and Ismail Cem introduced a new policy of promoting advantageous cooperation on the so-called “low politics” issues.¹⁴ Those diplomatic efforts encountered mutual suspiciousness and to some extent objections over their actual efficiency in the part of political parties, media and civil society in Greece and Turkey. Eventually, Imia/Kardak islets dangerous escalation re-fed negative stereotypes and mistrust between the two countries.

Conversely, concerning that new “reality” in bilateral relations, Turkey (in August and November 1999) and Greece (September 1999) had experienced disastrous earthquakes which caused enormous damages in life and property on both

¹² T. A.Coulombis, A. E. Kentikelenis, op.cit., pp. 518

¹³United Nations Convention on the Law of the Sea (1982) - Article 121. - Regime of Islands. Signed at Montego Bay, Jamaica, 10 December 1982 and Entered into force 16 November 1994, see also APPENDIX I. (Available online from: http://www.globelaw.com/LawSea/Is82_3.htm#article_121_regime_of_islands)

¹⁴ “In this spirit, the then Foreign Ministers of Greece and Turkey agreed (New York, 30.6.1999) to carry out talks on the level of high-ranking diplomatic officers from the respective Ministries of Foreign Affairs to examine possibilities for bilateral cooperation in fields such as economy, trade, tourism, environment, culture, multilateral cooperation and combating crime. Following these talks, a Greek-Turkish Steering Committee was set up and convenes once in a year, as do six Working Groups composed of delegates from the competent Ministries, headed by Foreign Ministry officials.” (Available from:http://old.mfa.gr/english/foreign_policy/europe_southeastern/turkey/bilateral.html)

sides of Aegean. Unexpectedly, those natural disasters stimulated unique humane/humanistic reflexes among the two societies and “gave birth” to an astonishing phenomenon known as “earthquake¹⁵ or seismic¹⁶ diplomacy”. Mutual aid by well-equipped rescuers, doctors, donations and a much more positive outlook by media on Greek-Turkish relations reflected a great impact and dramatic change of perceptions on both civil societies. An indicative fact of this development was “the front-page in Greek ‘Thank You, Friends’ published in the Turkish newspaper Milliyet after the 17-hour rescue of a little Turkish boy out of the ruins by a Greek rescue team.”¹⁷

Concerning that tremendous experience, Dimitris Kerides states that:

“These humanitarian interventions generated considerable goodwill and boosted reconciliation efforts under-taken by the leaders of the rival nations...Despite a history of border disputes, the natural disasters in August and September 1999 demonstrated that the two nations share a common geological vulnerability: the enormous rescue and relief operations that followed proved that the two peoples can work together...What lessons may be learned from the Greek-Turkish earthquake diplomacy? Natural disasters can remind quarrelsome neighbors of the importance of what unites them rather than what divides them.”¹⁸

¹⁵ A. Çarkoğlu and Barry Rubin, *Greek-Turkish relations in an era of detente*, (USA & Canada, New York: New York, Routledge, Taylor and Francis group ,2005), pp.117

¹⁶N. Akiman, op. cit., pp.29

¹⁷ H. –J. Axt, ‘Relations with Turkey and their Impact on the European Union’, *Southeast European and Black Sea Studies*, ROUTLEDGE, TAYLOR AND FRANCIS GROUP, Vol. 5, No 3, September 2005, pp.369

¹⁸ D. Keridis, ‘Earthquakes, Diplomacy, and New Thinking in Foreign Policy’, *The Fletchers Forum of World Affairs*, Vol.30, No 1, Winter 2006, pp.209

Papandreou and Cem's sincere policies along with the earthquake's positive bilateral understanding in both countries' peoples formed the appropriate prerequisites for Greece's U-turn policy to unblock (by abandoning its long-standing strategy of veto) Turkey's European Union candidacy status in the Helsinki European Council meeting (December 10th-11th 1999).¹⁹ Hence, Greece wouldn't be the obstacle of Turkey's Europeanization (E.U promise to start the final membership negotiations with Turkey at the end of 2004); Turkey shouldn't continue its expansionist policy over Aegean and Cyprus and resolve its dispute(s) with Greece through the International Court of Justice in Hague (ICJ) at the latest by the end of 2004 and Cyprus accession in E.U shouldn't interrelated with United Nations efforts for the settlement of chronic Cyprus problem. Under this new environment in Greek-Turkish relations, the "rapprochement" process invigorated by a set of nine agreements²⁰ signed by the foreign ministers of Greece (George A. Papandreou) and Turkey (Ismail Cem) in Ankara and Athens during January and February 2000.

¹⁹ In APPENDIX II are offered the original articles from the Presidency Conclusions of Helsinki European Council on 10th and 11th December 1999 related to Cyprus and Turkey European membership procedure; (Available from: http://www.europarl.europa.eu/summits/hel1_en.htm)

²⁰ Agreement on Cooperation in the field of Tourism (came into force on May 4, 2001), Agreement on Economic Cooperation (came into force on November 24, 2001), Agreement on Cooperation in Science and Technology (came into force on May 4, 2001), Agreement on Maritime Transport (came into force on August 19, 2001), Agreement on Cultural Cooperation (came into force on July 19, 2001), Agreement on Cooperation and Mutual Assistance between Customs Administrations (came into force on June 3, 2001), Agreement on reciprocal Promotion and Protection of Investments (came into force on November 24, 2001), Agreement on Cooperation on Environmental Protection (came into force on June 30, 2001), Agreement on Combating Crime, especially terrorism, organized crime, illicit drug trafficking and illegal immigration (came into force on July 17, 2001) In implementation of this Agreement, a Readmission Protocol was signed by the then Foreign Ministers G. Papandreou and I. Cem in Athens (November 2001). The readmission procedure falls under specific rules agreed upon by the two countries (came into force on August 5, 2002; (Available from: http://old.mfa.gr/english/foreign_policy/europe_southeastern/turkey/bilateral.html)

Those agreements became the “starting point” of a set of others bilateral agreements over a variety of issues concerning political, economic, cultural, military army and environmental sectors, especially during the period 2000-2003²¹.

Greek-Turkish “rapprochement” process (1999-2004) can be examined, concerning its applicability, as a case study by Putnam’s “two-level game” theory.²² According to Putnam’s theory, the process of pragmatic settlement over disputable cases among liberal democracies through international negotiations is consisted by simultaneous negotiations at both, intra-national level (domestic field) and inter-national level (between governments). Over intra-national level (LEVEL I) negotiations, the executive authority’s main interest is to build the appropriate coalition with the most crucial-influential institutions within society. Political opposition, media (TV stations, newspapers etc.), the military and especially public opinion have a strong impact on international agreements procedures. On the other hand, over inter-national level (LEVEL II) negotiations, the conveyors of the authority try to combine discrepancies without breaking of the interests and feelings at home. Putnam in order to interpret the route of international negotiations he examined the range under which the agreements in LEVEL II (international arena) are acceptable by LEVEL I (domestic constituency). This range is known as the win-sets

²¹ Ibid., Along with others agreements: At their meetings in Budapest (October 2000), the then Foreign Ministers of the two countries agreed to take up and implement a set of Confidence Building Measures (CBMs) with a view to establishing a climate of confidence between Greece and Turkey. In this context it was agreed that some of these CBMs would be elaborated on within the framework of NATO (under the auspices of the NATO Secretary General) and others would be taken up at the bilateral level (MFA Political Directors level). Within the framework of NATO, the two sides have agreed in total on three (3) CBMs and at the Political Directors Level, the two sides have already agreed on eight (8) CBMs.

²² R. D. Putnam, ‘Diplomacy and Domestic Politics: The Logic of Two Level Games’, *International Organization*, Vol. 42, No 3 (1988), pp.427-460

and Putnam defined them as “the set of all possible LEVEL II agreements that would “win” that gain the necessary majority among the constituents-LEVEL I.²³”

He stated that it is possible to estimate the impact of the domestic factors on the success of international negotiations. Furthermore, he hypothesized that the larger the win-sets achieved in LEVEL I, the higher the possibility for an international agreement and on the contrary the smaller the win-set made in LEVEL I the more likely for international negotiation to collapse. As for LEVEL II part, he assumes that a smaller win-set in LEVEL II doesn't automatically mean lack of consensus in LEVEL I field even though such a win-set can limit the diplomatic efficiency of the state. Moreover, the larger a win-set in LEVEL II can strengthen the position of a party but such a win-set is open to stronger pressure by other countries which can influence the negotiating process.

This political model derived from game theory, provides us with a feasible theoretical framework to analyze the Greek-Turkish “rapprochement” process background during the period 1999-2004. By basing the research on Putnam's two-level game metaphor we can elucidate the circumstances-prerequisites under which this procedure has functioned.

For centuries, nationalistic narratives in both countries shaped a mutual distrust and hostility between Greek and Turkish societies. More than eight decades, national foreign policy in Greece and Turkey had used to being shaped on that doctrine. Ali Çarkoğlu and Kemal Kirişçi reported that in democratic, open societies elected governments pay serious attention to public opinion's views in almost any political decision and that “[...] decisions that are not supported by the public run the

²³ibid., pp.439

risk of undermining the legitimacy of the policies of a popular elected government.”²⁴ Despite that earthquake diplomacy provided the crucial consensus among the civil societies in Greece and Turkey and therefore Papandreou-Cem efforts had more chances to be more acceptable for both societies. Mass media which play an important role for the formation of public opinion also reflected this reconciliation process without reproducing chronic-mutual negative stereotypes. Even, Political opposition in both countries despite their ideological differences supported the main strategy of “rapprochement”. The philosophy of “rapprochement” confirmed and approved by both countries subsequent governments Tayip Erdoğan’s (2002) and K. Karamanlis (2004) respectively.

Finally, as for the military even though its role in Greece and Turkey is essentially different, under the influence of politicians and especially through NATO, they participated actively in “rapprochement” process as the agreements signed during the period 1999-2004 reveal²⁵. Obviously, certain segments of the society in both countries did not see this process as a positive outcome. Despite those reactionary forces, Simitis and Mesut Yilmaz (and his successor Bülent Ecevit-January 11th 1999) promoted “rapprochement” process by achieving equilibrium among the domestic pressures and international pushes. Additionally, it is important to mention that E.U along with U.S.A strongly and actively supported this amelioration in Greek-Turkish relations.

As Putnam’s theory offers, LEVEL I AND LEVEL II interactions in Greece and Turkey resulted to large win-sets simultaneously in both levels, an outcome that

²⁴ A. Çarkoğlu and Barry Rubin, op. cited pp. 119

²⁵ R. D. Putnam, op. cit.

strongly had influenced the negotiations occurred that period and the agreements were signed.

Putnam's two-level game theory as any theory in international relations is open to criticism. However, it provides us with an important aspect of international negotiating processes and it seems that offers a feasible theoretical background in order to explain in the most reliable way the course of Greek – Turkish bilateral relations during the period 1999-2004.

b. Bilateral relations after Cyprus accession to the E.U, 2004-2007

Although serious developments occurred in political, economical, cultural etc issues during the above mention period, as for the military field, contrary to the significant reduce of dogfights in Aegean(1999-2003),Heinz-Jurgen Axt denoted that “it was reported that incidents increased in 2003.”²⁶ By trying to examine this shift in Turkish policy towards Aegean issue we have to cite how the political climate between Greece-Turkey-Cyprus-E.U was in early 2004 onwards.

On April 24th 2004, an U.N referendum “Annan Plan for Cyprus”²⁷ took place in Cyprus. The two major communities of the island Greek-Cypriots and Turkish-Cypriots, simultaneously, participated in that referendum either to ratify/accept the reunification plan (and establish the “United Cyprus Republic”) or to reject it. Even though both communities' political leaders Tassos Papadopoulos and Rauf Denktaş rejected the plan, 76% of Greek-Cypriots voted against and 65% of the Turkish-

²⁶ H.-J. Axt, op. cit., pp.371

²⁷THE COMPREHENSIVE SETTLEMENT OF THE CYPRUS PROBLEM: The documents appended constitute the Comprehensive Settlement of the Cyprus Problem finalized on 31 March 2004.: (Available in:<http://www.unficyp.org/media/Other%20official%20documents/annanplan.pdf>)

Cypriots voted in favor²⁸. This outcome created remarkable and serious sequential events.²⁹

According to the Helsinki Summit results, on May 1st 2004, the Republic of Cyprus joined the European Union as a divided island. The European Union welcomed the Republic of Cyprus, which it is considered by U.N as the sole legitimate government of the whole island, by stating that:

“In light of Protocol 10 of the Accession Treaty 2003 Cyprus as a whole entered the EU, whereas the *acquis* is suspended in the northern part of the island (“areas not under effective control of the Government of the Republic of Cyprus”). This means *inter alia* that these areas are outside the customs and fiscal territory of the EU. The suspension has territorial effect, but does not concern the personal rights of Turkish Cypriots as EU citizens, as they are considered as citizens of the Member State Republic of Cyprus.”³⁰

Obviously, the Republic of Cyprus as a member of EU upgraded its status towards Turkey and had the ability to put pressure on Ankara. Henceforth, Turkey’s European future had to pass through Nicosia. The new Prime Minister of Greece K. Karamanlis, soon after Cyprus joined the EU, declared that Greece’s strategic choice to support Turkey’s Europeanization and the rapprochement process remains a central political decision of the newly-elected³¹ Greek government’s foreign policy. Contrary to Greece’s declaration, in November 2004, the Cypriot Government stated that

²⁸ See <http://mondediplo.com/2004/05/07cyprus>.

²⁹ V. Coufoudakis from American Hellenic Institute-Washington, DC analyzes the outcome of Annan’s Plan referendum and offers a brief annotation of the factors that influence the final result. (For further information see: <http://hellenicnews.com/readnews.html?newsid=3374&lang=US>)

³⁰ See http://ec.europa.eu/enlargement/turkish_cypriot_community/index_en.htm

³¹ On 7th March 2004, New Democracy (ND) won the Hellenic general elections instead of its main ideological opponent Pan-Hellenic Socialistic Movement (PASOK) which was the leading party in Greece for more than a decade.

Turkey should implement all its obligations towards Republic of Cyprus in order not to block its accession process.

Greece's along with the EU response to Cypriots was on the one hand the neutrality of Greek government and on the other hand EU suggestion to Turkey to sign a protocol to extend the customs union with the new ten EU members bypassing at the same time Cyprus demands.

Ker-Lindsay argues that, Greece's foreign policy towards Cyprus issue during New Democracy era became less supportive than in the past.: "In October 2005, when the Cypriot government decided to stage its annual "Nikiforos" military exercise[...]in which Greece had usually participated since 2001[...]Athens made it clear that[...]the decision not to participate in the maneuver sent a strong message that Athens would not allow Cyprus to shape, let alone destabilize, its relations with Turkey."³²

The European Council instead, in December 16th -17th 2004 announced that Turkey fulfilled the Copenhagen criteria and so on October the 3rd 2005, formal accession negotiations were ready to start³³. Although, in August 2005 the Turkish government signed the customs union protocol, at the same time, Turkey refused to declare its formal recognition to the Republic of Cyprus arguing that this could happen only after the political resolution of Cyprus problem.

³² J. Ker-Lindsay, 'Greek-Turkish Rapprochement under New Democracy', *The International Spectator*, Routledge, Vol. 42, No.3, London, (online publication date:01 June 2007), pp.242

³³ In December 2004, the European Council stated that: "The European Council welcomes the decisive progress made by Turkey in its far reaching reform process and expressed its confidence that Turkey will sustain that process of reform [...]. Turkey sufficiently fulfils the Copenhagen criteria to open accession negotiations [...]. The European Council invites the Commission to present to the Council a proposal for a framework for negotiations with Turkey with a view to opening negotiations on 3 October 2005." (Available from: http://ec.europa.eu/enlargement/archives/pdf/key_documents/2005/package/sec_1426_final_progress_report_tr_en.pdf)

As a matter of fact, the Annan plan's failure along with Cyprus' European Union membership and Turkey's Europeanization process formulate a set of elements that destabilize the relations between the four main actors: EU, Cyprus, Greece and Turkey.

It is important to mention that Greece's U-turn foreign policy towards Turkey which was moulded by Simitis and Papandreou efforts had a strategic goal. Greece offered its full support to Turkey in order to join EU under the condition that both countries would solve their dispute(s) through the International Court of Justice before EU-Turkey accession negotiations started. Surprisingly enough, the European Commission renounced its obligation under Helsinki Summit to bring the issue to the ICJ and its negotiating role to examine the state of bilateral negotiations between Greece and Turkey.

K. Simitis, the ex-Prime Minister of Greece (1996-2004) and one of the architects of Helsinki strategy, in his autobiographical book "Policy for a constructive Greece, 1996-2004" accused K. Karamanlis and the New Democracy government of abandoning an integrated political strategy that constructively and realistically would press for the settlement of the last national abeyance with Turkey.³⁴ Thus, the adjoining deadlock of Greek-Turkish-Cypriot disputes according to their controversial and thorny key issues and the results of the Annan Plan and Helsinki Process left Greece and Turkey without a sufficient "roadmap". Greece's support to the Turkey's EU accession under New Democracy era and the "rapprochement process" led Athens to the assumption that E.U prospect will pressure Ankara to be more flexible and

³⁴ K. Simitis, *Πολιτική για μια δημιουργική Ελλάδα, 1996-2004* [Policy for a creative Greece, 1996-2004], (Athens: Polis publications, Athens, 2005), pp. 105

through bilateral negotiation both countries will settle their disputes in ICJ. Athens was betting only in Turkey's volition to continue its European path.

On the contrary, Turkey continued the violation of Greek airspace and the daily dogfights³⁵ and as Ken-Lindsay reveals that: "it would not bargain on its positions on the Aegean simply to gain Greek support for E.U membership."³⁶ Furthermore, Turkey's refusal to open its ports and airports to Cypriot (de facto recognition of Cyprus Republic) and its reluctance to proceed to the requisite reforms led Brussels in November 29th 2006 to freeze 8 chapters of EU-Turkish accession negotiations³⁷ until November 2009. An Interview with European Commission President José Manuel Barroso on BBC Sunday in London, 15th October 2006 presents an indicative aspect of how E.U perceives Turkey's E.U candidacy future. Among others he stated that:

"We cannot expect Turkey to become a member let's say in less than fifteen, twenty years [...] In fact we are concerned about Turkey because they, the pace of reforms are rather slow from our point of view. So I believe it will be great to have Turkey if Turkey respects all the economic and political criteria. This is not yet the case [...] I believe it's a country that comes from a different tradition. There are efforts in the right direction. But nowadays there is in fact news that are not encouraging in terms of coming closer to us."³⁸

Deputy FM Yiannis Valinakis echoed Bakoyannis' statement, called the report "positive" for issues of particular Greek interest. "The Commission stresses a

³⁵ D. Triantaphyllou, 'The priorities of Greek Foreign Policy Today', *Southern European and Black Sea Studies*, ELIAMEP, Sept.2005 pp. 336

³⁶ J. Ker-Lindsay, op. cited, pp.244

³⁷ See <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1652>

³⁸ See http://ec.europa.eu/commission_barroso/president/pdf/interview_20061015_en.pdf

lack of substantive progress on the part of Turkey, whose response towards its European commitments has been feeble. We are not happy about this, quite the opposite, it concerns us. We want to see a truly European Turkey being included in the EU at the conclusion of a successful adaptation with the European acquis." Greek diplomacy was pleased with the fact that the EU executive's report directly referred to the Greek-Turkish relations in a positive way for Greece.³⁹

Eventually, during the period 2004-2007, the Greek-Turkish "rapprochement" process seemed to lose its initial dynamics. The collapse in Cyprus's reunification process, Turkey's reluctance to fulfill EU's reforms and voices within Europe suggesting "privileged –relations" rather than full EU membership for Turkey (such the French Prime Minister N. Sarkozy and the German Christian-Democrats) have brought tremors in the E.U-Turkish relations and the Greek foreign policy towards Turkey's Europeanization raised serious doubts over its short-term efficiency. Moreover the continuation of Turkey's expansive policy towards the Aegean Sea⁴⁰ shows a significant upgrade in the Turkish foreign policy claims due to the Greek-Turkish dispute(s). This set of factors indicates that the "rapprochement" strategy of engagement "[...] did not have any positive suggestions on what should be done when things go wrong."⁴¹ From 2004 onwards, the Greek-Turkish dilemmas over issues

³⁹ "...As regards Greece, relations have continued to develop positively. Turkey should however address any sources of friction with its neighbors and refrain from any action which could negatively affect the peaceful settlement of border disputes. Turkey should be unequivocally committed to good neighborly relations and to the other requirements against which progress will be measured..." (Available from: <http://www.greekembassy.org/Embassy/content/en/Article.aspx?office=3&folder=361&article=18841>)

⁴⁰ On February 28th 2007, another thorny incident brought to the surface the Turkish "grey zones theory" claim. The Turkish Air Marshal Balini informed the American Wing Commander of NATO's Air force Li MacFan that, Ai Stratis [Agius Eustrarios or Ai Stratis is a Greek island in Northern Aegean near Limnos island] had to be excluded of the NATO's exercise "Tolmiros Toksotis" while he claimed that "Ai Stratis is a demilitarized area". (Available from: the Greek newspaper Eleftherotyopia, 27/02/2007)

⁴¹ K. Ifantis, 'Greece's Turkish Dilemmas: There and Back Again...', *Southeast European and Black Sea Studies*, Routledge, Taylor & Francis Ltd, Vol. 5, No 3, September 2005, pp. 390

such as Cyprus and the Aegean revived and new dimensions in the bilateral relations like the energy security and pipeline diplomacy came to the surface. During the period 2004-2007, Greek-Turkish “rapprochement” process lost its effectiveness and, even though both countries intensified their energy cooperation that period (the realization of TGI Interconnector signifies this outcome), it seems that their bilateral relations demoted to the level of a détente than “rapprochement”⁴².

As a result, Putnam’s “two level game” theory applies only to the period 1999-2004 and offers the theoretical framework in order to realize the preconditions and further developments which engaged the “rapprochement” process period in the Greek-Turkish bilateral relations. As long as Putnam’s “two level game theory” examines the process of pragmatic settlement through international negotiations among two states over disputable issues is not applicable to study the period 2004-2007 for two main reasons. First of all, over international level (LEVEL II) the appropriate consensus that “rapprochement” provided between the two governments to resolve their dispute(s) lost its efficiency due to the resurgence of conflicting issues in Cyprus and the Aegean sea and, additionally because energy security policy - cross-border pipeline diplomacy includes multiple actors and combines geographical, political, economical and security attributes which cannot be explained solely through the interaction among the international and intra-national levels in Greece and Turkey.

Thus, it is a fact that “even if skeptical of the way in which rapprochement is unfolding, few in Greece believe that a return to the old, pre-1999, approach would

⁴² This is the reason why we use (even in the essay’s topic) the word “rapprochement” in quotation-marks.

yield any results.”⁴³ Therefore, how this process of reconciliation will influence the energy security policy-pipeline diplomacy in Greece and Turkey and how those developments will affect the Greek-Turkish relations? By examining the energy security policy-pipeline diplomacy on each country we have the opportunity to provide us with the external and internal dynamics which formed the Greek and Turkish agenda over energy geopolitics and underline which domestic and international factors played a significant role to recent period “chessboard” of oil and natural gas pipeline projects in Eurasia.

⁴³ J. Ker-Lindsay, *op. cit.*, pp.246

Part II: The importance of Energy security policy in modern foreign politics -theoretical framework

a. Geopolitics as a field of international relations theory

In the aftermath of W.W.II, the idea of sharing Europe to eastern-supporter regions of Soviet Union and western-supporter regions under the influence of United Kingdom/U.S.A first appeared on October 9th 1944 in a meeting in Moscow between Churchill and Stalin.⁴⁴

The Yalta Conference, which was held in Crimea among the three big powers between 4-11 February 1945, corroborated the efforts of those two major ideological blocks, both victorious in the war, to establish a consensus among their spheres of interest and was the cornerstone of the bipolar system. Bipolarity, as a global structure managed to survive more than four decades and symbolized a period under which world affairs were balancing between two radically different systems of values and principles. The catastrophic repercussions of W.W.II led both blocks to exercise more realistic policies over international relations and gave birth to the term “Cold War”. On February 1947, the President of the United States H. Truman announced that the US government would take the responsibility to offer aid to Greece and Turkey. Officially, Greece and Turkey passed under the US zone of influence⁴⁵.

⁴⁴ “They agreed that after the release of Balkans from the German occupation, Romania and Bulgaria would pass in the Soviet sphere of influence while Greece in British. As for Yugoslavia, where the British had helped the partisans of Tito against the Germans, and Hungary the decision of two leaders was to be shared equally.”(Available from: <http://www.tovima.gr/default.asp?pid =2&ct= 83 & artid = 154794>)

⁴⁵ “On Friday, February 21, 1947, the British Embassy informed the U.S. State Department officials that Great Britain could no longer provide financial aid to the governments of Greece and Turkey. American policymakers had been monitoring Greece's crumbling economic and political

The collapse of Soviet Union subverted Yalta's agreements and shifted the then existing global balance of power. As a result, the terms *geopolitic* and *geostrategic* obtained new dimensions and range. Even though they allow for multiple definitions and interpretations as terms, many scholars consider them as synonymous.

The term *geopolitics* first appeared in 1904 by Rudolf Kjellen, a Swedish geographer which tried to describe the geopolitical basis of the power of a state.⁴⁶ As a matter of fact, there have been many attempts to define the term *geopolitics*. Its meaning tends to alter due to the changes occurred to international dynamics during different historical periods.

By examining the different ways that *geopolitics* is approached, we are trying to explore the link between *geopolitics/geo-strategies* and energy security policy, within modern terms lens.

Sir Halford Mackinder, a British historian, in his work "Democratic Ideas and Reality", noted that the one "[w]ho controlled East Europe [in effect Aegean Sea and the wider East Mediterranean region, Greece and Turkey] could control the extensive sources of the Heartland (Eurasia) and could thereby dominate the world."⁴⁷ He referred to the importance of geography and especially to the morphological characteristics such as straits, rivers canals etc and how the possession of natural resources (especially hydrocarbons, gold and water) lends multiple powers to states.

O' Hara, based on Mackinder's "Heartland theory" argued that in modern terms, the one "[w]ho controls the export routes, controls the oil and gas; by

conditions...When Britain announced that it would withdraw aid to Greece and Turkey, the responsibility was passed on to the United States."(Available from: <http://www.trumanlibrary.org/teacher/doctrine.htm>

⁴⁶ See <http://www.britannica.com/EBchecked/topic/319825/Rudolf-Kjellen>

⁴⁷ H. J. Mackinder, *Democratic Ideas and Reality*, 1919, (New York: Norton W. W., New York, , 1962), pp. 150

controlling oil and gas, controls the Heartland.”⁴⁸ Therefore, the one who dominates the wider Caucasus-Caspian and Black Sea region (Eurasia), will be the global overlord. Furthermore J. Gottman offers a concise definition for *geopolitics* as “the study of the influence of geographical factors on political action”⁴⁹

Despite the fact that, Soviet Union collapsed and “new order” prevailed, Zbigniew Brzezinski, in line with Mackinder’s theory argued that Eurasia (Heartland) has become the key region to world’s power. “This area had become ‘geopolitically significant’ given its sociopolitical instability and its energy resources and it was thus in the primary interest of the United States to ensure that no single power should control this ‘geopolitical space’.”⁵⁰ Actually, Brzezinski’s assumptions relied on U.S concerns over the neo-Eurasian supporters in Russia whose policies - possession and domination of hydrocarbon reserves, a doctrine built up on the imperialist and Soviet past - were to resurrect a new-Soviet political entity to control the Eurasian region⁵¹. However, as Gareth Winrow suggests, “one may contend that term covers the relationship between the conduct of foreign policy, political power and the physical environment, in which there is a need to take into account *inter* geographical location; the relations between states usually within a particular region and the distribution of natural resources.”⁵²

In other words, *geopolitics*, a term which has its roots in Political Geography, is the method under which we can examine the interaction between geographical and

⁴⁸ S.L. O’Hara, ‘Great game or grubby game? The struggle for control of the Caspian’ *Geopolitics* 9, No 1, 2004, pp 138-160

⁴⁹ J. Gottman, ‘The background of geopolitics’, *Military Affairs* 6, No 4, 1942, pp. 197-206

⁵⁰ Z. Brzezinski, *The Grand Chessboard: American Primary and Its Geostrategic Imperatives*, (New York: New York, Basic Books, 1997)

⁵¹ M. Bassin, ‘The two faces of contemporary geopolitics’, *Progress in Human Geography* 28, No 5, 2004, pp. 620-626

⁵² G. Winrow, ‘Geopolitics and Energy Security in the Wider Black Sea Region’, *Southern European and Black Sea Studies*, ELIAMEP, Vol. 7, No 2, June 2007, pp.218

political edifice, in order for a state/international body(EU-NATO) to ensure their strategic power (geo-strategy) or/and their economic power (geo-economy).

Eventually, the two crucial dimensions of world politics, strategy-military power and economy as statecraft, are embodied in *geopolitics*. Thus, even though geo-strategy etymologically has the same first synthetic word ‘*geo*’ with *geopolitics*, is more a component of the latter than a synonym.

At this point, it is important to examine how *geopolitics* and *energy security policy* interact and are interdependent in modern global politics.

b. Energy security policy- definitions analysis and terminology clarification

Energy security policy first became known as a concept during and after the Arab-Israeli War in 1973, following the impact of the first oil crisis. The establishment of the International Energy Agency (IEA) a year later (1974) reveals the agony and vulnerability of the major industrialized countries regarding future disorder of access to energy supplies.

In the early 1980s the term ‘resource war’ was initially introduced in the United States, a fact that reflected in David Baldwin’s definition of energy security (1985). “The enhancement of energy security power was defined as the control of:

- I. Exploitable reserves;
- II. Net export capacity;
- III. Transportations routes; and
- IV. Pricing mechanisms (price elasticity) of hydrocarbon resources,⁵³

⁵³ D. Baldwin, *Economic Statecraft*,(Princeton: Princeton University Press, 1985), pp. 65

have been vital security challenges for all nations since the complete mechanization of their armed forces⁵⁴ and the mature industrialization of their economies.”⁵⁵

Subsequently, in the post-Cold War era, Klare suggests that “a new geography of conflict has developed in which resource flows, instead of ideological and political and political divisions, form the main fault lines”⁵⁶ and points out the crucial linkage between the security of energy consumers and the safety of resource passages through energy states as long as the growing mutual dependence among energy suppliers and energy consumers.

As for Barton, he perceives energy security, “as a condition in which citizens and businesses have access to sufficient energy recourses at reasonable prices for the foreseeable future free from serious risk of major disruption of service.”⁵⁷

It seems that energy security policy is a critical factor of the overall power status of a nation and a powerful instrument of effective and forceful national policy-making. According to the Organization for Economic Cooperation and Development (OECD), of which (Greece and Turkey have been founding members since 1961), “up to around 2020, energy use will continue to be largely dominated by fossil fuels. Oil will be driven mainly by transport need, and by the fact that oil will remain the

⁵⁴ See also: Vaclav Smil, *Energy at the crossroads, Global perspectives and uncertainties, Energy and War*, (London: The MIT Press, Gambridge, Massachusetts, London, England, 2005), pp. 116-120

⁵⁵ T. Tsakiris, ‘Energy Security Policy as Economic Statecrafts, A Historical Overview of the Last 100 Years’, *Agora without Frontiers: Institute of International Economical Relations*, Vol. 9, No 4, Athens, March-April-May 2004, pp.308

⁵⁶ M.T. Klare, ‘The new geography of conflict’, *Foreign Affairs* 81, No 3, 2001 , pp.49-61

⁵⁷ B. Barton, C. Redwell, A. Ronne, and D.N. Zillman, *Energy Security: Managing Risk in a Dynamic Legal and Regulatory Environment* (Oxford: Oxford University Press,2004)

“swing” energy[...] Use of gas will grow rapidly as the preferred fuel for heating, process use and power generation.”⁵⁸

The combination of the above mentioned realities, energy security policy-dominance of hydrocarbons (oil and gas) in the global energy market, stresses two interrelated conditions: the growing interdependence among producer-transit-consumer states; and the need for diversification of energy sources and energy supply routes. Hence, oil and gas pipeline projects and their potential routes and interconnections became top priority and the foundation stone on which modern energy security policy and broader *geopolitics* functioned in 21st century.

Gaël Raballand and Ferhat Esen suggest in their article that, cross-border pipelines face three main obstacles. (i) The existence of multiple parties, with different interests, are involved in a pipeline project; (ii) The absence of overarching legal jurisdiction to police and regulate activities and contracts; and (iii) The creation of profit and rent by the projects, which must be shared among various parties.⁵⁹

Therefore, cross – border pipelines from landlocked states involves transit through at least one other state, a fact that complicates even more the legal and financial dimensions of pipeline projects. Thus, they cannot be examined through strictly economic terms.

Emmanuel Karagiannis points out also that, “the location of the oil reserves has historically made foreign investors dependent on international pipelines to carry the oil to markets[...]the pipeline question is more than just economic problem; rather

⁵⁸ R. Lahidji, W. Michalski and B. Stevens, *The Long-term future for Energy: An Assessment of key Trends and Challenges*, OECD [Organization for Economic Cooperation and Development], (Paris, France, 1999), pp.8

⁵⁹ G. Raballand, F. Esen, ‘Economics and politics of cross-border oil pipelines—the case of the Caspian basin’, *Springer-Verlag online publication*, October 2006

it has security and geopolitical nature. Pipelines [...] do not simply carry oil [and gas], but also define new corridors of trade and power.”⁶⁰ Moreover, Winrow marks out the interlinked with cross- border pipeline projects, importance of energy transit states. He argues that, “... [t]ransit states could [...] illegally tap into the pipelines to satisfy their own energy needs. Legal and environmental issues may further complicate the picture concerning energy transportation.”⁶¹

Interestingly enough, even though energy security policy as a field of *geopolitics* is not a particularly recent tool of statecraft, pipeline diplomacy instead presents a radically new “autonomous” spectrum in international relations which cannot be examined solely in terms of modernity and *geopolitics* theory. It integrates elements of nation-state structure, bipolarity and globalization which are amalgamated in modern-international relations arena’s-versatility.⁶²

⁶⁰ E. Karagiannis, *Energy Security in the Caucasus*, (London: *RoutledgeCurzon, Taylor & Francis Group*, London ,2002), pp. 179

⁶¹ G. M. Winrow, ‘Energy Security in the Black Sea – Caspian Region’, *Journal of International Affairs, Perceptions*, Vol. 5, No 3, Ankara, 2005, pp. 89

⁶² The initial topic and range of this essay doesn’t allow us for further examination on pipeline diplomacy as an ‘autonomous’ field in international relations theory.

Part III: Greek and Turkish energy security policy-pipeline

diplomacy cases

A. The Greek case

1. Greece's energy security policy in the Eastern Mediterranean and the Balkans regions

The East Mediterranean region comprises a unique geographical, political, economic, military and strategic crossroad. Eastern Mediterranean basin extends from Sicily to Suez Canal. Eastern Mediterranean countries, from West to East, are: Italy, Greece, ex-Yugoslav Republics, Albania, Turkey, Libya, Israel, Syria, Lebanon and Egypt. It connects three continents (Europe, Asia, and Africa) and combines a variety of civilizations from South-Eastern Europe, Balkan Peninsula, North Africa, the Black Sea region and the Middle East.

Especially Greece and Turkey - along with the Republic of Cyprus - possess the majority of geostrategic routes in the region. Through Dardanelle-Bosporus straits and its natural extension of Aegean Sea-Crete and Cyprus, crucial paths of energy and natural sources transportation are extended from Middle Eastern and Caucasian countries to Black Sea region and Western economies. Nowadays we can assume that Aegean Sea as an energy gate can be as important as the Suez Canal was five decades ago.

The geopolitical and geostrategic game of gas and oil pipeline projects which will transfer hydrocarbons from Eurasia to Western consumers directly influences crucial geostrategic dimensions of Greece.

Greece is a member in numerous international organizations such as: North Atlantic Treaty Organization- NATO; (1952) Organization for Economic Cooperation and Development-OECD; (1961) International Energy Treaty-IEA; (1977) European Economic Community-EEC;⁶³ (1981) Black Sea Economic Cooperation-BSEC; (1992) and the Organization for Security and Cooperation in Europe-OSCE;⁶⁴ (1995). Greece's membership in many international bodies related with energy issues along with its geostrategic advantages potentially can render it as a key regional player (as a transit state) in European energy security.

Conversely, Greece's limited market and geographical position as the southernmost country in Europe, limits Greece from being the intermediate link between North-South Europe. Despite those weaknesses Greece still manages to play a crucial role in the Balkan Peninsula and Southeast Europe.

After the fall of the military junta in 1974, Greece's strategic choice to be a member in the European Economic Community (1981) stemmed from the country's need to protect its northern and eastern borders from its unstable and hostile neighbors (mainly Turkey). Furthermore, D.Triantaphyllou argues that "Greece's anchoring in the EU took place because it was precisely touted domestically as guarantor of the country's frontiers and interests where the term '*status quo*' still plays a dominant part in the day-to-day psyche of European foreign policy-making".⁶⁵ The necessity for further political and economical (structural) reforms became the "weak part" for all Greek governments since EEC's accession. Greece's problematic foreign policy priorities and socio-economic indicators led the

⁶³ After the Treaty of Maastricht (November 1st, 1993), EEC renamed as European Union-EU

⁶⁴ On July 1973, the Conference of Security and Co-operation in Europe- CSCE was established. On January 1st renamed as OSCE. (See also: <http://www.osce.org/>)

⁶⁵ D. Triantaphyllou, 'The priorities of Greek Foreign Policy Today', *Southern European and Black Sea Studies*, ELIAMEP, Sept.2005 pp.328

international community and press to characterize the country as “the black sheep of the European Union”.⁶⁶

Overall and especially during the last fifteen years Greece, by adopting the Maastricht criteria and by supporting Balkan states such as Bulgaria, Romania and Slovenia⁶⁷ to join the EU and NATO (in order to extent European and North-Atlantic Alliance integration in the region), managed to enlarge the country’s ‘strategic space’ and strengthen its financial, political and security status. Greece’s membership in the European and Monetary Union (2002) and the 2004 successful Olympic Games organization showed that Greece is a decent state in the international and the European Union’s stage.

Greece still plays an active role in the Balkan’s reconstruction and political reform. As for the energy sector since 1999, many Greek companies⁶⁸ related to energy sector such as, gas and oil stations, storages and oil products exportation have been invested in Balkan countries. Furthermore, Greece is one of the five Southeastern European states that is crude oil and gas producer. According to Myriantis, “Romania accounts for 61 percent of output and 78 percent of reserves, and Turkey produces 31 percent and has 13 percent of reserves. Albania has 8 percent of reserves, and Greece-Bulgaria both hold 0.7 percent. Southeastern Europe’s reserve/production ratio is 25 years.”⁶⁹ The deposits in Kavala, Prinos and North

⁶⁶ Ibid., pp.331

⁶⁷ In 2004 Slovenia joined EU and three years later, on January 1st 2007 Bulgaria and Romania joined too.

⁶⁸ Direct investments close to 14 billion euro with approximately 200.000 executives. See Mikhail. L. Myriantis, ‘Η ενεργειακή παρουσία της Ελλάδας στα Βαλκάνια, Η χώρα μας ενεργειακός κόμβος στην περιοχή, Βαλκάνια, Σκόπια-[FYROM], Κόσσοβο, “Μεγάλη” Αλβανία, Ο ανταγωνισμός Ρωσίας-ΗΠΑ’[Energy presence of Greece in the Balkans, Our country an energy hub in the region, THE Balkans, Scopje- [FYROM], Kosovo, ‘Great Albania’, the competition between Russia and the USA] *H Kathimerini, special edition magazine*, Athens 20th April 2008 pp.36

⁶⁹ F. –L. Altmann, John Lampe, *Energy and the Transformation Process in Southeast Europe*, (Gütersloh :Bertelsmann Foundation Publishers, Gütersloh, 2000), pp.183

Prinos which were discovered during the period 1972-1996, had already produced 112 millions of oil barrels (Prinos and North Prinos) and around 850 mcm (million cubic meters) of natural gas (Kavala) during that time.⁷⁰

Especially MAMIDOIL and AVIN companies are active in Albania, Serbia, Bulgaria, Romania and FYROM having subsidiary branches in the whole Balkan district since the 1980's. Moreover Ellinika Petrelaia-ELPE (Hellenic Petroleum) Group has a leading role in the region as the owner of 252 refineries. It owns OKTA refinery in FYROM, facilities in Durres (Albania), in the Montenegrin city of Mbar and in two airports.⁷¹

As for the public sector, the main tool of Greek energy policy is DEPA (ΔΕΠΙΑ) which was established in 1988, as a subsidiary company of DEP (ΔΕΠ) and after its reorganization it entered the stock market as "Hellenic Petroleum" by transferring its 85% of his prime capital to the Greek Public sector.⁷²

During the period 1995-2005, domestic energy sources were between 9.7-10.28 million tonnes of oil equivalent⁷³-Mtoe when at the same period the amount of imported energy supplies were between 22.3-30.5Mtoe. Moreover, the average annual energy growth rate was 2.3%. Oil and lignite covered more than 85% (57% oil-29% lignite in 2005) of the total energy consumption when at the same time natural gas consumption increased from 0.14Mtoe(0.6%-1995) to 2.35Mtoe(7.6%-2005).⁷⁴ Greek dependency on imported energy products was 75%, mainly because of the imported oil and natural gas. The rate between imported and exported energy sources is 3:1, with a tendency to increase the following years.

⁷⁰ See <http://www.hellenic-petroleum.gr/Uploads/resource>

⁷¹ M. L. Myriantis, op. cit., pp.36

⁷² See www.rae.gr/SUB3/3B/3b2.htm

⁷³ Lignite is the most important domestic energy source in Greece.

⁷⁴ See http://portal.kathimerini.gr/4Dcgi/4dcgi/_w_articles_kathextra_15_17/09/2007_203870

Until 2005 Greek Energy power system was composed by the following energy products⁷⁵ (per energy source)⁷⁶:

Oil and Petroleum products

Greece imported crude oil and petroleum products from Russia (32.3%), Saudi Arabia (31.1%) and Iran (28.6%). At the same time, it exported petroleum products in countries like the USA, Turkey, Libya and Syria. The total exports of petroleum products were close to 4.8 million tons in 2005. A small layer of oil in Northern Greece covers 0.5% of the total demand.

Natural Gas

The total demand of country in natural gas is covered by imports being transferred from Russia (85%), via Bulgaria, and, in liquefied form (LNG), natural gas from Algeria (15%). In 2005, the total imports of natural gas amounts were 2.8 bcm and 3.1 bcm in 2006. The Greek natural gas industry is controlled by the Public Gas Corporation of Greece (DEPA), which is owned by the Greek Government (65%) and Hellenic Petroleum (35%).⁷⁷

Under those circumstances it is important to examine how the current structure of Greek energy networks is, and which are the present and future oil/gas pipeline projects. Obviously Greece's case differs from Turkey's (which will be presented further down - chapter C). Greece is not self-sufficient in covering its energy needs, plus its foreign policy, and its energy policies are aligned with those of the EU (although the actual present dependency of Greece, on gas, is minimal in comparison

⁷⁵ As we mentioned before the aim of this paper is to examine oil and natural gas energy resources which have the ability to get transferred through pipeline networks (oil and natural gas). That's why we focus our interest on their importance in Greek energy sector.

⁷⁶ See <http://news.pathfinder.gr/greece/news/419956.html>

⁷⁷ Available at : http://www.kslaw.com/library/pdf/LNG_in_Europe.pdf, pp.12

to the majority of the EU states⁷⁸). Nevertheless, over the past decade (give or take) Greece started conducting a ‘semi-independent’ (in terms of current needs and future interests for expansion of the energy orientated projects) energy policy. All the same, Greece was, and still is open to new plans for solving its existing disputes (EU’s and Greece’s official stance on the matter has been ‘peaceful settlement of disputes’⁷⁹) with neighboring states (such as Turkey); and energy policy is a way to overcome several points of argument, and give up older course of action and strategies that brought limited results and progress in the bilateral relations of the two states.

2. Energy networks, present and future oil/gas pipeline projects⁸⁰ in Greece

PETROLEUM

The imported oil is shipped from foreign oil terminals to refineries of Greek oil companies like ELDA (ΕΛΔΑ) in Aspropyrgos, MOTOR OIL HELLAS in Agioi Theodoroi, and PETROLA in Elefsina; and, EKO in Thessaloniki.⁸¹

VARDEX oil pipeline from Thessaloniki-Skopje⁸²: Hellenic Oil Group owns VARDEX oil pipeline (240km with transportation capacity up to 2.5Mtoe) which connects OKTA with ELPE facilities in Thessaloniki (2001)⁸³

⁷⁸ That determines the current EU’s energy policy.

⁷⁹ Available online at: <http://www.mfa.gr/www.mfa.gr/en-US/The+Ministry /Structure/ Mission+ and + Competences/>

⁸⁰ See APPENDIX III, Index I

⁸¹ See <http://www.rae.gr/SUB3/3B/3b1.htm>

Bourgas (Bulgaria) - Alexandroupolis (Greece) or Trans-Balkan oil pipeline: In 2007, Russia, Bulgaria and Greece agreed to participate in this project. This pipeline will consist of 286km, 42 inch perimeter and with 35Mtoe capacity⁸⁴. The pipeline capacity can be expanded to carry 50 million tons in total every year. It will cost from 800 million euro (35-million-ton capacity) to 900 million euro (50-million-ton capacity). Two storage areas will also be built to stock up to 650,000 cubic meters of oil in Burgas and up to 450,000 cubic meters of oil in Alexandroupolis.⁸⁵ It considers being as an alternative Bosphorus bypass project and an attempt to ease the traffic burden of Turkish Straits. It will transfer oil from Russia. It is supposed to start constructed in 2010⁸⁶.

NATURAL GAS

Yamal - Europe gas pipeline from Russia via Bulgaria: Approximately 6 bcm are being transferred from the main high pressure gas transmission pipeline in Yamal peninsula (Russia) through the Greek-Bulgarian borders (one of its multiple branches) to Attica (Elefsina)⁸⁷. It is a “megaproject” inspired by Gazprom (Russia) in 1992. In 1993-1994 Intergovernmental Agreements were signed between Russia with Belarus, Poland and Germany and were commissioned in 1999. On December 1994, EU

⁸² See Chapter B.1

⁸³ M. L. Myriantis, op.cit, pp.36

⁸⁴ F. -L. Altmann, John Lampe, op. cit., pp.187

⁸⁵ See http://www.bridge-mag.com/magazine/index.php?option=com_content&task=view&id=111&Itemid=39

⁸⁶ <http://www.imerisia.gr/article.asp?catid=13901&subid=2&tag=9490&pubid=6551133>

⁸⁷ Regulatory Authority for Energy, “Report on the security of natural gas supply in Greece, According to the provisions of article 4 of Law 3428/2005, concerning the Liberation of the Natural Gas Market”, Athens, January 2009.

(Energy Charter Conference in Lisbon) put Yamal - Europe pipeline⁸⁸ in the list of its priority investments, as part of the Trans-European Network. The pipeline delivers Russian gas, is 4.100km long and has 33bcm annual capacity (since 2005).⁸⁹

LNG (Liquefied Natural Gas) terminal facility in Revythousa: (Megara-Attika-1999). In November 18th 1999 after 12 years of construction the first jetty started to function in DEPA facilities in Revythousa from Libya. This project costs almost 300 million euro and consists a strategic investment cause it has the ability to provide the Greek energy market with 84 mcm of natural gas during high-peak demand periods⁹⁰. In 2007 an upgrade in Revythousa's facilities which allowed its provisioning to reach 13mcm daily⁹¹, when at the same period the daily national needs are close to 9 mcm.

Turkey-Greece-Italy (TGI) Interconnector natural gas pipeline⁹²: It transports non-Russian natural gas supplies from Azerbaijan and in the future from Iran and Turkmenistan. It is expected to increase its capacity level from 0.75 bcm in 2007 to 12 bcm in 2012. Greece will receive up to 3 bcm, Turkey 1.75 bcm and the remaining will flow to Italy (2012). EU financed 40 per cent of the Interconnector's costs. It will complete in two phases:

- a) Baku – Karacabey – Komotini first pipeline's branch, 285km long, of which 200km on Turkish and 85 on Greek territory (2007).

⁸⁸ First stage- 1,489 kilometers of pipeline (initiation 1998–1999): Astrakhan Oblast-261.8 kilometers (1998–1999); Orlov Oblast-1,011.2 kilometers;(1998–1999) ;Lipetsk Oblast-216 kilometers (1997–2001); and its Second stage-2,793 kilometers of pipeline (initiation 2000–2002): Astrakhan Oblast—1,400 kilometers (2000–2001) Orlov Oblast-1,108 kilometers (2000–2001) Kursk Oblast, Fatezh region-195 kilometers (2002) Altai Krai-90 kilometers (2002). Available from: http://www.stroytransgaz.com/projects/russia/gas_supply_systems

⁸⁹ See <http://en.rian.ru/russia/20071101/86223448.html>

⁹⁰ See <http://www.tovima.gr/default.asp?pid=2&artid=116320&ct=3> I. N. Grigoriadis, 'Natural Gas Corridors in Southeastern Europe and European Energy Security', *ELIAMEP thesis*, July 2008, pp.1

⁹¹ See <http://www.protothema.gr/content.php?id=21225>

⁹² I. N. Grigoriadis, 'Natural Gas Corridors in Southeastern Europe and European Energy Security', *ELIAMEP thesis*, July 2008, pp.1

- b) Stavrolimenas (Thesprotia) – Otranto (Italy) second pipeline's branch, a 212km long undersea pipeline [131 mile long is the undersea part] which will connect the networks of Greece and Italy (under construction from 2008-future completion date 2012).

Its total cost will be approximately €2.8 billion, the first branch completed in 2007 and by 2012 (expected completion date for second branch) it will have 12bcm capacity transportation⁹³.

South Stream natural gas pipeline of Russian origin⁹⁴: the southern branch of undersea Blue Stream (2001-2005). This is a 900km long undersea pipeline project (2000meters deep), with 31bcm annual planned capacity (10bcm to its southern branch), pipeline will depart from the Russian terminal in Beregovaya (Black Sea) to the Bulgarian coast in Burgas. Last projected cost is €12.8 billion. Its north-western branch is supposed to pass through Bulgaria, Romania, Austria and north Italy (it might expand to Serbia, Bosnia and Slovakia). On April 2008 relevant agreements were signed in Moscow by Greek Prime Minister and Russian officials. Moreover, on June 24th, during the BSEC Meeting held in Istanbul, K.Karamanlis and Vladimir Putin agreed on the Greek participation in South Blue Stream (south-western branch) which it is suppose to start constructed in 2009 and will connect the Russian refineries with gas terminals from Bulgaria, across Greece (Alexandroupolis), the Ionian Sea and will reach south Italy (potential completion between 2013-2015)⁹⁵. Its cost is estimated to be close to €8billion⁹⁶.

⁹³ See <http://www.eurasianet.org/departments/insightb/articles/eav032509a.shtml>, see also : <http://cambridgeforecast.wordpress.com/2008/02/10/turkey-greece-italy-gas-pipeline/>

⁹⁴ Z. Baran, 'Security Aspects of the South Stream Project', *Center for the Eurasian Policy (CEP)*, Hudson Institute, October 2008, pp. 1-44

⁹⁵ *Supra*, I. N. Grigoriadis pp.3

⁹⁶ See <http://www.spiegel.de/international/business/0,1518,625697,00.html>

3. Third party (EU-USA-Russia) role in Greece's energy security policy-pipeline diplomacy

Greece's membership in the EU and NATO entails benefits as well as certain obligations. The international institutions in which Greece is a member, promote policies that serve their own strategic interests. The energy sector is not an exception. Consequently, any attempt to examine Greek energy policy and pipeline diplomacy without considering the role of the above mentioned institutions, is impossible.

In order to analyze the degree in which third party involvement defines the Greek energy policy and pipeline diplomacy, we have to analyze the sequel of factors and events which formulate the multilateral relations between "European Greece" with EU-USA-Russia due to energy sector issues. Greece is in the center of EU-Russia-USA triangle of conflicting interests and recent international developments reveal that Athens is more vulnerable to external pressures than before. None the less new opportunities and challenges are to be considered.

The Greek Europeanization process started to function in a more complex world order and a radically different geopolitical and geostrategic environment for Greece and Europe itself. A set of events during the period 2000-2007 have stigmatized the route of EU (Greece)- USA and Russian relations which led to sufficient shifts in European and Greek energy policies:

- Russian presidential elections in 2000 which brought to power Vladimir Putin as president of the Russian Federation.
- The US election of 2000 which brought to power Bush's administration
- September 11th 2001 terroristic attacks in USA
- American response to terrorism and wars in Afghanistan and Iraq(2002)

- EU's enlargement and endorsement (EU-27) of twelve (south) Eastern European (2004) and Balkan states (2007).
- NATO's integrating process in Balkans and East Europe
- The Russo-Ukrainian crisis over natural gas supplies from Russia to Ukraine and Central Europe(2006)

In the aftermath of September 11th event and U.S invasion in Afghanistan and Iraq, Euro-American relations have become less correlated. The EU's main interests were its constitutional and structural re-shaping. EU's "eastern" expansion and its willingness to form Common Foreign and Security Policy (CFSP) in 2006 are crucial indicators for us to examine and analyze under which circumstances the EU has implemented its energy security policies and pipeline diplomacy. Nevertheless, G. Demestichas argues that, "[...]EU cannot play a decisive role in world affairs...to the extent that the EU countries play a role, they do so unilaterally, or more likely they support US [as the world's sole superpower after the Soviet Union's demise] initiatives."⁹⁷ September 11th events and the US foreign policy have undermined the U.N and EU, the two most basic institutions on which Athens based its national and institutional interests.

On the other hand, Russia is a leading energy producer and exporter. "[A]s percentages of the world's total reserves, it holds some 45 per cent of gas, 23 per cent of coal, 14 per cent of uranium and 13 per cent of the oil."⁹⁸ Russia's privileged position as both a supplier and transit country provides it as an alternative for EU market from Middle Eastern energy dependence. Moreover, Vladimir Putin's election,

⁹⁷ G. Demestichas, 'Greek Security and Defense Policy in the Eastern Mediterranean', *Mediterranean Quarterly*, vol. 8, No.2, 1997, pp. 216

⁹⁸ A. Monaghan, 'Russia's Energy Diplomacy: A Political Idea Lacking a Strategy?', *Southeast European and Black Sea Studies*, Routledge, Vol. 7, No. 2, June 2007, pp.275

underlined that the most hegemonic and meta-communistic philosophy seemed to prevail among the Russian policy makers. It also indicates that the ruling role of Russia has to be maintained not only in the Federation but also in the vital zone consisted by the post-Soviet Union's geographical frame.⁹⁹ Under the Putin's presidency, private Russian energy companies were being nationalized like the gas giant Gazprom which is 51 per cent state-own.

The President of Russia became the symbol of a new era in Russia's foreign and energy policy and personified Russia's further political and financial strategies. Energy and pipeline diplomacy became the new tool of Moscow to revive its meta-Soviet hegemony and influence the broader Eurasian area. As a matter of fact, Russia considers Caspian Sea due to its geophysical characteristics as a "closed lake" and recognizes the right to the rest coastal States (Iran, Azerbaijan, Kazakhstan and Turkmenistan) to retain their national territorial waters in ten nautical miles from their coasts while the rest considered being a "free zone" for exploitation.

Gareth M. Windrow pointed out that, "[i]t will be seen that the authorities in Moscow are making extensive use of energy companies as instrument of Russian foreign policy in order to maintain and expand Russia's influence and presence [...] This increasingly close linkage between energy business and state authorities in Russia has significant ramifications on issues concerning energy security in the region."¹⁰⁰ Respectively, US presence in Iraq-Afghanistan combined with the role of NATO during G. W. Bush's administration (as a tool for U.S geostrategic expansion in Eastern Europe and Caucasus region) reflects that Caspian-Black Sea and Caucasus

⁹⁹ L. Drakopoulos, 'Ενεργειακή πολιτική και περιφερειακή ασφάλεια στον Καύκασο και την Κεντρική Ευρώπη, Η Ρωσία του Καυκάσου'[Energy policy and regional security in Caucasus and the Central Europe , Russia of Caucasus] *Seira Geopolitikwn Meletwn*, Impact forecasts, pp.40-41 G. M. Windrow, op.cit. , pp. 85-86

¹⁰⁰ G. M. Windrow, op.cit. , pp. 85-86

region are the new “battlefields” between Russia and the West. The enlargement of NATO offers to USA the ability to consolidate its political, financial and military influence in those regions of major importance which are crucial for the European energy security and supply. According to Tassos Kokkinidis, US via NATO tries to achieve two main targets:

- a. To profit the American companies in order to manufacture alternative pipeline projects; and
- b. To assist Europe to diminish its energy dependence from Russia,¹⁰¹

Jamie Shea, Director of Policy Planning in NATO underlines the importance of energy security and why NATO has to develop a concrete role and strategy over Energy issues:

“...sudden disruptions in supplies can have not only major economic but also political consequences for NATO Member States[...] the tightness in the global oil market and recent price increases, not to mention the threat of terrorist attacks against critical infrastructure, have once again made energy security an issue of strategic importance[...]NATO has a responsibility to discuss any subject that concerns Allies, and as certain Allies have an even higher dependency than others on imports of natural gas, it is only natural that they should wish to raise this issue in NATO bodies. However, it is too early to determine which roles NATO could and should play.”¹⁰²

¹⁰¹ Available at: http://www.foreignpress-gr.com/2008/04/blog-post_06.html

¹⁰² See <http://www.nato.int/docu/review/2006/issue3/english/special1.html>

Therefore, the control and exploitation of Eurasian energy sources inaugurated new rivalry policies and it seems that “nowadays, rockets and tanks appear to be replaced by pipelines and faucets in USA-Russia juxtapose”.¹⁰³

As regards the European Union, is one of the biggest global consumers and importers of hydrocarbons. Fossil fuels (oil, natural gas and carbon) represent 4/5 of EU’s total energy consumption while 2/3 of them are imported.¹⁰⁴As for the geopolitical dimension, it is important to stress that 45% of imported oil derives from Middle East and 40% of imported natural gas (approximately 20% of European energy consumption) from Russia.¹⁰⁵ During the period 1997-2004, in EU-25 the energy demand increased annually 0.93 per cent. Moreover, Grigoriadis stresses that, “According to the projections of the International Energy Agency (IEA), the European energy market demand in natural gas will increase on an annual rate 2.4% and reach 630 bcm annually in 2030.”¹⁰⁶

Concerning the above mentioned realities, combined with the oncoming lessening of North Sea natural gas fields and the extraordinary increase of energy prices, EU had to develop a long-term strategy towards its energy diplomacy.

Russian-Ukrainian crisis on January 2005 over natural gas prices and Russia’s reaction to cut the gas amounts to Ukraine and Europe brought to the surface Europe’s weaknesses because of its energy policy and security. European energy dependency from Russia (25% of gas consumption is provided by Russian Federation), European needs for additional gas supplies and Ukraine’s monopoly to be the main energy

¹⁰³ See http://www.foreignpress-gr.com/2008/04/blog-post_06.html

¹⁰⁴ ISTAME, ‘Το Ενεργειακό μέλλον της Ελλάδας’[The Energy future of Greece], *Keimeno Tekniriwseis No 4*, Athens, August 2006, pp.5

¹⁰⁵ Ibid.

¹⁰⁶ I. N. Grigoriadis, op. cited, pp.1

“gate” from Russia to Europe were significant indicators for EU leaders to examine alternative energy policies towards Russia and EU’s future energy security and structure.

The Black Sea and the Caspian Sea regions could provide alternative paths for European energy supplies. In 1994, the European Union has supported the Energy Treaty Charter which was signed and ratified by South Caucasus and Central Asia states. Furthermore, it is the largest donor of the region. Through TACIS program TRACECA was established, a Europe-Caucasus-Asia transport corridor which is responsible for constructing transport infrastructures south of Russia and transform this area into an energy bridge.¹⁰⁷

Specifically concerning the Black Sea region, John M. Roberts suggest that it can play a crucial role in European Energy Security for a variety of reasons: “Geographically, it forces attention onto how oil and gas from further afield should reach Europe’s major consumer markets; Politically, many Black Sea countries have to weigh their domestic energy security with their current or prospective role in ensuring broader regional or continental energy security and; Economically, they may be in a position to influence the terms under which oil and gas reach Europe.”¹⁰⁸

Eventually, Caucasus and the Black Sea regions¹⁰⁹ inter-connection with the EU’s energy security interests and European market are related with two key prerequisites. Bosphorus -oil transportation- bypass and the EU’s Gas balance to 2030.

In terms of oil, Bosphorus bypass proposals offer the EU two potential assets. First and foremost, the environmental dimension as the congested Turkish straits and the

¹⁰⁷ F. -L. Altmann, John Lampe, op.cit., pp.144

¹⁰⁸ J. M. Roberts, ‘The Black Sea and European Energy Security’, *Southeast European Studies*, ELIAMEP, Vol.6, No. 2, Athens, June 2006, pp.207

¹⁰⁹ or broader Eurasia

ongoing increase¹¹⁰ of hazardous cargo transitions are like a “time bomb” in the heart of the large (approximately 17-20 million citizens) city of Istanbul, if even a single accident were to take place. Secondly, a Bosphorus bypass pipeline project can diminish Ukraine’s monopoly as an “energy gate” over pipeline routes which connect Europe with Russia. EU is eager to promote at least two or more projects which will support its independence and strengthen its energy security.

Andris Pielbalgs, European Union’s commissioner, responsible for energy had stated that Burgas - Alexandroupolis oil pipeline “[...] is going to play a very positive role in the region and will create an alternative route of supply for oil that comes from the Black Sea. It will also have a positive environmental effect since it will substantially reduce the very congested Bosphorus Straits.”¹¹¹ Thereafter, Burgas – Alexandroupolis (BA)¹¹² oil pipeline seems to be one of the prevalent projects which will ensure EU’s energy strategy and pipeline diplomacy. Its low cost along with the fact that only three parties are directly involved and it will pass through only two of them (Greece-Bulgaria both EU member states) are important indicators for its efficiency and function as an alternative route and as a Bosphorus bypass proposal.

On April 2006, the Transneft group, responsible for the Russian part of this project has decided to support BA oil pipeline route.

Nevertheless, BA project have faced criticism mainly by a number of EU and especially the United States because as D.Triantaphyllou stresses, it “[...] would be the first-ever pipeline designed to be controlled by the Russian state on EU

¹¹⁰“According to Cambridge Energy Research Associates, some 85 mt (million tons) of hazardous cargo transited the Bosphorus in 2000,98 in 2001, 117 in 2002, 144 in 2003 and...190 mt in or around 2009”Ibid., John M. Roberts, pp.208-209

¹¹¹ An interview of Andris Pielbags to Vassiliki Nicoloudia, The Bridge magazine: “An Action Plan for Europe” Q4/2006 - Issue 3, pp.34

¹¹² Hereafter BA

territory.”¹¹³As a matter of fact several EU key-member states such Germany, France and Italy, individually, have developed bilateral relations with Russia due to energy issue. As for the Europeanization of Greek foreign policy, Charalampos Tsardanidis& Stelios Stavridis signify that, “Greece’s national interests are better served via multilateral efforts, mainly in the EU, rather than unilateral or bilateral ones.”¹¹⁴Moreover, in 2005, Steve Marsh and Hans Mackenstein have marked that:

“EU is far from a single entity that dictates the actions of its member states. The member states have hitherto ensured that the EU doesn’t have resource to all the external relations tools traditionally held by a state, most notably military force. Perhaps more significantly, EU external relations are marked by a constant battle for competencies, both between the member states and the different EC institutions and between the different EC institutions themselves.”¹¹⁵

In other words, “Europeanization” as a process can contain various policies as long as priorities and strategies are concerned. Greece’s pipeline diplomacy and support to BA, despite the fact that, it raises concerns over the EU member states about its Europeanized or national predispositions, does not automatically exclude Greece’s European prospects and Union’s interests. Not only it does it apply to European energy standards and needs but it also sustains the EU’s integrating process in the Balkans.

In terms of natural gas, in 2002 EU published its Green Paper on Energy Security. According to this, “as long as European Union’s external supply of gas depends 41% of imports from Russia and almost 30% from Algeria, geographically diversification

¹¹³ D. Triantaphyllou, ‘Energy Security and Common Foreign and Security Policy (CFSP): The Wider Black Sea Area Context’, *Southeast European Studies*, ELIAMEP, Vol.7, No.2, Athens, June 2007 pp.291

¹¹⁴ C. Tsardanidis -S. Stavridis, ‘The Europeanisation of Greek foreign policy: a critical appraisal’, *Southeast European Studies*, The Institute of International Economic Relations, Vol.27, No.2,Athens, June 2005, pp.218

¹¹⁵ *Supra*, D. Triantaphyllou, pp.291

of our supplies would appear desirable”; and that EU’s demand in gas during the period 1998-2030 will increase 45% only among EU-15 members.¹¹⁶ Eventually, EU’s enlargement combined with Russian-Ukrainian crisis had intensified EU concerns. Inevitably, EU’s (one of the largest gas consumers) proximity with Russian Federation (the largest gas producer and exporter) makes it reasonable for both parties to figure out policies that ensure their common and partial interests.

Multiple supply natural gas sources from Caspian Basin and Central Asia along with European pressures to Russia to exercise more cooperative and less monopolistic-dominant position over common energy issues led the European Commission in March 2007 to adopt “an energy policy for Europe with the goal to combat climate change and boost the EU’s energy security and competitiveness.”¹¹⁷

As a result Southeastern Europe became one of the important regions due to its potentiality to be a transport hub for Europe. Greece’s geostrategic position and EU-membership status had offered multiple advantages for Greek state to develop a strong presence and voice in the region.

The Greek Ministry of Development conducted an “action plan of energy efficiency, according to the requirements of the EU Directive 2006/32. The improvement of energy output constitutes a crucial priority for the energy policy of the European Union and Greece. According to the EU’s energy regulations, as it underlined in the strategy of Lisbon, the energy policy in the EU is constituted by several objectives¹¹⁸ which are also adopted at the national level: Reduction of oil dependency; Increase of natural gas consumption; Security of state’s energy supply

¹¹⁶ J. M. Roberts, *op.cit.*, pp.215

¹¹⁷ EUROPE IN FIGURES – Eurostat yearbook 2008 ,pp.435

¹¹⁸ Hellenic Ministry of Development, ‘Sxedio Drasis Energeiakis Apodosis-SDEA’[Energy Output Action Plan], Athens, June 2008, pp.2

(by participating trans-European networks); Usage of renewal energy sources (sun, wind etc.); and the protection of Environment;

Turkey-Greece-Italy (TGI) Interconnector, was the first European gas pipeline project which marked the European Union's attempts to diversify its energy suppliers and diminish European energy dependency of Russia. In addition to the above mentioned benefits, on a medium-term basis, TGI will have the ability to further increase natural gas quantities being delivered through the giant Shah Deniz II ,Caspian's Azeri area gas field, Iraq and Iran to European markets.

According to the Regulatory Authority for Energy in Greece, "The importance of developing new transit pipelines for the diversification of the European Union's natural gas supply sources, which will have direct positive effects on the level of the Greek market's security of supply, also highlighted in the European Union's Second Strategic Energy Review, which describes the creation of the Natural Gas South Corridor."¹¹⁹

In the European Union's Second Strategic Energy Review, European Commission put forward a five-point Energy Security and Solidarity Action Plan¹²⁰:

- Infrastructure needs and the diversification of energy supplies;
- External energy relations;
- Oil and gas stocks and crisis response mechanisms;
- Energy efficiency; and
- Making the best use of the EU's indigenous energy resources;

This political agenda presents how Europe plans to deal with its "core energy objectives of sustainability, competitiveness and security of supply, by reducing greenhouse gas emissions by 20%, increasing the share of renewable sources in the

¹¹⁹ See http://www.rae.gr/K2/Report-SoS_GAS_en.pdf

¹²⁰ See http://ec.europa.eu/energy/strategies/2008/2008_11_ser2_en.htm.

energy consumption to 20% and improving energy efficiency by 20%, all of it by 2020.”¹²¹

The official statements of European Commission’s President José Manuel Barroso¹²² and Benita’s Ferrero-Waldner¹²³, as a European Commissioner for External Relations and European Neighborhood Policy related to EU's second Strategic Energy Review package in Brussels are revealing how EU is eager to exercise common energy policies in order to arm European security and supply future. Moreover, a set of cross-border infrastructure developments were adopted in accordance with the European Union’s direct energy security precedence. Among others, the EU’s 3rd internal energy legislative package promotes:

“Development of a Southern Gas Corridor for supply from Caspian and Middle Eastern sources and possibly other countries in the longer term, improving security of supply; Completion of a Mediterranean energy ring, linking Europe with the Southern Mediterranean through electricity and gas interconnections to improve energy security and to help develop the vast solar and wind energy potential; Development of North-South gas and electricity interconnections within Central and South-East

¹²¹ See http://www.europa-eu-un.org/articles/en/article_8300_en.htm

¹²² José Manuel Barroso stated that: “Energy prices have risen by an average of 15% in the European Union in the last year. 54% of Europe's energy is imported at a cost of €700 for every EU citizen. We have to address this urgently, by taking measures to increase our energy efficiency and reduce our dependence on imports. We have to invest and diversify. The proposals adopted today represent an unequivocal statement of the Commission's desire to guarantee secure and sustainable energy supplies, and should help us deliver on the crucial 20-20-20 climate change targets.”(Available online at: http://www.europa-eu-un.org/articles/en/article_8300_en.htm)

¹²³ Ibid. Benita Ferrero-Waldner argues that: “A greater focus on energy in the EU's international relations is crucial to the energy security of the EU. The development of strong and reliable energy partnerships with suppliers, transit countries and other major energy consumers is a key, and therefore the new generation energy interdependence provisions proposed today is an important step forward. Today's review also proposes steps to strengthen the EU's capacity to mobilize in support of essential infrastructure to bring supplies from third countries”

Europe, building on the Energy Community inter alia, supporting the national energy regulators and Transmission System Operators;”¹²⁴

Conclusively, Greece actively participates in EU’s energy policy agenda by supporting important proposed projects such as: TGI’s second pipeline’s branch from Stavrolimenas to Otranto and the South branch of the South Stream Pipeline, which will connect the energy networks of Greece with the Balkans and Italy. Third party role in the Greek energy security environment and pipeline diplomacy affect the way in which energy policies and pipeline diplomacy in Southeastern Mediterranean region will develop. Greece, as a member state in the EU, implements energy policies according to broader European Union’s needs and strategies.

As for the Republic of Turkey, by turning to its specific geopolitical characteristics and by following its national interests, tries to shape its national energy policy and pipeline diplomacy in the region. Obviously, like Greece, the geopolitical and geostrategic game of gas and oil pipeline projects which will transfer hydrocarbons from Eurasia region to Western consumers directly influence crucial geostrategic parameters of Turkey.

¹²⁴ See http://www.europa-eu-un.org/articles/en/article_8300_en.htm

B. The Turkish case

1. Turkey's energy security policy as a crossroad between Central Asia and Southeastern Europe

The Republic of Turkey (*Türkiye Cumhuriyeti*) is a Eurasian country that stretches across the Anatolian peninsula in Minor Asia and Eastern Thrace, in the Balkan region of southeastern Europe. Turkey is bordered by eight countries, Bulgaria to the northwest; Greece to the west; Georgia to the northeast; Armenia, Azerbaijan and Iran to the east; and Iraq and Syria to the southeast. The Mediterranean Sea and Cyprus are to the south; the Aegean Sea to the west, and the Black Sea to the north. Its total land area covers approximately 781000 km² of which about 97% is in Asia and just 3% is on European soil. Turkey's coastline (Mediterranean, Aegean and Black Seas) totals more than 8.333 km. The Sea of Marmara and the Turkish Straits (Bosporus and the Dardanelles) which separate Anatolia from East Thrace are commonly regarded to be the natural "border" between Asia and Europe, making Turkey transcontinental.

The geostrategic position of Turkey as a critical location on the intersection of East and West and as a natural bridge between the Middle East and the Caucasus regions on the one hand and the European peninsula on the other, renders Turkey as a potential key - regional player in the wider Eurasian region.

During the Cold War, the Soviet threat had forced Turkey to establish strong ties with the U.S.A although that policy limited Turkey's ability to implement independent policies according to its national interests. On the contrary, in the 1980's, General Kenan Evren's last military coup d'état let Turkey to exercise extensive economic reforms. This systematic liberalization allowed further industrialization and

westernization of the Turkish economy and paved the way for future foreign policy strategies and opportunities in Turkey. “Even before the 1991 collapse of the Soviet Union, and the subsequent scramble to develop Caspian Sea energy resources, Turkey’s control of the Bosphorus made it crucial to the Soviet Union’s oil exports from the Black Sea port of Novorossiysk.”¹²⁵

The collapse of the bipolar system in the beginning of 90’s, rapidly, altered the Turkish foreign policy priorities. The new era brought entirely new challenges. Turkish Foreign Policy, which traditionally was formulated around two main structural principles: (i) “The maintenance of the nation’s independence and achievement of security; and (ii) the preservation of the status quo and the country’s national, secularist and modernist regime”¹²⁶, had to redefine Turkey’s regional, strategic and political role. Turkey’s western orientations are clearly pointed out through its membership in various international organizations such as: the UN;¹²⁷ (1945) NATO; (1952) OECD; (1961) OSCE; (1973) ECO; (1985) BSEC; (1992) The Black Sea Naval Co-Operation Task Group-BLACKSEAFOR; (1998) and the G-20 major economies (1999).¹²⁸

The end of the Cold War was expected to signal a ‘decline phase’ in Turkey’s importance in NATO. The EU’s eastward expansion and its intention to establish the

¹²⁵ C. R. Saivetz, ‘Tangled Pipelines: Turkey’s Role in Energy Export Plans’, Davis Center for Russian and Eurasian Studies, *Harvard University and Center for International Studies, Massachusetts Institute of Technology*, RoutledgeCurzon, Taylor & Francis Ltd, Vol. 10, No.1, USA, March 2009, pp.95

¹²⁶ E. Cuhadar-Gurkaynak and Binnur Ozkececi-Taner, ‘Decision making Process Matters: Lessons Learned from Two Turkish Foreign Policy Cases’, *Turkish Studies*, Taylor & Francis Ltd. Vol. 5, No. 2, Summer 2004, pp.43

¹²⁷ On October 17, 2008, Turkey received the votes of 151 countries and was elected as a non-permanent member of the United Nations Security Council, on behalf of the Western European and Others Group, together with Austria which received 132 votes. Turkey's membership of the council effectively began on January 1, 2009. Turkey had previously been a member of the U.N. Security Council in 1951-1952, 1954-1955 and 1961.(Available from: <http://hurarsiv.hurriyet.com.tr/goster/haber.aspx?id=10149253&tarih=2008-10-17>)

¹²⁸ See <http://www.mfa.gov.tr/sub.en.mfa?7cafe2ef-78bd-4d88-b326-3916451364f3>

European Army force (a Franco-German project), were perceived by Turkey, as a demise of its strategic role in East Mediterranean/Middle East region; since Turkey's membership in the EU was, and still remains, under discussion. Soviet Union's dissolution has brought to the surface an entirely "new world" close to the east borders of Turkey. The newly emerged states have strong cultural and historical ties with Turkey.

Geographically, Turkey is located in close proximity to 71.8% of the world's proven gas and 72.7% of oil reserves, in particular those in the Middle East and the Caspian basin. Turkey's historical, linguistic, racial and religious ties with Turkic-Muslim newly emerged states in the Caucasus region offers multiple advantages for Turkey, in order to establish its role as a transit state, and potentially an energy "hub" in the region. Thus, those newly founded states in the Caucasus, Central Asia and the Balkans with weak and unstable socioeconomic status remained a "zone of turmoil" and characterized by continuous security challenges.¹²⁹ Iraq's invasion of Kuwait in 1990 and the Gulf Crisis have revealed an outstanding feebleness of Turkey's national security. Non-conventional weapons of mass destruction and terrorism had become a potential threat against the national integrity of Turkey, along with the pre-existing Kurdish issue (and the methods use by separatist groups such as PKK).

During the 1990s, Turkish society at the domestic realm was facing a political instability and uncertainty. The suffering of Turks and Muslims in the Middle East and Balkans caused by the U.S.A, Armenia, Israel and Serbia raised the sympathy of Turkish public opinion towards these Muslim populations. Furthermore, both Turkish governments and international organizations (UN, NATO and EU) reluctance to stop

¹²⁹ E. Inbar, 'Israel Strategy', *Middle East Review of International Affairs*(MERIA) 2, Vol. 2, No.4 November 1998, pp.1

their suffering have led Turkish society to lose, partially, its confidence to Western values and beliefs. In the domestic field, Turkey was facing a double threat. The Kurdish separatism and the resurfacing of political Islam in the Turkish political life; which both received economical and political support by hostile neighboring countries of Turkey such as Syria, Iraq and Iran.

Turgut Özal's vision (prime minister 1989-1991) for the post-Cold War era was that Turkey had to exercise a new regional role in order to increase its regional influence in its neighborhood (Central Asia/Caucasus, Middle-East and Balkans).

This was the idea of Yeni Osmanlıcılık "neo-Ottomanism"¹³⁰ which was based on four main pursuits. Thanos Veremis and Thanos P.Ntokos¹³¹ defined new Turkish foreign policy initiatives as:

1. the restoration of the strategic importance of Turkey especially in U.S eyes, Turkey's main ally by deciding the participation of Turkey in the Gulf War, a political decision which was contradicted to the traditional Turkish neutral stance in intra-Arabic issues; as well as the continuation of the tight political and military ties with Washington;
2. the economic and commercial opportunities which emerged in Central Asia's and Caucasus new states. Turkey played a sufficient role in their full membership into the Economic Cooperation Organization and the Islamic Conference Organization. E.U skepticism forced Turkey to search for alternative commercial and diplomatic channels;
3. the active interference in regional conflicts like in the Serbian-Bosnian and the Armenian-Azerbaijani cases(former territories of Ottoman Empire); and,
4. to present Turkey as a central actor and not as a traditional peripheral player;

¹³⁰ "the idea of Neo-Ottomanism, means that Turkey must play multiple roles in the area formerly ruled by the Ottoman Empire" see Idris Bal, *Turkish Foreign Policy in Post Cold War Era*, Ramazan Gozen's article: "Turkish Foreign Policy In Turbulence of the Post Cold War Era: Impact of External and Domestic Constrains", (Florida: Brown Walker Press, Florida ,U.S.A, 2004), pp. 46

¹³¹ T. Veremis & T. P.Ntokos, *Η σύγχρονη Τουρκία, Κοινωνία, Οικονομία, Εξωτερική Πολιτική* "[Modern Turkey, Society, Economy, Foreign Policy], (Athens: Papazisis publications, ELIAMEP, Athens 2002), pp. 510-511

Özal's attempt was to synthesize the Turkish and Islamic elements of the Republic of Turkey by emphasizing to modern Turkey's nationalism and its Ottoman-Islamic legacy.

The following decade (1991-2002), political turmoil in Turkey (kemalists versus islamists), weak governmental coalitions and the Kurdish issue had raised questions on how Ankara perceived its relations with the EU and the USA¹³² and if it can materialize its foreign policy strategic goals “as the most prominent partner for the West in the Muslim world”¹³³.

Those set of perceptions and feelings motivated part of Turkish society “towards soul-searching, looking for an alternative identity for a greater and stronger Turkey.”¹³⁴ In this respect, political Islam, nationalism and Westernization, the three traditional political and socio-political ideologies in Turkey were redefined and mainly political Islam increased its influence as a reaction to those external environment developments.

This shift was reflected in December 24th elections in 1995 when Necmettin Erbakan's Islamic party, Refah Partisi (RP)¹³⁵ won the majority of the votes and increased its votes from only 5% in 1985 to 21.4%.

The election results revealed, as Hakan Yavuz states “a sharply divided society and reflected the ongoing search for new state-society relation.”¹³⁶The six

¹³² All those parameters were challenging even the basic values and principles of this Western-oriented, secular state of East Mediterranean region.

¹³³ I. O. Lesser, 'Global Trends, Regional Consequences: Wider Strategic Influences on the Black Sea', *International Center for Black Sea Studies-ICBSS*, Vol.5 No.4, November 2007, pp. 12

¹³⁴ I. Bal, op. cit., pp.40 All those parameters were challenging even the basic values and principles of this Western-oriented, secular state of East Mediterranean region.

¹³⁵ In English: the Welfare Party

¹³⁶ M. H. Yavuz , 'Turkish-Israeli Relations Through the Lens of the Turkish Identity Debate' , *Journal of Palestine Studies*, Vol. 27, No. 1, Autumn, 1997, pp.29. See also: Moreover the way some Turkish Journals reported this event indicates the domestic disorder, “The Black Turks versus the White Turks” or “The Other Turkey Wins the elections” etc. Supra, I. Bal.

months delay from Erbakan's victory to the formation of a coalition government with Tansu Ciller's Dogru Yol Partisi/DYP¹³⁷ on 28th June 1996 is itself an indication of the deep agitation within the Turkish political life. The most significant aspect of the new government was that for the first time, the Turkish Republic had an Islamist prime minister.

This series of uncertainties for Turkey, in global, regional and local level, as Ramazan Gozen claims, were forced into Turkey's foreign policy, leading into an interactive process between the external and internal environment¹³⁸. Moreover, the writer stresses, "[...] the external environment influenced Turkish foreign policy making process not only direct by influencing Turkish decision-makers, but also indirect through its influence on Turkish domestic politics, which in turn influenced Turkey's foreign policy-making process."¹³⁹

Ankara was and still is eager to support the independence and economic development of Transcaucasian states. President Demirel's statement is revealing on how Turkey perceives that region, "[...] Turks see this rich region of oil and gas reserves, not just a source of energy, but as an element of stability. Just as the founders of the European Community saw coal as a source of peace and stability for Europe, so we see oil and gas in our region serving the same role."¹⁴⁰

Turkey's opening to "Muslim East" was certified by Turkish participation, as a Muslim country, in several organizations such as: The Organization of The Islamic

¹³⁷ In English: the True Path Party

¹³⁸ I. Bal, op. cit., pp. 28

¹³⁹ Ibid.

¹⁴⁰ E. Karagiannis, *Energy and Security in the Caucasus*, (London: RoutledgeCurzon, Taylor & Francis Group, London, 2002), pp. 92

Conference-OIC; (1969) TÜRKSOY¹⁴¹; (1993), “Developing Eight” (D-8), development cooperation among Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey (1997).¹⁴²

On March 2003, Recep Tayyip Erdoğan became Turkey’s prime minister by achieving an overwhelming victory, as the leader of AKP,¹⁴³ (Adalet ve Kalkınma Partisi) in 2002 Turkish elections. AKP is the successor party of Erbakan’s Islamic party (RP). The Turkish Prime Minister elevated Ahmet Davutoğlu as the chief foreign policy advisor of Erdoğan’s government. He proposed a new geo-strategy for modern Turkish foreign policy. According to Davutoğlu’s concept of ‘strategic depth’¹⁴⁴ of modern Turkish foreign policy, “[...] Turkey, as a result of its historical legacy of the Ottoman Empire, possesses great geographical depth.”¹⁴⁵ Furthermore, A. Murinson argues that, “The leadership of the AK party demonstrates a renewed zeal for involvement in the affairs of the Middle East, the Balkans, Caucasus and Central Asia, but it acts much more cautiously than the Islamist predecessor Refah party.”¹⁴⁶ Moreover he stated that, “[t]he Erdoğan government’s foreign policy under Davutoğlu’s guidance seeks ‘a zero conflict’ [with its neighbors, such as Greece, Syria and Armenia] foreign policy for Turkey, as well as a balance between relations with Europe, the Middle East, Asia, and with the United States.”¹⁴⁷

¹⁴¹ TÜRKSOY is a Joint Administration of Turkic Culture and Art. Its member countries are Azerbaijan, Kazakhstan, Kyrgyzstan, Turkey, Turkmenistan and Uzbekistan

¹⁴² See <http://www.mfa.gov.tr/sub.en.mfa?7cafe2ef-78bd-4d88-b326-3916451364f3>

¹⁴³ In English: Justice and Development Party

¹⁴⁴ This concept is eponymous with the title of A.Davutoğlu’s book, ‘Stratejik Derinlik: Türkiye’nin Uluslararası Konumu [The Strategic Depth: The Turkish International Location]. This book published in Turkish in 2001.

¹⁴⁵ A. Murinson, ‘The strategic depth doctrine of Turkish Foreign policy’, *Middle Eastern Studies*, RoutledgeCurzon, Taylor & Francis Ltd, Vol. 46, no.6, 2006, pp. 947

¹⁴⁶ Ibid

¹⁴⁷ Supra, A. Murinson, pp.960

Particularly, Davutoğlu's doctrine main point for the Turkish-Greek relations is that: "[...]The area in which Turkey is close to war, more than other cases, is the islands of Aegean [viz Greece]; which in important degree limit its [viz Turkey's] strategic space, due to [Turkey's] unforgivable errors that have been caused by the absence of reliable marine strategy. The bitter compensation of this accumulated errors was the Kardak/[Imia] crisis which brought in the surface the Greek sovereignty even in rocky islands near our coasts."¹⁴⁸

Inferentially, the modern Turkish "neo-Ottomanic" foreign policy based on Davutoğlu's "Strategic Depth" of Turkey can be traced to Özal's aspirations to synthesize Turkism with Ottomanism and Erbakan's Islamic ideology and his foreign policy to deepen Turkey's relations with the Islamic world¹⁴⁹. Under Davutoğlu's foreign policy dogma, the Turkish energy security policy and pipeline diplomacy is embodied in the new "neo-Ottomanic" ideological background. Hence, it became one of the most important parameters through which Turkey tries to consolidate itself as a regional power

However, it is important to examine how the Turkish energy market is composed and which are the rates of energy consumption and domestic energy production in the state.¹⁵⁰

During the period 1990-2003 total primary energy supply (TPES) increased up to 58% and reached 83.7Mtoe. Oil dependence declined from 51% (1973) to 38% (2003) and natural gas demand has grown rapidly gaining a 23% share in TPES

¹⁴⁸ A. Ampatzis, *Islam Light - ο πολιτικός αναχρονισμός στην Τουρκία*, [Islam Light – Political anachronism in Turkey], (Athens: Thallos publications, Athens, 2006), "Στρατηγικό Βάθος σελ. 122" [Strategic Depth, pp. 122]. (Available from: <http://www.enet.gr/?i=news.el.kosmos&id=40619>)

¹⁴⁹ The so-called D-8 project was implemented during his leadership period.

¹⁵⁰ Information from International Treaty Agency (IEA), Turkey's Review 2005, OECD, pp.24-116

(2003) when in 90's the dependence was close to zero. Import dependence became an important issue in Turkey. Turkey has 27.6 Mt total crude oil capacity per year. In 2003, oil products imports were 8.1 Mt and exports 3.8Mt.

In the period 1990-2003, energy imports had 6% annual increase, from 51% to 72%. Natural gas has the biggest stake in energy imports while they increased (by 16.3Mtoe) when oil reached 8.2Mtoe.

As for the domestic energy production, in 2003 was 23.8Mtoe (28% of TPES). Oil and gas production covered both a small amount of energy production close to 12% while oil production was 2.5Mtoe and gas 0.5Mtoe. Turkey has relatively small oil reserves mostly from oil springs in the south-east and north-west of the country. It is expected that oil production will decline by almost half of 2003 standards by 2010. Moreover, Turkey has small proven gas reserves with total gas production 0.6 bcm per annum and 8bcm remaining gas reserves. In 1997, the Kuzey Marmara gas field began to function.

The Ministry of Energy and Natural Resources (MNER) is responsible for energy policies in public and private sector. It has the following energy security policy agenda:

- I. To determine and implement national energy policy objectives;
- II. To coordinate between the dependent and related institutions and other public and private entities;
- III. To prepare and/or supervise programs in conformity with energy policy;
- IV. To ensure the implementation of the programs; and,

V. To supervise and control all exportation, development, production and distribution activities for energy and natural resources.

The MENR regard energy security policy as a high priority for Turkish national interests for the following causes: “The limited domestic energy sources and the (still) limited production capacity of these resources; The growing energy demand; and, The high level of dependence on energy imports, primarily oil and gas;

In terms of oil supply and refining, the Turkish Petroleum Corporation (TPAO), a fully state-owned enterprise, is the largest oil producer (68.4% of the total oil production) and Turkse Perenco N.V the second by 25%. Approximately, twelve oil companies¹⁵¹ (two domestic, TPAO and BOTAS, and ten foreign) produced oil and petroleum products. BOTAS is the Petroleum Pipeline Company which is responsible for oil and gas transportation projects and importation. In 2003, TPAO owned 158 oil concessions, 110 for exploration and 48 for oil production. Along with Perenco N.V and Madison Oil Turkey Inc, TPAO held five oil concessions under international joint ventures. Moreover, TPAO participates in three different offshore exploration and joint ventures in the Azeri part of the Caspian Sea: the Azeri-Chirag Guneshli (6.75% in Azerbaijan International Operating Company (AIOC), Shah Deniz (9% share) and Alov projects (10% share). Additionally, TPAO is also participates in oil (as well as gas) exploration and production in Kazakhstan (holds 49% of the joint venture Kazakturkmunay-KTM with the Kazakh Ministry of Geology and Energy).

¹⁵¹ See also: F. Tayfur -K.Göymen, ‘Decision Making in Turkish Foreign Policy: The Caspian Oil Pipeline Issue’, *Middle Easter Studies*, Routledge, Taylor & Francis Ltd online publication date April 1st 2002, Vol. 38, No.2, pp.101-122

Four refineries are exploited in Turkey, Izmit refinery (11.5 Mt per year), Izmir (10Mt), Kırıkkale (5Mt) and Batman (1.Mt), owned by TÜPRAŞ. TÜPRAŞ is the only refinery company in Turkey. Current refinery capacity can't meet future petroleum products demands in Turkey while forecasts for oil consumption claim that by 2010 Turkey will increase up to 39.8Mt and by 2020 will exceed to 58.9Mt.

In terms of natural gas sector, the Turkish government's aims are:

- To increase the use of natural gas;
- To expand gas transmission networks;
- To build gas distribution networks in the cities;
- To establish a liberal and competitive natural gas market.
- To diversify the import sources for the security of supply; and,
- To develop transit infrastructures between the Caspian Sea and the Middle East and Europe.

Until 2001, when Natural Gas Market Law (Law no: 4646) regulation was voted, state-owned company BOTAŞ had the monopoly in gas transmission, imports and exports. Six local distribution companies are active in Ankara (EGO), in Istanbul (İGDAŞ), in İzmit (İZGAZ), in Adapazarı (AGDAŞ), in Bursa (BURSAGAZ) and in Eskişehir (ESGAZ). In 2003 about 16bcm were imported via pipelines and about 5bcm via LNG terminal, out of total natural gas imports of 21.2bcm.

During the period 2005-2007, oil consumption in Turkey was 35% and by 29% natural gas while the rest covered by coal, hydroelectric and renewable sources.

Turkish Energy power system was composed by the following energy products (per energy source)¹⁵²:

Oil and Petroleum products

Turkey imported crude oil and petroleum products from Russia, which is Turkey's top supplier, secondary Iran; Saudi Arabia and smaller amounts by Libya, Iraq, and Syria. In 2003, Turkey exported certain oil products (such as gasoline, fuel oil and diesel/gas oil) totaled 3.6Mt in the OECD markets (about 33%) and to the Middle-East (about 33%). TÜPRAŞ was the main exporter while its exports from refined and petrochemical products were US\$855 million (2003). Turkey has three major domestic crude oil pipelines under the authority of BOTAŞ.

Natural Gas

Turkey imports almost all (indigenous gas production corresponds to 3%) its natural gas sources demand from Russia (via the Blue Stream gas pipeline that links Russia to Turkey through Black Sea), from Iran and Azerbaijan through pipelines and as liquefied natural gas (LNG) supplies under contract with Algeria and Nigeria. Natural gas consumption rapidly increased in Turkey and reached 1.1 trillion cubic feet (tcf) in 2006 when in early the 90's was 122.5 bcf.

Under those circumstances it is important to examine how the current structure of the Turkish energy networks is functioning, and which are the present and future oil/gas pipeline projects. In other words, it is a given that Turkey's foreign Policy will be directed into a course that will ensure the covering of its domestic demands (on energy). The question is, whether the pre-existing issues between Turkey and its

¹⁵² Available at: <http://www.eia.doe.gov/emeu/cabs/Turkey/Full.html>

neighboring states will pose an obstacle to that procedure; or it will signal the beginning of a new era, where energy will be the new diplomatic, problem-solving path to foreign policy concerns.

2. Energy networks, present and future oil/gas pipeline projects¹⁵³ in Turkey

PETROLEUM

Iraq-Turkey (or Kirkuk- Yumurtalık) two parallel crude oil pipelines: built in 1974 and 1987, they have 71 million tons of oil transport capacity per year, 966 km long and they delivered Iraqi oil from Kirkuk-Musul- Ninawa province¹⁵⁴ to the Ceyhan-Yumurtalık (Turkey's main oil terminal) marine terminal on the southeastern Mediterranean coasts of Turkey.¹⁵⁵ Those pipelines suffered by Gulf crisis (1990-1991) and the Iraq war in 2003 and that's why they don't function properly (although technically they are available for transportation).¹⁵⁶

Baku (Azerbaijan)-Tbilisi (Georgia)-Ceyhan (Turkey) or BTC crude oil pipeline: it supplies Turkey with oil from the Azeri- Chirag - Guneshli oil field in the Caspian Sea, via Georgia's capital to the Mediterranean Sea's Turkish port of Ceyhan. It has 1.760km extent and its capacity it's rated to be one million bpd (50Mt per year). Its cost was almost \$ 4 billion and has a lifespan of 40 years.¹⁵⁷ From the Black Sea port of Samsun Samsun- Ceyhan (or Trans-Anatolian Pipeline) oil pipeline it will transfer

¹⁵³ See APPENDIX IV, Index II

¹⁵⁴ They run through politically sensitive provinces of Kirkuk which are contested areas for Kurds, Arabs and Turkmens. By referendum it will be determine if Kirkuk region will be included in Iraqi Kurdistan. Moreover they pass across Kurdish majority areas under Turkish authority that's why is often became an object of attacks and they don't function properly.

¹⁵⁵ F. –L. Altmann, John Lampe, op. cit., pp.203

¹⁵⁶ B. Akçapar, *Turkey's New European Era Foreign Policy on the Road to EU Membership*, (Lanham, Rowman & Littlefield Pub Inc, 2007), pp. 46

¹⁵⁷ International Treaty Agency (IEA), op.cit., pp.78

Russian and Kazakhstani oil, about 50mt capacity to Ceyhan and extra 5 mt to the refinery at Kirikale (near Ankara). The length would be 770 km and its cost is expected to be close to \$2 billion. The project started on September 26th 2005 when the Italian company ENI and the Turkish Calik Enerji (each 50% participating interest) signed “a Memorandum of Understanding aimed at jointly evaluating the technical and economical feasibility of the Project.”¹⁵⁸ It considers being an alternative Bosphorus bypass project and an attempt to ease the traffic burden of the Turkish Straits (Istanbul and Cannakale). The BTC has been implemented in three countries with a total of US \$25 million committed for Azerbaijan, Georgia and Turkey. BTC is operational since 2006

NATURAL GAS

LNG terminal in Marmara Ereğlisi operates since 1994 under the authority of state-owned BOTAŞ. The LNG deliveries are imported through Algeria (4 bcm per year or 3.68Mtpa) and Nigeria (1.2 bcm per year or 0.89Mtpa). Spot cargoes from Qatar and Australia are also delivered at the Marmara Ereğlisi terminal. This project cost approximately US\$ 364 million.¹⁵⁹

LNG terminal in Aliğa (İzmir) completed since 2002 but still (2006) doesn't operate. EGEGAZ LNG has the ownership of the terminal, which has send-out capacity 6bcm per year. This project cost almost US\$ 600 million.¹⁶⁰

¹⁵⁸ See http://www.iea.org/Textbase/work/2006/energy_security/Cavanna.pdf

¹⁵⁹ See http://www.kslaw.com/library/pdf/LNG_in_Europe.pdf pp. 26

¹⁶⁰ IEA, Turkey's Review 2005, op.cit.

Iran-Turkey gas pipeline from the Iranian city Tabriz to Turkey's capital Ankara through Erzurum: It's a 2.577 km with 30bcm daily capacity. The construction started in 1996 and completed in 2001. BOTAŞ spent US\$600 million for the Turkish section. In 2007 became a target of PKK operation¹⁶¹ and several times suffered from reduction in gas supplies.¹⁶² As a consequence this pipeline doesn't function properly.

Blue Stream undersea gas pipeline: which transfer Russian gas supplies to Turkey. It has 1.213 km length; with annual capacity 16bcm. It consisted by three parts. The first section is a 222 mile from Izobilnoye to Dzhugba (Black Sea port in Russia), then from Dzhugba a 235 mile undersea pipeline connects (across the Black Sea) Russian onshore network with the Turkish coastal area in Samsun and a further 300 mile pipeline links Samsun with Ankara. In 1998, Russian-Turkish agreement (between Gazexport and BOTAŞ) over natural gas resulted to the construction of Blue Stream pipeline project. Blue Stream Pipeline Company, a co-operation between ENI (Italian) and Gazprom (Russian) operated for the realization of the project. The construction completed in October 2002 and formally inaugurated in 2005. It cost U.S \$3.6 billion.¹⁶³

Baku-Tbilisi-Erzurum (BTE) or Shah-Deniz Pipeline: is a natural gas pipeline which transfers Azeri gas from Caspian Sea Shah-Deniz, one of the world's largest producing gas field, through Georgia to Turkish Erzurum city. It follows the route of the Baku-Tbilisi-Ceyhan (BTC) crude oil pipeline through Azerbaijan and Georgia to Turkey, where it is linked to the Turkish gas distribution system. The length of this pipeline is 691km, with 443km in Azerbaijan and 250km in Georgia.¹⁶⁴ With initial

¹⁶¹ See <http://uk.reuters.com/article/oilRpt/idUKL1029395120070910>

¹⁶² See <http://uk.reuters.com/article/oilRpt/idUKL2728346220080127>

¹⁶³ See http://www.offshore-technology.com/projects/blue_stream/

¹⁶⁴ See <http://www.bp.com/sectiongenericarticle.do?categoryId=9006670&contentId=7015095>

capacity 8.8bcm, it is expected to expand to 20bcm per year after 2012. BP (technical operator) and Statoil (commercial operator) lead the pipeline consortium which has composed by a variety of countries. It cost \$900 million¹⁶⁵ and began to flow on December 2006.

Nabucco gas pipeline project: was planned to provide Europe with additional non-Russia (Kazakh, Turkmen, Iraqi and Egyptian) natural gas supplies. This pipeline proposal is competitive to Russian South Stream gas pipeline project. Nabucco will transport natural gas from Turkmenistan - via Caspian Sea - in Azerbaijan and via Georgia in Turkish city of Erzurum. From the Turkish city of Erzurum as its starting point, the pipeline was projected to cross Turkey, Bulgaria, Romania and Hungary and then ends up to Baumgartner in Austria. In June 2004, the Nabucco Gas Pipeline International company established in Vienna. Project shareholders include Austria's OMV, Hungary's MOL, Romania's Transgaz, Bulgaria's Bulgargaz, and Turkey's Botas¹⁶⁶. Except the countries through which Nabucco it is planned to pass, in February 2008, the German RWE became the sixth partner of this joint venture. Its planned length is 2.050km with potential annual capacity 30bcm and total cost almost \$6 billion.¹⁶⁷. It considers being operational in 2015.

Turkey-Greece-Italy (TGI) Interconnector natural gas pipeline¹⁶⁸

¹⁶⁵ <http://www.gasandoil.com/goc/news/ntr63308.htm>

¹⁶⁶ Available at : <http://www.hurriyet.com.tr/english/finance/11228409.asp?scr=1>

¹⁶⁷ I. N. Grigoriadis, op. cit., pp.2

¹⁶⁸ See Chapter B.2. , Energy networks, present and future oil/gas pipeline in Greece.

3. Third party (EU-USA-Russia) role in Turkey's energy security policy-pipeline diplomacy

- a. The key role of Turkey in the US energy diplomacy and the European energy security.

During the Cold War, the US and European policies towards Turkey were based on the common philosophy of containment that Turkey should exercise in order to counter the Russian military expansion. After the disintegration of the Soviet Union, this strategic partnership with the Western alliance has begun to corrode. However, Turkey still is a strategic ally in U.S and EU eyes, for different reasons.

F. Stephen Larabee suggests that: "Today Turkey remains important to the United States as it is a nexus of three areas of increasing strategic importance to Washington: the Middle East, the Caspian region, and the Balkans[...]Turkey's cooperation is critical to the achievement of broader U.S objectives. Hence the United States has been concerned to keep Turkey firmly anchored to the West and has supported Turkey's aspirations for membership in EU."¹⁶⁹

Nevertheless, the Turkish-American relations passed through serious periods of escalation (1989-2007) on account of U.S invasion/military intervention in Iraq and the subsequent strengthen of Kurdish element in Northern Iraq. Kurdish issue, the last three decades, remains the number one internal security subject in Turkish domestic and foreign policy agenda. The developments occurred in Iraqi Kurdistan after Gulf War (1990-1991) and the subsequent tensions between Turkey and Iraqi Kurds concerning the fate of the Kirkuk and Mosul oil fields prevented Ankara from

¹⁶⁹ D. Keridis & C. M.Perry, 'Greek-Turkish Relations in the Era of Globalization', *IFPA-KOKKALIS series on Southeast European Policy*, Vol.1, 2001, pp.226

supporting Washington's strategic policy in Iraq.¹⁷⁰ Even though U.S presence in Iraq and Afghanistan caused uneasiness in Ankara, in contrast American energy security diplomacy in Black Sea-Caspian-Caucasus regions strongly favored Turkish energy policy interests. Zeyno Baran and Robert A. Smith in their article tried to analyze which are the main three elements of American Energy policy towards the Black Sea Region (and broader Eurasia): "By encouraging the safe and reliable transit of energy supplies unhindered by chokepoints or monopolies; By promoting stability and security (including resolution of the region's frozen conflicts; and, by fostering political and economic reforms (rule of law, transparency, democratic elections, etc.¹⁷¹

The American energy strategy aims to "elevate" the Black Sea region as the heart of the East-West energy corridor and transform this area into "a conduit of energy diversification, security and freedom between Europe and Middle East and Central Asia."¹⁷²

Washington perceives Turkey as an important factor of stability and cooperation in the Black Sea-Caspian and broader Eurasia, because as Bülent Aras underlines "[...] a strong Turkey represents a positive, secular model for the newly independent Turkic Republics of the region which are always being courted by fundamentalist Iran"¹⁷³ and Russia. Especially Turkey's historical ties with its neighboring country Azerbaijan offers Turkey extra opportunities as to be a transit country through which

¹⁷⁰ In March 2003, the Turkish National Assembly prohibited U.S forces from using Turkish territory and airspace to invade in Iraq. Only after six months of negotiations among U.S-Turkey, the latter allowed American forces to use Incirlik base for provisioning with supplies.

¹⁷¹ Z. Baran and R. A. Smith, 'The Energy Dimension in American Policy towards the Black Sea Region', *Southeast European and Black Sea Studies*, Routledge, Taylor & Francis Ltd, Vol. 7, No.2, June 2007, pp.266

¹⁷² Ibid

¹⁷³ B. Aras, *The New Geopolitics of Eurasia and Turkey's position*, (London: Frank Cass Publishers, London, 2002), pp.21

Azeri oil and gas will flow to the European markets. A sufficient indicator for US energy diplomacy initiatives was that it has strongly advocated for the selection and construction of the BTC oil pipeline (despite that this route was more costly than other alternative pipeline projects) and the BTE gas pipeline which they completed in 2006. Both projects relied on American energy strategy aspirations due to their exceptionality/uniqueness to transfer non-Russian energy supplies exports to European energy consumers neither were under the control, direct or indirect, of Russia.

U.S Ambassador Richard Morningstar, Special Advisor to the President and Secretary of State for Caspian Basin Energy Diplomacy, expressing U.S support to the projects he argued that, “building Baku-Ceyhan oil pipeline and trans-Caspian pipeline (TCGP) makes absolute sense for both national security and commercial reasons [...] Both pipelines will increase energy security by avoiding the concentration of a vast new source of oil and gas in the Persian Gulf region. Finally, both pipelines enjoy great potential to become lucrative investment opportunities for U.S. companies.”¹⁷⁴ Moreover, at the first oil ceremony, US President G.W.Bush in a letter reading by US Energy Secretary Samuel Bodman referred to BTC pipeline construction as a “monumental achievement”, adding also that “[...] the United States has consistently supported [BTC oil pipeline project] because we believe in the project’s ability to bolster energy security, strengthen participating countries energy diversity, enhance cooperation and expand international investment opportunities.”¹⁷⁵

¹⁷⁴ T. Sabali, ‘Implications of the Baku-Tbilisi-Ceyhan main oil pipeline project’, *Perceptions, Journal of International Affairs*, Vol.6, No 4, Winter 2005, pp.39

¹⁷⁵ *Ibid.*, pp.56

Obviously, those pipelines promoted Turkey's vital need for energy imports as long as reduced, generally, Caspian region's states and specifically, Georgia's and Azerbaijan's dependency on Russia. Moscow by using energy as a foreign policy instrument had been able to put pressure on those two newly emerged Caucasus states and swayed their domestic and foreign policies.

BTC and BTE projects managed to break the Russian monopoly over oil and gas export pipelines in the area and allowed Europe to diversify its energy supplying routes. Although, both projects didn't have as a terminal destination EU's member states and mostly served the US and regional needs, the EU supported them while the European Bank of Reconstruction and Development financed for the implementation and construction of the projects.

As a matter of fact, the European governments were more skeptical and cautious over Turkey's ambitions in the Eurasia. The European perspectives on Turkey did not fall into line with the US energy security and regional policies.

The end of the Cold War has heightened EU's problems in its relationship with Turkey. Europe was concerned mostly with its internal construction¹⁷⁶ and the Turkish-European relations were dominated mainly by economic and social issues. European Union put emphasis on Turkey's human rights record; it criticized Turkey's actions in Kurdish issue and expressed less enthusiasm than U.S about Turkish-Israeli defense and bilateral cooperation. Generally, Europeans tended to express a more pro-Arab position in the Arab-Israeli controversy. Furthermore, many Europeans approached EU-Turkish relations through the prism of civilization, democracy and westernization of Turkey and had doubts about Turkey's position and role in Europe.

¹⁷⁶ EU's enlargement, its economic and monetary union-EMU and its common currency-euro.

This aspect in Turkish-European relations was reflected in a former EU's official statement: "Turkey has never been fully considered a European country, but neither is it considered fully Asian. It is at the crossroads between two cultures."¹⁷⁷

Accession talks between EU-Turkey for energy sector are still limited even though in 1995 customs union agreement with the EU was signed and EU law requires all member-states to open their pipelines for foreign companies.¹⁷⁸ Additionally, although, on October 2005, the accession negotiations¹⁷⁹ for full membership in EU began; Turkey still didn't sign the Energy Community Treaty (in force since June 2004 in Athens by the EU and nine Southeast European states) which "aimed at creating an integrated energy market in potential accession states on the basis of the *acquis*."¹⁸⁰ Turkey has so far refuses to ratify EECT and participates as an observer.

As a consequence of 2006 natural gas crisis, EU's perceptions on Turkish role in European energy security structure were shifted and converged more with American energy strategies in Eurasia. Eventually, the Ukrainian-Russian crisis in January 2006 has disordered long-standing Russian-European energy relations and set off two

¹⁷⁷ D. Keridis, Charles M.Perry, op.cit., pp.229

¹⁷⁸ K. Barysch, 'Turkey's role in European energy security', *Center of European Reform* 2007, pp.6. (Available online from: essays/www.cer.org.uk, December 2007)

¹⁷⁹ Concisely, Turkey's relations with European Economic Community (EEC) - predecessor of the EU dated back since 1959 when Turkey first applied for associated membership. Since Helsinki Summit in 1999 and nearly for two decades Greece were blocking Turkey's Europeanization process while Turkey appeared to exercise irredentist policy towards Aegean Sea. Greece stance shifted regarding EU-Turkish relations and allowed Turkey to start its membership negotiations. Turkish candidacy though implicates several differentiations, challenges and obstacles:

Since beginning of accession negotiations only 10 chapters have opened. The progress in the opening of the rest chapters during 2008 was slow but constant. In total, four more chapters, two per presidency: Ch.4, Ch.6, Ch.7 and Ch.10. Problems still occur among others in Foreign relations, Justice, Education-Culture and Energy Chapters. The Republic of Cyprus has made it clear that it will keep blocking the Energy Chapter (Ch.15) due to Ankara's provocative behavior against Cyprus to exploit its natural resources wealth within its Exclusive Economic Area. (Available from: <http://tovima.dolnet.gr/kosmos.asp>)

¹⁸⁰ See <http://www.energy-community.org/>

interlinked realities: the European energy dependence on Russian energy resources (mainly gas) and Turkey's potentiality to render as an energy hub for non-Russian energy resources and export routes which will provision the European market with the appropriate amounts of energy sources.

Katinka Barysch stresses that, "Turkey is a big, fast-growing and strategically based placed country which[...] could help the 'ageing, sclerotic EU market' and generally EU to bring stability to the Middle East, the Caspian and the Caucasus; and it could add to the EU's energy security by acting as a bridge to the resource-rich regions its neighborhood."¹⁸¹ Turkey fulfills those prerequisites as it possesses Bosphorus straits and several pipeline systems that already pass through its territory from Russia, Caucasus and Middle East.

The EU's revised policy over energy relations with Turkey proved by the open support of EU along with US on the Turkey-Greece-Italy pipeline (TGI). The process of reconciliation between Greece and Turkey from 1999 allowed EU¹⁸² and USA to encourage both countries to connect their gas pipeline systems and as a result offered a new path to European consumers to purchase Caspian gas.

On January 2004, European Commission Vice President Loyola de Palacio stated that the Commission was satisfied with the outcome of Turkish-Greek 'rapprochement' agreements, adding also that Turkey-Greece gas pipeline: "will not only bolster peace and stability in the region, but will also make it possible to supply new gas resources from the Caspian Basin and Iran to the internal gas market of the enlarged European Union, and to the Balkans, thus improving security for all

¹⁸¹ K. Barysch, *op.cit.*, pp.1

¹⁸² Greece, Turkey and the EU reached a preliminary agreement on a gas interconnection in the summer of 1999.

stakeholders concerned by this infrastructures.”¹⁸³ Moreover, TGI is the first pipeline project which for the first time allows the delivery of Caspian gas to a European Union’s member state (Greece and at the second stage Italy) without crossing Russian territory or passing through Ukraine which until recently was the main energy gate for energy supplies to Europe.

Turkey-Greece Interconnector was a first but small step in EU’s energy security process to diversify its natural gas imports and a sufficient step in Turkish-Greek reconciliation process. However, Nabucco gas pipeline project of the Southern Corridor is the most ambitious one that could make the difference by offering to the EU a crucial alternative path for delivering Middle Eastern and Caspian gas to Europe. The European Union elevated Nabucco as “EU’s most important gas supply project”¹⁸⁴ because it will multiply the European energy security and will underline EU’s emerging energy policy to limit its dependency from Russia. Furthermore, the realization of Nabucco, it is an imperative key ingredient which will further strengthen Turkey’s ambition to be an energy “hub” between East and West. According to Katinka Barysch, Nabucco gas pipeline could be “a priceless opportunity for the EU and Turkey to prove that co-operation and integration are good for both sides.”¹⁸⁵

The Nabucco project consist a key Black Sea region gas pipeline project in the American pipeline diplomacy. The U.S.A had lent strong support for this project and along with Europe they are eager to complete the construction of the gas pipeline.

¹⁸³ J. M. Roberts, *The Black Sea and European Energy Security*, op.cit., pp. 216

¹⁸⁴ Z. Baran and Robert A. Smith, op.cit., pp.268

¹⁸⁵ K. Barysch, op.cit., pp.4

However, this “mega project” has been troubled by several obstacles, like for instance, lack of additional amounts of supplies (from the exporting countries), its high cost, the deterioration of US-Iranian relations, Russian objections and Turkish demands to connect Nabucco with Turkish-European negotiating process in the EU.¹⁸⁶

None the less, the EU-USA’s double support to the Turkish strategic role in energy “opens” a unique window to Turkey in order to render itself as Europe’s fourth main artery¹⁸⁷ and a regional power in the Eurasia. T.G.Tsakiris, boldly, raises the issue for Turkey’s energy dilemma: “Turkey, partly drawn by chimeras of its Ottoman past, and partly motivated by an American need to consolidate the economic independence of Georgia and Azerbaijan, never accepted Russia’s attempt to re-establish itself as the uncontested hegemonic power in the region.”¹⁸⁸

In spite of Western policies, though, over Turkish energy role, Turkey cannot neglect the position of Russia in the wider Black Sea region’s energy chessboard” and how Russia perceives its strategic energy position as a key energy producer and transit state.

b. The Turkish-Russian energy security policy relations

Historically, the Turkish-Russian relations were competitive and more often than not, conflicting. Both countries, successors of former Empires were rivals over the

¹⁸⁶ I. N. Grigoriadis, op. cited, pp.2

¹⁸⁷J. M. Roberts in his paper, ‘The Turkish Gate: Energy Transit and Security Issues’, *EU-Turkey Working Paper* No. 11, October 2004, presents Hakki Akil’s (then deputy director general of the Turkish Foreign Ministry and currently Turkey’s Ambassador to Turkmenistan) statement: “Turkey in the near future constitute the fourth artery of Europe’s energy supply security after Russia, Algeria and Norway”, in an interview he had with the author on May 2004 in Istanbul.

¹⁸⁸ T. G. Tsakiris, ‘The Greek odyssey’, *The Bridge magazine*, A quarterly review on the Greek presence in S.E Europe and S.E Mediterranean, Q4/2006 - Issue 3, pp.55-56

Black Sea and the Bosphorus passageways to the Mediterranean Sea which were battlegrounds for ages. Tunç Aybak indicates that due to the Cold War circumstances, “Turkish-Russian relationships were mainly determined by East-West ideological competition and military blocs.”¹⁸⁹ Until the late ‘90’s, each party expressed its mistrust to the other by supporting the separatist movements (Chechen-Kurds) in Russia and Turkey respectively and Russian-Turkish relations were formed by geopolitical rivalry for the influence in the former Soviet republics.

After the rise of Gorbachev in the Russian Federation, the relations between Ankara and Moscow has been transformed from antagonistic to a flourishing friendship based on strong economic ties¹⁹⁰ and regular exchanges of high-level official deputations. The cornerstone of the beginning of a new era in Russian-Turkish relation was the March 1991 Friendship Agreement. In May 1992, the Russian President Boris Yeltsin stated for the visit of Turkish Prime Minister, Suleyman Demirel, in Moscow that: “Turkey and Russia could now regard each other as friendly states and we are proceeding toward full-blooded dialogue and co-operation in all bases spheres of existence.”¹⁹¹

The above mentioned realities prepared the ground for the most significant issue in Russian-Turkish relations. In December 1997, the Russian Prime Minister Chernomyrdin visited Ankara and signed with Turkey the Agreement of gas pipeline Blue Stream project (a \$3.2 billion agreement). In addition, the same year Turkey signed a 25-year agreement with Russian gas company, Gazprom under which it will

¹⁸⁹ T. Aybak, *Politics of the Black Sea, Dynamics of Cooperation and Conflict*, (London-New York: I.B. Tauris Publishers, London-New York, 2001), pp.46

¹⁹⁰ In 1997, the volume of trade have reached around \$10 billion and a number of major Turkish construction companies (Tefken, ENKA AND GAMA) had an important position in Russian construction sector in which they invested over \$8.5 billion.

¹⁹¹ E. Karagiannis, op.cit., pp.130

import natural gas to Turkey. Russia then became Turkey's most important energy partner.¹⁹² The deepening of Russo-Turkish relations was confirmed by the ratification of the Eurasia Action Plan in 2001 between the former (contemporary at the time) foreign ministers, Ismail Çem and Igor Ivanov. The plan regards to S. Kiniklioğlu and V. Morkva, "called for increased dialogue on soft areas such as trade, culture and tourism, but also advocated regular political consultations. Since then, Turkey and Russia have expanded their cooperation in the fields of energy, trade, tourism and defense."¹⁹³

The energy dimension is the factor that will determinate the course of their bilateral relations. On October 2002, the construction of the Blue Stream gas pipeline was completed and Russian natural gas started to flow (February 2003) from Russia to Turkish port of Samsun. This project was the epitome of Russian-Turkish energy cooperation in 21st century. Furthermore, the Russian-Turkish concerns and objections over US decision to commit a war in Iraq strengthen their affiliating process.

Despite that, the US disapproval of the deepening of the Turkish-Russian relations and the American attempts to encourage Turkey to utilize its strategic geographical position and become a transit state center for natural gas from Eurasia to Europe, worsen the bilateral relations according to energy issues. The Turkish ambitions to render as an energy hub were in clear contradiction with the Russian hegemonic-regional energy aspirations.

¹⁹² Turkey imported 65 per cent of its natural gas and 20 per cent of its oil from Russia (Figures according to Turkey's Petroleum Corporation-BOTAŞ)

¹⁹³ S. Kiniklioğlu and V. Morkva, 'An Anatomy of Turkish-Russian Relations', *Southeast European and Black Sea Studies*, Routledge, Taylor & Francis Ltd, Vol. 7, No 4, December 2007, pp. 535

The gas crisis between Ukraine and Russia in 2005 offered an alternative argument to the Turkish decision-makers who expressed a more sympathetic stance towards the USA's energy tactics. They argued that, it is in Turkey's interests to diversify its imports mainly for gas supplies and transit non-Russia energy. The BTC/BTE and the Turkey-Greece Interconnector projects revealed that Turkey, openly started to promote Western-US energy plans, a fact that fiercely opposed by Russia. The realization of those projects signified that Turkish pipeline diplomacy fall into line with the US-EU's energy strategies. Furthermore, they had underlined two thorny issues between Russia and Turkey:

- "The competition for control over oil and gas exports from Azerbaijan; and
- The controversy over Turkish policies about the regulations relating to tanker traffic in Bosphorus, Marmara Sea and Dardanelles Straits."¹⁹⁴

On May 1994, the Turkish government passed revision and reform in regulations, in order to monitor commercial transit of the Straits.¹⁹⁵ Even though Turkey sustained its policy mainly to Turkish environmental-security concerns¹⁹⁶ over the increasing rates of hazardous tanker passages through the Straits, Emmanuel Karagiannis pointed out that, "Ankara's motive lies elsewhere [...] Turkey is engaged in an intense competition with Russia for the control of the route that will carry [mainly oil] from

¹⁹⁴ The 1936 Montreux Treaty has been given responsibility to Turkey to allow free shipping through the Straits. "The Convention agreed to consists of 29 Articles, four annexes and one protocol. Articles 2 - 7 consider the passage of merchant ships. Articles 8 - 22 consider the passage of war vessels. The key principle of freedom of passage and navigation is stated in articles 1 and 2 of the Convention. Article 1 provides that "The High Contracting Parties recognize and affirm the principle of freedom of passage and navigation by sea in the Straits";and Article 2 states that "In time of peace, merchant vessels shall enjoy complete freedom of passage and navigation in the Straits, by day and by night, under any flag with any kind of cargo;"(Available from: http://knowledgerush.com/kr/encyclopedia/Montreux_Convention_Regarding_the_Regime_of_the_Turkish_Straits/Treaty_text/)

¹⁹⁵ Among other regulations, Turkey: limited ship length to 190 feet; restricted vessels carrying hazardous materials to single passage at a time; required daylight passage of all ships over 200 meters; and required passage only in favorable weather.

¹⁹⁶ See:<http://www.sam.gov.tr/perceptions/Volume6/March-May2001/inan06.PDF>, see APPENDIX V

Azerbaijan to the West, it is Ankara's interest to limit Russia's ability to export oil via the Straits and thus undermine the Russian-controlled Baku-Novorossiysk oil route."¹⁹⁷ Russia had perceived Turkey's new regulations as a clear threat for Moscow and a unilateral violation (from Turkey's side) of the Montreux convention. The Russian-Turkish rivalry for political and economic influence in Eurasia is more than lucid in an interview with *Nezavisimaia gazeta*. Aleksei Arbatov, director of the Moscow-based Centre for Geopolitical and Military Prognoses and a then Duma deputy from the Yabloko party stated: "it is perfectly clear that Turkey-despite our lively shuttle trade- on geopolitical level represents, if not an opponent, the Russia's major regional rival."¹⁹⁸

The last five years the competition over oil and gas transportation is more than evident in the Turkish-Russian relations. Nevertheless, Turkey's proximity with Russia and the subsequent Turkish dependency from Russia due to gas and oil energy supplies limits Turkey's capacity to render as a regional power and a potential energy hub.

Turkey's Prime Minister Tayip Erdoğan's statement is revealing: "The Caucasus Cooperation Pact is important. The United States is our ally. But Russia is our strategic neighbor. We buy two-thirds of the energy we need from Russia. That country is Turkey's number one partner in trade [...] No one must expect us to ignore all that. Our allies must adopt an understanding approach."¹⁹⁹

¹⁹⁷ E. Karagiannis, op.cit., pp.133

¹⁹⁸ Ibid, pp.134

¹⁹⁹ *Hürriyet* newspaper: Interview with Erdoğan, September 6, 2008, accessed at ISI Emerging Markets Database.

Part IV: Cooperation or Antagonism between the two countries’ energy security policies-pipeline diplomacy?

a. Turkey-Greece Interconnector gas pipeline project

During the “peak” of Greek-Turkish “rapprochement” process in 2002, the Greek DEPA and the Turkish BOTAŞ energy companies signed in Ankara a Memorandum of Understanding (MOU) according to which natural gas supplies would transfer from the Caspian Basin, through Turkey and Greece, to Europe. On February 23rd, 2003 in Thessaloniki Greece and Turkey signed an “Agreement on the realization of the Turkey-Greece gas interconnection and the supply of natural gas from the Republic of Turkey to the Hellenic Republic.”²⁰⁰ A year later in Ankara (December 23rd 2003), Ministers A. Tsahatzopoulos and H.Guler, signed DEPA-BOTAŞ relative commercial agreements for the construction of the natural gas pipeline.

On November 18th 2007, in Kippi-Ipsala Greek-Turkish borders, Greece and Turkey made the inauguration of the first leg of the TGI Interconnector gas pipeline. The Prime Ministers, Kostas Karamanlis and Recep Tayip Erdoğan participated in the ceremony.

Julian Lee considers TGI pipeline’s significance as “fundamentally political”, adding also that, “it is a tangible symbol of cooperation between Greece and Turkey

²⁰⁰ See http://old.mfa.gr/english/foreign_policy/europe_southeastern/turkey/bilateral.html

on an economic level but it's also the first step in opening up a southern gas route to Europe from the Caspian.²⁰¹

U.S representative Samuel Bodman (US Energy Secretary) welcomed the new line by saying:

“[...] The pipeline is a significant development, one that builds a critical new energy bridge between the East and West... Building this pipeline also required regional consensus, complex environmental analyses, and a lengthy and productive dialogue with all of the communities along the entire route [...] I also want to pay special tribute to the Turkish and Greek people for the cooperation they have shown on this project. This pipeline is a success for the people of both countries as well as for Azerbaijan.”²⁰²

As a matter of fact, the realization of the Turkey-Greece Interconnector gas pipeline has marked the US-EU efforts to exploit Azeri energy deposits and was the first step of the EU's strategic-geopolitical plan to establish the South Energy Corridor²⁰³. The reason why we focus our concentration mainly, on how the USA had

²⁰¹ See <http://www.gasandoil.com/goc/news/nte64944.htm>

²⁰² See <http://www.energy.gov/news/5741.htm>

²⁰³ The South Energy Corridor will be constructed in the following stages:

- “Phase A: exploration of oil deposits at Shah Deniz in Azerbaijan, construction of an offshore oil rig and a terminal for reception/liquefaction in Sanghasal (42 km south of Baku);
- Construction of the 970 km-long Baku-Tbilisi-Erzurum natural gas pipeline (442 km in Azerbaijan, 248 in Georgia and 280 in Turkey). The pipeline is called SCP (South Caucasus Pipeline), its estimated budget is 1 billion dollars, and it is considered of the highest geopolitical importance (for the EU and US). Its maximum annual capacity is 30 billion m³;
- Linkage with the Turkish pipeline system (in Turkish territory) up to Karacabey;
- Construction of ground and underwater pipeline from Karacabey to the Greek-Turkish borders and from there to Komotini, where it will be connected to Greece's central network of natural gas pipelines;
- Construction of the Thessaloniki-Stavrolimenas pipeline in Western Greece;
- Construction submerging of underwater TGI Interconnector pipeline, starting from Stavrolimenas in Greece to reach the port of Otranto in Italy with the appropriate reception infrastructure; and

considered TGI project is because traditionally they have been the most important third actor in the Greek-Turkish relations. As long as the Turkish incorporation into the EU remains volatile, the role of the United States in the Turkish-US-Greek “triangle” is catalytic²⁰⁴. Any improvement in the Greek-Turkish relations is welcomed by the U.S.A and in the framework of NATO, as S.V. Papacosma argued, “the augmented emphasis placed on the Mediterranean stability necessitated, more than ever, a cohesive southeastern flank free from the Greek-Turkish impasse.”²⁰⁵

The Greco-Turkish rapid reconciliation process since 1999, offered the initial framework for the construction of the first natural gas pipeline, which delivers non-Russian energy supplies to European market. Both countries have gained profits and advantages from the TGI project while it has upgraded their geopolitical and strategic role in the European Energy Security. Furthermore, it sustains each country’s energy strategy to render as an energy hub between East and West and their crucial need of diversification of their suppliers.

Eventually, we can assume that the TGI gas pipeline might be one of the most important bilateral cooperating processes in the history of Greek-Turkish relations; Although, it is early enough to declare that Greece and Turkey, through the TGI project, have established strong ties according to energy issues yet.

It is remarkable though that Greece and Turkey ratified their cooperation in energy-pipeline sector during a period (2004-2007) in which the bilateral relations

- Construction of the pipelines branch-lines on Greek territory, with a view to potentially supplying neighbouring Western Balkans countries, i.e., FYROM, Albania, Serbia, Croatia, Slovenia and Bosnia-Herzegovina;”

(Available from: <http://www.mfa.gr/www.mfa.gr/en-US/Economic+Diplomacy/Energy+Affairs/>)

²⁰⁴ K. Ifantis, op. cited, pp. 386-387

²⁰⁵ S.V. Papacosma, *NATO, Greece, and the Balkans in the post-Cold War era, in Greece and the New Balkans: Challenges and Opportunities*, (eds.) V. Coufoudakis, H.J. Psomiades & A. Gerolymatos, (Pella, New York, 1999), pp.61-62

were far from being stable. It appears that third party role in energy security policy and pipeline diplomacy in both counties (US and EU specifically to the conceptualization and completion of TGI gas pipeline project) seems to prevail and weigh more, in comparison with the way interstate factors in Turkey and Greece perceive the nature of Greece-Turkish relations.

Inferentially, energy security policy dimension in modern international relations indicates that such cooperation can be the starting point of further normalization in the long-standing troubled Greek-Turkish relations and a paradigm that the Greek and the Turk side can develop bilateral policies in a higher level. Nevertheless, third party in Greek-Turkish relations can promote or not the cooperation or antagonism among the two states in accordance with their geo-strategic, political, security and financial interests.

b. Baku-Ceyhan versus Burgas-Alexandroupolis oil pipeline project.

First of all, it is important to clarify that it is not easy to compare BTC and B-A oil pipeline projects while the Burgas - Alexandroupoli project is still under construction (even though all the parties - Russia-Bulgaria-Greece - which will participate in the construction had already agreed, in March 2007, for its realization). Additionally, BTC oil pipeline, on the other hand, is operational since 2006 and its importance can be estimated by the way Andris Piebalgs commented on the project, “[...] the Baku - Tbilisi - Ceyhan oil pipeline has been a milestone project. Today it brings to the world market roughly 1 million barrels of oil per day and doubling of its capacity has been already envisaged. This project has had also a decisive geopolitical

importance as it opened a new transport corridor for abundant Caucasus and Central Asia oil resources to the world market.”²⁰⁶

However, despite the above mentioned clarifications, both pipeline projects reflect the Greek and Turkish energy initiatives; they both serve the need for diversification and in terms of geostrategic, both they constitute Bosphorus by-pass pipeline alternates. Hence, by taking into account those prerequisites (which allow us to conduct a comparative study between them), our aim is to examine the degree and the level under which the Greek and Turkish energy security policies-pipeline diplomacies are antagonistic or not, during the period 1999-2007.

Russia’s incentives to promote BA construction relied on the idea to by-pass the congested Bosphorus and Dardanelles Straits, thus Turkey set limits on the passage of tankers²⁰⁷. In addition, BA project composes one more alternative for Russia to deliver Azeri oil through its territory (Novorossiysk port) and at the same time Turkish-US efforts to exploit Azerbaijan’s oil and transfer it through Turkey and mainly non-Russia territory. E. Karagiannis points out that, BA project is part of the geopolitical contest between Russia and Turkey over the control of oil routes and that the development of Baku-Ceyhan pipeline can’t counterbalanced with BA pipeline construction. Moscow would still be dependent on the Bosphorus Straits for the Russian crude oil transportations.²⁰⁸

BA pipeline project mostly favors regional needs and that is the reason why Charles Ries, ex-American Ambassador in Athens characterized “the agreement for

²⁰⁶ At the Conference which held in Istanbul, June 5th 2007 about “Turkey and Europe: Together for a European Energy Policy” ,(Available from: <http://www.abgs.gov.tr/index.php?p=5964&l=2> [AVRUPA BİRLİĞİ GENEL SEKRETERLİĞİ])

²⁰⁷ Ibid

²⁰⁸ E. Karagiannis, op.cit., pp.133

the construction of the Burgas - Alexandroupolis oil pipeline as positive, since it can increase diversification and the factor of 'energy security' in the region, 'as well as of broader parts of Europe.'²⁰⁹ It is a fact that, after the construction of BTC oil pipeline, the US through the BTC achieved to limit Russian influence in Caspian Basin and BA is not a project that could possibly restore the Russian energy influence in the area. Nevertheless, the future realization of the BA oil pipeline it will reduce the Bosphorus Straits strategic importance for Turkey; but at the same time it will diminish the Turkish concerns over the environmental causes of the increasing transportation through the congested Turkish Straits.

Obviously, if only we consider the Greek-Turkish energy policies through the lens of third party role in the Eurasian energy "chessboard", we have the opportunity to draw valuable conclusions. In order to provide our analysis with credibility, we suggest that we should also have to examine the interlinked with the BA and the BTC, the South Stream and the Nabucco natural gas pipeline proposals.

According to Bülent Aras aspect of the emerging geopolitical relations in Eurasia, we can see two main blocks of states: "On one side are Russia and Iran along with a series of smaller power, including Greece and Armenia. On the other side are Turkey, Azerbaijan, Georgia, Ukraine and, as recent developments indicate, Israel...which are in increasing competition in each other."²¹⁰

By adopting Aras categorization, the BA (oil) – the South Stream (gas) pipeline projects constitute the Greek pipeline diplomacy and the BTC (oil) – the

²⁰⁹ An interview of Charles Ries to V. Nicoloudia and A.Konachou, 'Diverse energy resources, assure security', *The Bridge magazine*, Q4/2006 - Issue 3, pp.38-41

²¹⁰ B. Aras, op.cit., pp.1

Nabucco (gas) pipeline projects, respectively, the Turkish pipeline diplomacy in Eurasia.

Consequently, if we enlist the BA and the South Stream projects in broader Russian pipeline diplomacy aspirations and the BTC - Nabucco in the US pipeline diplomacy agenda, we can examine the range of antagonism among the Russo-American energy strategies in the region. EU's geopolitical role in pipeline diplomacy field, due to the lack of a sufficient integrated energy and foreign policy, is undermined²¹¹; a fact that allow us to base our analysis on the role of Russia and the U.S.A.

The struggle between the US-EU and Russia in Eurasian energy "battlefield", can best be seen in the competing proposals of the Nabucco and the South Stream to supply European "energy-thirsty" markets. For Turkey, the Nabucco project will be a major step to accomplish its regional strategic goals. Turkey's intermediating process between Azerbaijan and Turkmenistan, in order to resolve their dispute over their Caspian Sea's zones of economic exploitation, reveals its active support to the project. Moreover, on May 6th 2008, the US Deputy Assistant Secretary of State for European and Eurasian Affairs Matthew Bryza, stated that:

"[...] priority must go to the construction of the TGI pipeline and said that the supply of 80 percent of natural gas consumed by Greece by one company, Russia's Gazprom, laid the country open to the dangers of depending on a monopoly[...] and warned against allowing completion of the TGI to languish in favor of South Stream, expressing doubts whether "all sides" in Greece appreciated the importance of the TGI arriving in the

²¹¹ G. Bakatsianos, 'Strategic planning and petropolitics', *The Bridge magazine*, A quarterly review on the Greek presence in S.E Europe and S.E Mediterranean, Q4/2006 - Issue 3pp.68

market first and adding that, otherwise, Greece might end up with only the South Stream.”²¹²

Russia’s antithetic pipeline diplomacy agenda to the US energy aspirations highlighted by the Russian diplomat Mikhail Savva who argued that, the United States had a “more restricted diversification of energy supplies since, as regards natural gas supplies, it depends for more than 85% of its supplies on Canada [...]”²¹³ adding also that Russia in its energy cooperation, “[...] and particularly with Greece, steadfastly adheres to the principle of ‘equal cooperation’.”²¹⁴

In contrast, Greek Prime Minister K. Karamanlis in his speech about the Greek energy security policy and pipeline diplomacy, he clarified that:

“[...] the security of energy supply is thus clearly recognized as the most important priority of Europe’s energy security policy [...] Greece is willing and ready to assume its role in furthering the principles of this policy, taking full advantage of its geo-strategic position in South-East Europe [...] I wish to clearly stress that projects, such as South Stream, Nabucco and the Interconnector Turkey-Greece-Italy, are complementary to each other. Given the expected rise in demand for natural gas each and every one of these new infrastructures is very much needed.”²¹⁵

The European Union’s perceptions over the Nabucco and South Stream projects approached more the Greek aspect. Ferran Tarradellas Espuny (spokesman for the EU’s Energy Commissioner Andris Piebalgs) stressed: “[w]e’re not against

²¹² See <http://www.foreignpress-gr.com/search/label/south%20stream>

²¹³ See <http://www.greekembassy.org/embassy/Content/en/Article.aspx?office=1&folder=925&article=23713>

²¹⁴ Ibid

²¹⁵ See <http://www.emportal.rs/en/news/region/86408.html>

South Stream [...] we think South Stream is a pipeline that could help security of supply. Maybe the Russians think it is against Nabucco, but we do not think it could endanger Nabucco because what Nabucco is going to provide is gas from different suppliers. What South Stream is going to provide, is what we already have – Russian gas. It's going to come from a different route, but it's the same.”²¹⁶

Finally, the Nabucco and the South Stream pipeline proposals (along with less significance BTC and BA projects), demonstrate the crucial dimension of pipeline diplomacy in modern international relations doctrine. Turkey and Greece, favored by their geostrategic position in Eurasia, participate in an energy game that will determine for decades to come the destiny of the US, European and Russian positions and role in the future global developments.

²¹⁶ See <http://www.neurope.eu/articles/86300.php>

Conclusion

In the 20th century Greek-Turkish relations were shaped up in an antagonistic and more often conflicting environment between the two states. Cyprus and the Aegean Sea issues are in the nucleus of Greco-Turkish dispute(s). During the period 1999-2004 an outstanding U-turn in bilateral relations occurred. The “rapprochement period’ process marked both countries efforts to reach a more stable, cooperating status of relationship.

Cyprus accession in the EU and the beginning of Turkish-European negotiating procedure (for Turkey’s membership in the European Union), though brought to a halt the initial enthusiasm of “rapprochement” progression. From 2004 onwards, Greek-Turkish dilemmas over Cyprus and the Aegean Sea were back again. None the less, in the energy sector, the realization of the TGI gas pipeline project in 2007, as an outcome of the previous “rapprochement” reconciliation process, reveals that Greece and Turkey managed to complete an outstanding cooperative project in a high bilateral level.

The geostrategic position of Greece and Turkey (which share common land and sea borders) in the broader Eurasian region are significantly important in the energy security policy and pipeline diplomacy game in this area.

Greece’s energy security policy and pipeline diplomacy in the region (during 1999-2007) highlighted Greece’s will to ensure its domestic energy domestic needs and render Greece’s role as an important energy transit player for the European Union’s energy supply efficiency. Respectively, Turkey (the same period) succeeded to upgrade its regional position as an energy transit state and made sufficient steps in

order to cover its domestic energy supply needs. Energy security policy and pipeline diplomacy became one of the most prominent instruments for Turkey's foreign policy ambitions to elevate itself as a hegemonic regional player and a potential future energy 'hub' between East and West.

Thus, it is a fact that, third party role (US-EU-Russia) directly influences the route of the Greek and Turkish energy security policy-making and the pipeline diplomacy strategies of each country. US-Russian competitive energy policies along with EU's energy security initiatives in Eurasia signify that Greece and Turkey actively participate in the Eurasian energy game. The realization of the future (competitive in US-EU-Russia's perspective) pipeline proposals (Nabucco, South Stream and BA) will determine not only their role in the energy chessboard and will upgrade or diminish their geostrategic and geopolitical status but will also further intensify the future developments in Greek-Turkish relations.

Overall, the conclusion we can draw from the Greek-Turkish energy policy sector until 2007 is that the realization of the TGI Interconnector gas project ratified a cooperating status in bilateral level. Energy dimension can mold a crucial path through which both countries will have the opportunity to reduce the tensions over their disputable issues. In addition, energy security policy and pipeline diplomacy (along with the future realization of oil/gas pipeline projects), as an ongoing process, will confirm or obstruct future attempts of reconciliation among those two neighboring states. None the less, it is crucial to underline that the third party played a significant role in Greek-Turkish energy-pipeline cooperation. Consequently, even though the level of Greek-Turkish reconciliation process then seemed to limit such an

important venture, interstate factors' influence in Greece's and Turkey's bilateral affairs did not have a negative effect on the construction of the TGI project.

However, it is up to future inquiry to examine the EU-Turkish relations, the Cyprus issue and the modern 'neo-Ottomanic' Turkish foreign policy doctrine, can affect the way Turkey perceives its role as a potential energy 'hub', its regional power and how it will implement its dogma of 'zero conflict' with its neighbors. On the other hand, it is interesting to see how Greece will utilize its pipeline diplomacy dimension, through its long-standing permanent foreign policy of 'peaceful settlement of disputes.'

Conclusively, energy security policy and pipeline diplomacy cooperation can play a positive role in the Greco-Turkish reconciliation process and as Mustafa Aydin suggests, "It is clear that the fundamental interests of both countries lie in peace and cooperation [such as TGI project], not confrontation. It is literally absurd to have the sky over the Aegean Sea shadowed by military aircraft while both countries stand to benefit from developing friendly and good-neighboring relations."²¹⁷

²¹⁷ M. Aydin, 'Crypto-optimism in Turkish- Greek relations. What is next?', *Journal of Southern Europe and the Balkans*, Vol. 5, No. 2, August 2003

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APPENDIX

APPENDIX I

Part VIII

REGIME OF ISLANDS

Article 121

Regime of islands

1. An island is a naturally formed area of land, surrounded by water, which is above water at high tide.
2. Except as provided for in paragraph 3, the territorial sea, the contiguous zone, the exclusive economic zone and the continental shelf of an island are determined in accordance with the provisions of this Convention applicable to other land territory.
3. Rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf.

APPENDIX II

The sentences are in bold in order to highlight the most important decisions of the meeting related to Greece and Turkey:

Art.4 [...] In this respect the European Council stresses the principle of peaceful settlement of disputes in accordance with the United Nations Charter and urges candidate States to make every effort to resolve any outstanding border disputes and other related issues. Failing this they should within a reasonable time bring the dispute to the International Court of Justice. The European Council will review the situation relating to any outstanding disputes, in particular concerning the repercussions on the accession process and in order to promote their settlement through the International Court of Justice, at the latest by the end of 2004...

Art. 9. (a) The European Council welcomes the launch of the talks aiming at a comprehensive settlement of the Cyprus problem on 3 December in New York and expresses its strong support for the UN Secretary-General's efforts to bring the process to a successful conclusion.

(b)[...]If no settlement has been reached by the completion of accession negotiations, the Council's decision on accession will be made without the above being a precondition. In this the Council will take account of all relevant factors.

Art. 12. The European Council welcomes recent positive developments in Turkey as noted in the Commission's progress report, as well as its intention to continue its reforms towards complying with the Copenhagen criteria. Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States [...] This will include enhanced political dialogue, with emphasis on progressing towards fulfilling the political criteria for accession with particular reference to the issue of human rights, as well as on the issues referred to in paragraphs 4 and 9(a)...

APPENDIX III

Index I (Current info for the Greek energy sector)

Countries	Source (Origin)	Pipeline (km)	Route	Capacity	Cost	Operational status/Comments
Greece, FYROM	Oil (?)	Vardax pipeline	Thessaloniki-Scopje	2,5Mtoe	?	Operational since 2001
Bulgaria, Greece	Oil (Russia)	Trans-Balkan pipeline (900km)	Burgas - Alexandroupolis (286km)	35Mtoe/ 50Mtoe (potential expand)	€800 m. / €900m. (pt.cst)	Estimated date of construction 2010
Russia, Bulgaria, Greece	Gas (Russia)	Yamal-Europe Pipeline (total 4.100km)	Bulgarian/ Greek borders (B-G branch)	33bcm annually (6bcm to Greece)	Close to €8 b.	Operational since 1999(Germany)
Libya, Greece	LNG (Libya)	-x-	Libya-Revythousa refinery	13mcm daily	€300 m.	Operational since 1999-upgraded in 2007
Azerbaijan, Georgia, Turkey, Greece, Italy	Gas (Azerbaijan /and in the future Iran ,Turkmenistan)	TGI Interconnector (total 417 km, 85km & 100km in Greek ter/ry)	First branch Baku (Shah deniz)/Kara-abey/Komotini Second Branch (Stravrolimenas/ Otranto)	0.75bcm (annually 2007) 12 bcm (3bcm) in Greece in 2013	Estimated total cost €2.8 b.	Operational since 2007 (a' branch)/ Potential completion of second branch, 2012
Russia, Bulgaria, Greece (south-western branch)	Gas (Russia)	South Stream Pipeline (2000km)	Beregovaya-Burgas-Alexandrou polis-Italy	30bcm annually	Estimated total cost €8 b.	Potential completion date 2013-15

APPENDIX IV

Index II (Current info for the Turkish energy sector)

Countries	Source (Origin)	Pipeline(km)	Route	Capacity	Cost	Operational status/Comments
Iraq, Turkey	Oil (Iraqi)	Kirkuk-Yumurtalik twin parallel pipelines (966km)	Kirkuk-Musul-Ninawa-Ceyhan	71Mtoe annually	?	Operational since 1974,1987/Don't function properly due to Gulf War crisis(1990-1), Iraq war(2003).Technically available
Azerbaijan, Georgia, Turkey	Oil (Azeri)	BTC pipeline (1760km total, 770km in Turk. territory)	Chirag-Baku-Tbilisi-Ceyhan	50Mtoe(&5Mtoe to Kirikale refinery in Ankara) annually	US\$4 b., (US\$2 b. Turkish section)	Operational since 2006
Algeria, Nigeria, Turkey	LNG(Algerian , Nigerian)	-x-	Marmara Ereğlisi terminal	5.2bcm [4bcm (Algerian),1.2 bcm (Nigerian) annually]	US\$364m.	Operational since 1994
?	LNG (?)	-x-	Aliğa (İzmir) terminal	6bcm annually	US\$364m.	Completed since 2002 / since 2006 didn't operate
Iran, Turkey	Gas(Iranian)	Iran-Turkey pipeline (2.577km)	Tabriz-Erzurum-Ankara	30mcm daily	US\$600m.	Operational since 2001/Suffers from PKK attacks and reduction of supplies by Iran[doesn't function properly]
Russia, Turkey	Gas (Russian)	Blue Stream undersea pipeline (1.212km, 300km in Turk. territory)	Izobilnoye-Dzhugba-Samsun-Ankara	16bcm	US\$3.6 b.	Completed in 2002/formally inaugurated in 2005
Azerbaijan, Georgia, Turkey	Gas (Azeri)	BTE pipeline (69km total length)	Shaz-Deniz – Baku-Tbilisi-Erzurum	8.8bcm initial capacity/ possible expansion to 20bcm (2012)	US\$900m.	Operational since 2006
Turkmenistan, Azerbaijan, Georgia, Turkey,Bulgaria ,Romania, Hungary,Austria	Gas (Turkmen, Kazakh,Iraqi, Egyptian)	Nabucco pipeline (2.050 total length)	Turkmenistan-Erzurum-Baumgartner	30bcm (pt annually)	US\$6 b.	Estimated date of completion 2015
Azerbaijan, Georgia Turkey, Greece,Italy	Gas (Azerbaijan/ and in the future Iran,Turkmenistan)	TGI Interconnector (total 417 km, 200km in Turk. territory)	First branch Baku (Shah deniz)/Kara- abey/Kom o-tini Second Branch (Stravrolime nas/Otranto)	0.75bcm (annually 2007) 12 bcm (1.75bcm) in Turkey in 2013	Estimated total cost €2.8 b.	Operational since 2007 (a' branch)/ Potential completion of second branch, 2012

APPENDIX V

Dr Yüksel İnan, Professor of International Law at the Department of International Relations in Bilkent University in Ankara, in his article on the occasion of the 65th anniversary of the Montreux Convention, aimed to explain the passage regime of merchant vessels through the Turkish Straits in time of peace. Among others he argues that:

“Turkey, in 1994 and 1998, totally replaced the former regulation and started to use its rights effectively in regulating the passage and navigation of civil vessels through the Turkish Straits, in conformity with the general principles of international law. Indeed, various IMO documents approved Turkey's measures. Among those documents are IMO Res. A/857 and the IMO Doc. MSC 71/WP.14/Add.2, dated 27 May 1999, continuing the IMO adopted routing system, including the associated IMO Rules and Recommendations adopted in 1994 (Res.A/857) since those measures were effective and successful. The IMO Resolution stated that the organization's measures were established for safety of navigation and protection of the environment, and all national measures should be in conformity with those aims.

The concept of security has changed a great deal since the 1930s. So, coastal states, while trying to regulate freedom of passage and navigation, should not only take into account the security of passage and navigation, but also the security of the lives and property of the people living in the area and of the environment, including the marine environment. All developments in the law of the sea Concerning the security of the vessel, of passage and navigation, and the protection of the environment should be fully observed while regulating passage and navigation by legal norms [...] Turkey was not only being empowered due to the security principle enshrined in the preamble of the Convention, but also by the general principles of the law of the sea including UNCLOS.

Indeed, Turkey took those points into account while enacting the 1994 and the 1998 regulations, which have international implications. The regulations are traffic separation schemes (TSSs), temporary suspension of the TSSs or its sections and advising a vessel in the area to comply with rule 9 of the International Regulations for Preventing Collisions at Sea, 1972 (COLREG), in case of inability to comply with the

TSSs either for technical or geographical reasons, temporary suspension of one- or two-way traffic, maintaining a safe distance between vessels, participation in the reporting system (TUBRAP), giving prior information for the purpose of efficient and expeditious traffic management and for the safety of navigation and environment, to offer pilot age or towing services for safer navigation, to ask the vessel to navigate in daylight through the Straits for ships over 200 meters in overall length and for vessels having a maximum draught of 15 meters or more, etc.¹⁶ In addition to these measures Turkey has taken unilaterally, VHF systems and Vessel Traffic Services (VTS) will soon be constructed along the Turkish Straits¹⁷ and these will contribute greatly to safety of passage and navigation.

Increasing vessel traffic through the Straits affects Istanbul. The city is of great importance because of its 10 million inhabitants its historical character, UNESCO having declared it a World Heritage site for its 3000-year history and for having hosted many cultures. These features of the city and its environment capture the attention of the environmentalists. Scientists maintain that an LPG tanker explosion in or near the Istanbul Strait would have the same effect as a quake of 11.0 on the Richter scale. This undeniable reality increases the importance of the Turkish government's measures to safeguard passage and navigation and protect the environment, and it makes third parties' respect for these measures imperative.”