Turkey and the European Union: Strategic Partners or Competitors in the Western Balkans?*

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Abstract: Since the 1990s, Turkey and the European Union (EU) have each increasingly pursued active foreign policies in the Western Balkans, aimed at establishing peace, stability, and security in the region. Over the past few years, Turkey’s active foreign policy approach has been frequently labelled as “Neo-Ottomanism”. Against this backdrop of deteriorating relations between the EU and Turkey, Turkey has been attempting to use its soft power potential to consolidate its political, economic, and cultural influence in the Western Balkans. The article explores the factors contributing to and hindering Turkish influence in the region. It then analyzes factors behind Turkey’s renewed activism within the context of recent developments in EU-Turkey relations. Drawing on an extensive series of elite interviews conducted in Turkey, the United Kingdom, Serbia, and Bosnia from 2011 to 2013, the article concludes with an examination of whether Turkey and the EU may best be regarded as strategic partners or competitors in the region.

Keywords: Turkey, European Union, Western Balkans, transatlantic relations, economic statecraft, foreign policy analysis.

Introduction

Since the 1990s, both Turkey and the European Union (EU) have been active regional players in the Western Balkans. Establishing peace and maintaining stability in the region have been among the top priorities in the foreign policies of both actors. Turkey’s religious, cultural, and historical affiliations with countries in the region have proven to be a key strategic asset for transatlantic security infrastructures. Similarly, the fact that the Western Balkans is indeed located on the European continent has ensured the continued interest of the EU in the region.

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More recently, since 2009, Turkish foreign policy towards the region has gained further momentum through frequent high-level visits between Turkey and other Balkan countries. Turkey has been attempting to use its soft power potential to consolidate its political, economic, and cultural influence in the region. In his best-selling book Strategic Depth, the former Turkish Foreign Minister and current Prime Minister Ahmet Davutoğlu characterized Turkey as a natural and ascending regional power in the Balkans and other neighboring regions.\(^1\) Many analysts emphasize that Turkish foreign policy in the region has gained a more independent character than in the 1990s.\(^2\) Various pundits and scholars label this foreign policy behavior as an evidence of a new ideological orientation, often referred to as Neo-Ottomanism.\(^3\)

Despite a few descriptive and outdated articles on Turkish foreign policy in the Balkans,\(^4\) there is no theoretically informed and up-to-date analysis of Turkish foreign policy in the Western Balkans in the literature. Most of what has been written comes in the form of newspaper articles and op-eds.\(^5\) Scholarly works exploring the motivations behind Turkish activism in the region via a conceptual framework are lacking in the literature.

In order to fill this important gap in the literature, this article first explores the factors contributing to and factors hindering Turkish political influence in the Western Balkans. It then analyzes motivations behind Turkey’s renewed foreign policy activism in the Western Balkans, in the context of recent developments in EU-Turkey relations. The article suggests that when analyzed against the background of Turkey’s increased self-confidence in its foreign policy in the Balkans and the stalled accession negotiations with the EU, the proactive trend in Turkish foreign policy in the Western Balkans may potentially be interpreted as a reflection of a possible rivalry between the EU and Turkish interests in the region. It makes the argument that Turkey pursues Realpolitik, a pragmatic and interests-based (rather than ideological) foreign policy in the region.

The article identifies reasons behind the recent changes in Turkish foreign policy towards the Western Balkans: namely, the uncertainties revolving around Turkey’s EU membership prospects and the subsequent lack of trust towards the EU. It argues that Turkey increasingly pursues economic statecraft in the region. The article then concludes with an analysis of whether Turkey and the EU may be regarded as strategic partners or competitors in the region, and makes recommendations for future studies on the topic. The analysis here draws on the author’s fieldwork and over 30 semi-structured elite interviews conducted with Turkish and Balkan policymakers, diplomats, EU representatives, NGO officials, and academics on Turkish foreign policy in the Western Balkans conducted in Turkey in 2011, and in Serbia, Bosnia, and the United Kingdom in 2013.

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1 Davutoğlu 2001.
2 See Bechev 2012; Rašidagić 2013, among others.
3 See Tanasković 2013, among others.
4 Athanassopoulou 1994; Sayari 2000; Rüma 2011.
Factors Contributing to and Hindering Increased Turkish Influence in the Western Balkans

One of the factors contributing to Turkey’s diplomatic and economic clout in the region is that since the 1990s, the country has contributed significantly to the international community’s efforts to establish peace in the post-conflict zones in the Balkans, and has been among the biggest contributors to peacekeeping operations in the region. Its historical affiliation with the countries in the region has proven to be a valuable asset during these missions.

Turkey has been seeking to maintain close historical and cultural ties with all countries in the Western Balkans. In the 1990s, Turkey played an active role in the establishment of the regional stability and integration initiatives such as the Southeast European Cooperative Initiative, Stability Pact, South-East European Cooperation Process, and NATO-led South East Europe Initiative. Under Davutoğlu's tenure as Turkish Foreign Minister, there was a renewed Turkish foreign policy interest towards the Balkans. As put by one Turkish diplomat interviewee, the Western Balkans is a “natural hinterland” for Turkish influence, as the country considers itself a Balkan state.

With its predominantly Muslim population, Turkey has a considerable soft power potential in the region, especially among Muslim populations in the region. Turkey attempts to use the legacy of the Ottoman Empire that ruled over the region for over 500 years. There are many Turkish minorities living in the Balkans and people of Balkan origin living in Turkey, which form a significant human-to-human linkage between Turkey and the region. However, it is important to acknowledge what Turkish policymakers might conveniently choose to ignore: that the Ottoman historical legacy is not always perceived to be a positive one, especially among the non-Muslim populations in the region.

Another source of Turkey's cultural soft power in the region is Turkish TV series, movies, and broadcasting channels, which have become increasingly popular throughout the Balkans and elsewhere. In 2013, 18 Turkish soap operas were broadcasted across the Western Balkans region. These create curiosity about the Turkish lifestyle and generate tourism potential for Turkey by emphasizing the attractiveness of the “Turkish model” -- a balanced mix of religion, democracy, free market ideas, and modernity. An increasing number of people from the Balkans visit Turkey, learn Turkish, and aspire to the Turkish lifestyle. Some welcome the cultural influence of Turkey and maintain that Turkey's influence in the region "balances and modulates Salafi influences among Muslim populations in the region". According to the latest Gallup Balkan Monitor, in many Balkan countries, such as Kosovo, Albania, Macedonia, and Montenegro, people have

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6 Author’s interview with Interviewee #30 in Sarajevo, Bosnia and Herzegovina, 8 May 2013.
7 TEPAV 2015a.
8 Bugajsiki and Conley 2011, 23.
very positive attitudes towards Turkey. Even when looked at the public opinion in Serbia, where there are traditionally anti-Turkish popular sentiments, young Serbs (ages 15-24) perceive Turkey as “friendlier” than their older counterparts.

The Turkish International Cooperation and Development Agency (TİKA) has been able to run a complementary policy by increasing cooperation with Muslim organizations in the Balkans and restoring Ottoman monuments, libraries, and mosques. Similarly, the Yunus Emre Institute founded in 2007 works towards the promotion of Turkish language, culture, literature, history, and arts in different parts of the world. Turkey allocates a considerable amount of Official Development Assistance to the region. Turkish schools and universities in the region educate the young people and the future elites of the region.

Similarly, visa-free travel regime with all Balkan countries (with the exception of Croatia, after the country’s accession into the EU) was established during the single-party government of the Justice and Development Party in Turkey. Turkey’s geographical proximity to the Western Balkans reduces transportation costs. Every year about 151,000 Turkish trucks pass through the Balkans. The similarities in consumption habits between the people in Turkey and the Balkans make the region a very profitable market for Turkish exporters.

Turkey aims to capitalize on its increasing cultural and economic presence to maximize its political power in the region. Especially since 2009, there have been a large number of high-level visits between Turkey and the other countries in the Balkans, as Turkey attempts to establish itself as a mediator in the region. Since then Turkey has been pursuing a more pro-active foreign policy in the Balkans. However, whether Turkey can manage to convert its cultural and economic soft power into increased political and diplomatic leverage in the region is a different question.

Undoubtedly, the recent activism in Turkish foreign policy towards the region has resulted in a number of positive outcomes. To illustrate, since 2009, Turkey took the initiative to improve bilateral relations with Serbia. In October 2009, then Turkish President Abdullah Gül visited Belgrade – the first official visit by a Turkish head of state since 1986. Again, in 2009, Turkey and Serbia signed a free trade agreement, resulting in improvements in bilateral trade between the two countries. While the trade volume between the two countries was 568 million USD in 2011, it increased to 596 million USD in 2012. Furthermore, following several meetings between Turkish and Serbian officials in March 2010, the Serbian parliament passed a resolution apologizing for failing to prevent the Srebrenica massacre of 1995. Turkey’s bilateral trade with Serbia continues to soar.

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9 Gallup Balkan Monitor Survey 2011.
10 Gallup Balkan Monitor Survey 2011.
11 Authors interview with Interviewee #20, Belgrade, Serbia, May 2013.
12 Authors interview with Interviewee #20, Belgrade, Serbia, May 2013.
Turkey chaired the South East European Cooperation Process (SEECP) during 2009-2010. The slogan of the Turkish Chairmanship of the SEECP, “From Shared History to Common Future,” is indicative of Turkey’s attitude towards the Balkans. The fact that the Butmir negotiations led by the US and the EU were unsuccessful in addressing the constitutional reform question in Bosnia and Herzegovina led Turkey to pursue its own high-level diplomacy among the parties. In fact, Turkey initiated trilateral consultation mechanisms, one with Bosnia and Serbia, and another with Bosnia and Croatia. The former helped secure the appointment of a Bosnian Ambassador to Belgrade. Turkey also successfully lobbied NATO to offer Bosnia and Herzegovina a Membership Action Plan (MAP) in April 2010. To date, there have been three trilateral summits at the presidential level between Turkey, Bosnia, and Serbia. The first one was hosted by the then Turkish President Abdullah Gül in Istanbul on April 24, 2010, during which the presidents of these three countries signed the Istanbul Declaration on Peace and Stability in the Balkans, guaranteeing the territorial integrity and sovereignty of Bosnia. The second summit was hosted by the then Serbian President Boris Tadić on April 26, 2011. The third one took place in the middle of May 2013, where the three presidents signed an agreement on economic cooperation, and started exploring the possibility of establishing a trilateral board of trade. The first trilateral meeting of the economics and trade ministers of the three countries took place in April 2013. The cordial relationship continued after the change of government in Serbia, despite a few hiccups caused by the inflammatory rhetoric of the then Turkish Prime Minister Erdoğan, announcing that “Kosovo is Turkey, and Turkey is Kosovo”, which caused the cancellation of the fourth trilateral presidential-level meeting scheduled to take place in December 2013 in Belgrade.

Turkey is a member of the Peace Implementation Council (PIC) Steering Board, representing the Organization of the Islamic Conference (OIC), and helps oversee the Dayton process. Turkey has also aligned itself closely with the US in opposing the closure of the Office of the High Representative (OHR) in Sarajevo, contrary to the requests of several EU states such as France and Spain. The underlying rationale was that the premature closure of the OHR would lead to instability in the region. It has been a strong supporter of Macedonia’s Euro-Atlantic integration and has encouraged NATO to invite Skopje to join even without a negotiated solution to the name dispute with Athens. It is also a strong supporter of Kosovo’s independence.

The popularity of Turkish soap operas, as well as the increased trade and tourism volume between Turkey and the countries in the region do not imply that there are no significant limitations of the Turkish foreign policy capacity in the region. As one interviewee put it, “Turkish foreign policymakers’ eyes are bigger than their stomachs”. For instance, Turkey failed to broker a new government in Sarajevo after the October 2010 parliamentary elections.

14 Author’s interview with Interviewee #25 in Belgrade, Serbia, 6 May 2013.
Turkey is often seen as a biased third party, favoring the Muslim populations in the Balkans, which undermines the country’s aspirations to emerge as a peacemaker in the region. Therefore, there is a significant need for confidence-building measures in order to ensure that the country is perceived to be an honest broker, and to convince the skeptics that Turkey is not pursuing a “Neo-Ottomanist” agenda. There seems to be increased nationalism in the region, which leads to skepticism about the motivations of Turkey’s proactive foreign policy in the Balkans.

Similarly, the trade volume between Turkey and the countries of the region has not yet reached its full potential, despite the rhetoric. Turkey is not listed among the top three trading partners of many countries in the region. Therefore, there is a considerable untapped potential in terms of Turkey’s greater economic influence in the region.

Additionally, the negative trends in Turkish domestic politics, such as the deterioration of human rights, erosion of civil liberties and freedoms, the suppression and intimidation of the opposition, the interrupted peace process and the increasing tensions with the Kurdish minority, seem to have backfired regarding Turkey’s attempts to present itself as a country that wants further democratization, multiculturalism, and reform in the region. To illustrate, at the end of May 2013, Turkey experienced significant volatility during the Gezi Park protests, when a group of environmentalists initially protested against the plans to destroy the Gezi Park in Istanbul’s Taksim Square. The protests then spread throughout Turkey, with activists protesting the lack of pluralistic democracy, lack of freedom of speech, media, and assembly in the country, and interference in the citizens’ private lives. Ever since the Gezi Park protests, Turkish society remains further polarized, with roughly half of the Turkish population supporting the AKP Government. Erdoğan traditionally receives strong levels of support from the Balkans, nevertheless, following the Gezi Park protests, he lost some of that support. A number of Balkan Turkish non-governmental organizations organized rallies in Kosovo, Macedonia, Albania, and Bulgaria, to indicate their support of the Erdoğan government. Without further democratization, and proven track record on human rights, it is hard for Turkey to make a credible case for its soft power in the Balkans.

Furthermore, as noted by many scholars, a majoritarian interpretation of democracy puts pluralist democracy at risk, and risks alienating minorities. However, the recent domestic political developments in Turkey, including the drift towards a majoritarian understanding of democracy, or even “electoral authoritarianism of a more markedly Islamic character” puts additional strains on the Turkish foreign policy in the region. Turkey’s increasingly illiberal and majoritarian democracy presents a problematic “role model” for the Western

15 Özbudun 2014.
16 Sokollu 2013.
17 Anadolu Agency 2013.
19 Özbudun 2014, 155.
Balkan countries, where there are plenty of ethnic divisions and gridlock. As one scholar notes, “proportional institutions are more effective than majoritarian institutions as democratic instruments of ethnic conflict management.”20 In a post-conflict setting, it is important to have an “ethnically-representative party system” “accompanied by extensive power-sharing arrangements.”21

Finally, it is important to acknowledge that the instability in Turkey’s immediate neighborhood, namely problems in Syria and Iraq, and the subsequent refugee crisis, diverts attention of the Turkish policymakers away from the Western Balkans. Therefore, it is safe to argue that Turkish foreign policy track record in the region is a mixed one. Having discussed the push and the pull factors of Turkey’s leverage in the region, the following section explores the motivations behind Turkey’s renewed activism in the Western Balkans, underlying the Realpolitik approach in Turkish foreign policy towards the region.

Factors Behind Turkey’s Renewed Activism in the Western Balkans: Increased Alienation of Turkey From the EU and its Security Infrastructures, and the Subsequent Lack of Trust Towards the EU

Using an infamous phrase from the memoirs of US Secretary of State Dean Acheson,22 the shared sentiment among the Turkish policymakers interviewed for this research is that while Turkey was “present at the creation” when the foundations of European security infrastructures were laid, it is currently left absent in the finale of European defense cooperation despite original assurances from the EU. Turkey was historically well integrated into the European defense infrastructures up until the early 2000s.23 With the Berlin-Plus Agreement, the non-EU European NATO countries received green light to participate in the crisis management activities conducted under the European Security and Defence Policy (ESDP) framework when operations employ NATO assets and capabilities. From the end of 2002 until May 2004, cooperation between the EU and NATO went smoothly, and Turkey militarily and strategically supported the ESDP. Nevertheless, this situation changed with the admission of the Republic of Cyprus, a non-PfP country, into the EU in May 2004.

Through Council Joint Action 2004/551/CFSP of 12 July 2004, the EU announced that it would “assimilate” or “incorporate” the Western European Armaments Group (WEAG) into a new defense agency. Accordingly, on 22 November 2004, the Defense Ministers of WEAG decided to dissolve WEAG and transfer all defense cooperation to

21 Mungiu-Pippidi and Krastev 2004, 263.
22 Acheson 1969.
the European Defence Agency (EDA) before the middle of 2005. Subsequently, WEAG was terminated in May 2005. With the formation of the EDA, Turkey, like the other non-EU WEAG countries, lost the privilege to enjoy an equal say with other WEU members on parliamentary scrutiny of European security and defense affairs, i.e. decision-making in EU crisis management operations. Even though both the WEU (from 1992 to 1997) and the EU (from 1997 onwards) continuously assured the non-EU NATO members that they would not be excluded from the decision-making processes of a future armaments cooperation organization, Turkey’s participation in the successor defense agency to WEAG – the EDA – is vetoed by the Republic of Cyprus. Therefore, Turkey, unlike Norway, is still not able to secure an association agreement with the EDA. This contributes to grievances Turkish policymakers have towards the EU, and motivates Turkey to take a more independent and active foreign policy stance in Western Balkans.

Many Turkish officials interviewed expressed that as one of the main contributors to European security, its exclusion from the decision-shaping mechanisms within Common Security and Defence Policy (CSDP) causes “bitterness” and resentment towards the EU. One Member of Turkish Parliament described the frustration shared by Turkish authorities by noting: “Turkish policymakers do not understand how a small country, such as Cyprus, is capable of preventing Turkey from more meaningfully contributing to the European security infrastructures.” The same interviewee emphasized that even though Turkey maintains the second largest armed forces in NATO, the fact that it is “not allowed to be an equal partner in European security decision-making and decision-shaping mechanisms due to its non-EU member status” provides a significant grievance in Turkey. As put by another Turkish policymaker, the situation since 2004 represents “violation of promises.”


25 Participation agreements establishing the parameters for the participation of non-EU European members of NATO in the EU crisis management operations were signed in advance of the date of transfer in May 2005 with all relevant countries except for Turkey. Only in June 2006 did Turkey and the EU sign a similar agreement (Official Journal of the EU 2006), which was later ratified by Turkish Parliament in July 2007.

26 Norway signed the Administrative Arrangement agreement with the EDA on 7 March 2006, which made it possible for the country to collaborate on defense equipment, joint defense research and technology projects, and joint development of future military capabilities in Europe. It also created a Consultative Committee for Norway and the EDA “to exchange views and information on matters of common interest falling within the scope of the Agency’s mission”, which was aimed at ensuring that the Norwegian Ministry of Defense is kept fully informed of opportunities for future co-operation. Additionally, on 26 May 2008, Norway further associated itself with the EDA through its participation in the Regime on Defence Procurement. Norway currently cooperates with all EDA directorates (Lindbäck 2009, 8).

27 Author’s interview with Interviewee #6 in Ankara, Turkey, 15 July 2011.

28 Author’s interview with Interviewee #3 in Ankara, Turkey, 13 July 2011.

29 Author’s interview with Interviewee #3 in Ankara, Turkey, 13 July 2011.

30 Author’s online correspondence with Interviewee #12, Ankara, Turkey, 20 July 2011.
Broken promises constitute one of the reasons behind the mistrust – both at the Turkish public and elite level – towards the EU and its CSDP.

Similarly, uncertainties regarding Turkey’s accession into the EU exacerbate Turkey’s lack of trust towards the EU and its CSDP, and motivate a more independent and proactive foreign policy in the Western Balkans. Turkey signed the Ankara Agreement with the European Economic Community in 1963 and became a candidate country in 1999. With the opening of EU accession negotiations in October 2005, Turkey’s unease with the plans for an autonomous European security infrastructure outside of NATO was somewhat alleviated initially. The prospects of EU accession provided strong incentives for Turkey to approach such ambitions with more tolerance.

Despite an initial period of momentum and optimism, the accession negotiations have reached a stalemate over the past few years. Since 2005, out of the 35 chapters for Turkish accession, only the Research Chapter has been completed, and eight chapters were frozen by the EU in 2006 pending the implementation of the Additional Protocol to the Ankara Agreement to Cyprus by Turkey. It was declared that no chapter would be closed until Turkey fulfils its commitment regarding the Additional Protocol. Later, in 2007, five chapters were blocked by a French veto (one of which intersects with the eight chapters blocked by the EU). The Republic of Cyprus also unilaterally vetoed six chapters. In February 2013, France declared the removal of its blockage of Chapter 22. And more recently, Chapter 17 on “Economic & Monetary Policy” has been unfrozen and opened as a result of the negotiations between Turkey and the EU regarding the refugee crisis. On this topic, one Member of the Turkish Parliament expressed their frustration that, “even the Energy Chapter is frozen, despite the fact that Turkey plays a very central role in the European energy security sector”.

In order to open new accession chapters, Turkey is required to fully implement the Additional Protocol to the Ankara Agreement, and normalize its relations with the Republic of Cyprus. However, Turkey refuses to extend diplomatic recognition to Cyprus and implement its agreement to extend the benefits of its Customs Union with the EU to Cyprus, by denying access to its sea and air ports to Cypriot shipping and commerce until a political settlement has been achieved on Cyprus.

Since its EU accession is considered an open-ended rather than an automatic or guaranteed process, Turkey approaches developments regarding CSDP with skepticism.

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31 Turkey signed the Protocol in July 2005 but made the point that, by signing the Protocol, it was not granting diplomatic recognition to the Republic of Cyprus.
32 Barysch 2010.
33 Author’s interview with Interviewee #6 in Ankara, Turkey, 15 July 2011.
34 Turkey announced that it would not open its ports or airports to Greek Cypriot vessels until the EU ended the “isolation” of the Turkish Cypriots and engaged in direct trade between the EU and the Turkish Cypriots.
As one scholar concludes, “an open-ended accession negotiations framework generates perverse incentives that may induce both the EU and the accession country to reduce the probability of their commitments to fulfilling their obligations” and “breaking deadlocks in accession negotiations requires coordinated action by the EU and the accession country.”

Years of frustration in the EU accession process have caused Euroskepticism among Turkish security elites as well as the public. When faced with “constant frustration”, one Turkish policymaker maintains, it is only natural that “Turkey will have to revise its constructive attitude with the EU.” As another analyst concludes, “by placing the bar [for accession] too high, Turkey is merely being pushed away.” If uncertainties regarding its EU accession continue, Turkey might become increasingly reluctant to coordinate its actions with the European allies or might become hesitant to allow the use of Turkish military assets, bases, and intelligence resources by European allies in a future crisis in the region. Turkey’s alienation from CSDP in particular, and from the EU in general, creates serious setbacks in the maintenance of European and transatlantic security. As Turkey’s hopes for becoming an integral part of the European security infrastructures dim, the country tries to present more diplomatic, political and military clout in the Balkans. All in all, as long as the hopes for its EU accession remain slim, Turkey is expected to continue approaching the EU with skepticism.

The EU’s continuing financial crisis further encourages Turkey’s economic ambitions in the Balkans. There is a growing sentiment among Turkish foreign policymakers that the country no longer needs the EU, as much as the EU needs Turkey. For instance, one Turkish diplomat noted, “We are not depressed that the chapters are frozen... It is not in the EU’s interest to make Turkey’s EU membership irrelevant.” Indeed, many Turkish policymakers interviewed noted that if the European economic crisis continues, the allure of Turkish membership into the EU might eventually wane. This might be said to increase Turkey’s incentives for asserting a more independent presence and voice in the region. In the words of one scholar, “Ironically, while the EU has brought Turkey and the Balkans closer together, the faltering influence of the Union now adds to Turkish confidence and prestige, thus bolstering a go-it-alone approach.”

Against the background of the financial crisis in the Eurozone, Turkey has been trying to fill a void in the region left by the EU. Turkey therefore increasingly pursues Realpolitik

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35 Uğur 2010, 985.  
36 Yılmaz 2011.  
37 Author’s interview with Interviewee #4 in Ankara, Turkey, 14 July 2011.  
38 Tocci 2010, 6.  
39 For a detailed analysis of Turkish foreign policy preferences with regards to the EU-NATO security relationship, see Dursun-Özkanca 2016.  
40 Author’s interview with Interviewee #11 in Ankara, Turkey, 18 July 2011.  
41 Author’s interview with Interviewee #10 in Ankara, Turkey, 18 July 2011.  
—a pragmatic and interests-based foreign policy. As the following section illustrates, the country seeks to pursue economic statecraft in order to establish itself as an economic power in the region.

**A New Emphasis on Economic Statecraft**

David Allen Baldwin, in his influential book *Economic Statecraft*, defines “economic statecraft” as “economic tools of foreign policy”.

This article makes the argument that one of the novel developments in Turkish foreign policy towards the Western Balkans is a new emphasis on economic statecraft and Turkish economic interests in the region. At every occasion of a high-level diplomatic visit by Turkish government officials to the region, a group of Turkish businesspeople are also brought to establish economic ties between Turkey and the rest of the region.

Turkish policymakers are cognizant of the fact that Turkey’s geographical proximity to the Balkans provides good incentives for increasing trade volume and boosting the economic side of the relationship. First of all, as mentioned above, Turkey’s proximity to the Western Balkans reduces transportation costs. Secondly, the similarities in consumption habits between the people in Turkey and the Western Balkans make the region a very profitable market for Turkish companies. Accordingly, Turkish companies flourish in finance, construction, medical, and insurance sectors in the Balkan markets. Turkish companies increasingly win the bidding offers for privatization of state-owned enterprises in the Balkans.

At the June 2010 summit of the SEECP in Istanbul, then Turkish Foreign Minister Davutoğlu expressed Turkey’s eagerness to make the region “a hub for infrastructure, transportation, and energy projects as well as financial transaction.” The trade volume between Turkey and the Balkans, which was around 2.9 billion USD in 2000, increasing to 17.7 billion USD in 2011. Balkan countries accounted for 6.7 percent of Turkey’s total exports in 2009 and 3.4 percent of its total imports. The cumulative value of Turkish foreign direct investments in the Balkans in 2009 was around 4.6 billion USD. In order to improve trade with the Balkans, the Turkish government formed a Balkan Countries Working Group under the Under-Secretariat for Foreign Trade.

In April 2012, the then Turkish Deputy Prime Minister Babacan said “Balkans should be a single economic zone in which borders and visas were lifted, more free trade agreements

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43 Baldwin 1985, 4.
44 Dursun-Özkanca 2010.
45 Türbedar 2011, 142.
46 Ibid.
47 Ibid.
were made, customs duties and quotas were removed”.

As put by one high-level Turkish diplomat, “Turkey wants to consolidate its economic power in the region, before the countries in the region become EU members”.

In the words of the same interviewee, Turkish businesses are the “new Janissaries” in the Balkans.

Turkish financial corporations are increasing their presence in the Balkan markets. The Turkish Economy Bank (TEB) has already opened up branches in Kosovo. Other major Turkish banks, including İşbank, Ziraat Bank, and Halk Bank, also made new acquisitions in the Balkans. As one analyst noted “apart from serving as conventional financial support mechanisms for investors, these banks have become the most important source of information for both the sector specific developments and the business cultures of these economies”.

In April 2010, ENKA, a Turkish construction company, together with an American partner, Bechtel, won the tender for the Vërmicë-Prishtinë-Merdarë highway, Kosovo’s biggest ever infrastructure project. Connecting Kosovo with Albania and Serbia, the highway is expected to boost the trade volume between Kosovo and the rest of Europe. Similarly, in August 2010, the Turkish-owned Limak Group together with its French partner Aeroports de Lyon signed an agreement with the Kosovar Government, acquiring the operating rights and the renovation responsibilities of the Prishtina International Airport for 20 years. Consequently, not only is Turkey gradually increasing its cultural presence in the Western Balkans, in parallel, it is also raising its economic clout.

As noted by a recent report by a Turkish NGO, The Economic Policy Research Foundation of Turkey (TEPAV), the investment integration between Turkey and the Western Balkans is stronger than trade integration. Turkish businesses find the Balkans market very appealing to business opportunities, especially given that the countries in the region are en route to EU admission. This situation provides an added incentive to Turkish companies to invest in the region, as the labor costs are “almost half of those in Turkey and the price of industrial land is as low as five percent of the Industrial Zones in the Marmara region”.

According to TEPAV’s findings, the engagement of the Turkish private sector is low in Serbia and Montenegro, medium in Bosnia and Herzegovina and Kosovo and high in Albania and Macedonia. Turkish companies see the Balkans “as a first step towards going regional and then global”.

In the words of a leading scholar on Turkish foreign policy,
Turkey has transformed itself into a “trading state” in which the national interest is no longer considered to mean national security alone.\textsuperscript{56}

Finally, with respect to economic statecraft, it is also pertinent to review Turkey’s energy policies in relation to its foreign policy in the Western Balkans. A few studies have examined Turkey’s position in the Western Balkan energy security in light of its relationship with the EU and Russia.\textsuperscript{57} Turkey aspires to maintain a central role in the projects that transport Caspian and Middle Eastern gas into Europe, including the Western Balkans. While Turkey initially supported the Nabucco Project to deliver Persian and Caspian gas to Europe, with the waning of the European enthusiasm for the project, it decided to move on with the construction of the Trans-Anatolian Pipeline (TANAP) instead. The TANAP enables Turkey to play an even more pivotal role in Western Balkan energy security “by becoming an integral part of the Southern Gas Corridor”.\textsuperscript{58} The Turkish Ministry of Energy and Natural Resources formed “energy teams” that include “both public and private sector representatives of Turkey’s energy industry and make visits to regions in which there is potential for investment”,\textsuperscript{59} and the Ankara Summit Declaration in May 2013 emphasized the need to enhance energy cooperation between Turkey, Serbia, and Bosnia.

During Russian President Putin’s visit to Turkey in December 2014, it was announced that the South Stream pipeline project was suspended, much to the dismay of Bulgaria, and a new memorandum of understanding was signed between Russia’s Gazprom and Turkey’s BOTAŞ for the construction of a new project called the Turkish Stream. Turkish Stream envisioned delivering natural gas from Russia to Turkey via the Black Sea, and then further to the Balkans. Many analysts questioned whether Turkish Stream would compete against the Trans-Adriatic Pipeline (TAP) and TANAP projects, which envisaged transporting the Azerbaijani gas to Turkey.\textsuperscript{60} On April 7, 2015, the foreign ministers of Turkey, Greece, Serbia, Macedonia, and Hungary announced that they are ready to join the Turkish Stream.\textsuperscript{61}

Turkish Stream would have enabled Turkey to play a very central role in the Western Balkan energy security scene. Nevertheless, due to the recent tensions between Turkey and Russia, following the Turkish armed forces’ downing of a Russian fighter jet in November 2015, the negotiations between Turkey and Russia on the Turkish Stream project came to a halt and the project was suspended. Nevertheless, according to one source cited by RT, it is hoped that “Turkish Stream will be pushed back by a few years, rather than completely

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\item \textsuperscript{56} Kirişçi 2009, 33.
\item \textsuperscript{57} Önsöy and Udum 2015; Ekinci 2013.
\item \textsuperscript{58} Ekinci 2013, 16.
\item \textsuperscript{59} Önsöy and Udum 2015, 188.
\item \textsuperscript{60} Gurbanov 2015.
\item \textsuperscript{61} Makovsky 2015.
\end{itemize}
More recently, it is announced that Gazprom has revived the “Poseidon” project to bring Russian gas from Greece to Italy. But it is not clear how the Russian gas would reach Greece, with two alternatives – via Turkey or Bulgaria. Only time will tell what role Turkey will play in the European and Western Balkan energy security scene.

Turkey and the EU: Strategic Partners or Competitors?

Where does this holistic picture lead us in terms of the dynamics of the relationship between Turkey and the EU? This article makes the argument that Turkey pursues a pragmatic and proactive foreign policy in the Western Balkans and is mainly interested in establishing itself as an economic power in the region before the countries in the region become EU members. An important question to be asked is whether this new activism and a new emphasis on economic statecraft in Turkish foreign policy come at the expense of the EU’s leverage in the region. The fieldwork conducted for this research reveals that the official sentiment among the Turkish policymakers and diplomats is that this new activism is not intended to be in competition with or at the expense of the Euro-Atlantic framework. However, some European allies may perceive the motivations behind the recent activism in Turkish foreign policy as competitive and react with unease. As one Serbian diplomat notes, “The Istanbul declaration signed in April 2010 was perceived by Berlin like a finger in the eye: a green light from Belgrade to Turkey’s entry in the Balkans.”

Many Turkish officials interviewed note that one of the important sources of Turkish soft power is Turkey’s EU accession prospects and its NATO membership. They also acknowledge that Turkey’s EU membership prospects and NATO membership increase the desirability of Turkey’s foreign policy activism in the region in the eyes of the Balkan countries. Turkish government officials interviewed reassure that Turkish foreign policy in the Balkans is concordant with the EU and NATO policies in the region, and emphasize that Turkey supports both the Membership Action Plan (MAP) and the EU membership of these countries. It is also important to note that for the countries in the Western Balkans, accession to the EU remains a priority. Therefore, the Turkish authorities must be cognizant of limitations to Turkey’s political leverage in the region vis-à-vis the EU’s conditionality leverage.

Nevertheless, against the background of stalled accession negotiations and exclusion from the CSDP decision-making processes, and the subsequent lack of trust towards the EU, the country adopts a tit-for-tat foreign policy strategy, and embraces a more proactive foreign policy in the Balkans. As a non-EU member of NATO, Turkey is concerned about the decline of NATO’s role vis-à-vis the EU. As long as Turkey remains a non-EU

62 RT, 2 December 2015.
63 Gotev 2016.
64 Spasojević 2014.
NATO member, it is expected to continue preferring collective defense under the NATO framework. Many Turkish authorities interviewed held the opinion that it is important for Turkey to increase its economic presence in the region, as it would present a win-win situation for Turkey as well as the other Balkan countries in the region. Another sentiment confirmed by many interviewees is that Turkey wants to consolidate strong economic ties with the Western Balkan countries, before these countries accede to the EU.

Nevertheless, Turkey still continues to collaborate with the EU in the Western Balkans. All Turkish officials interviewed for this article denied an “axis shift” in the country’s foreign policy. They noted that the expansion of the circle of relationships in Turkey’s immediate neighborhood does not necessarily constitute an “either-or” type approach in Turkish foreign policy orientation, and maintained that “the East cannot be a substitute of the West,” as it is Turkey’s Western orientation what makes the country special in its relations with the East. The country continues to contribute troops to the EU-led operations, such as EUFOR/ALTHEA in Bosnia and Herzegovina, EUPM in Bosnia and Herzegovina, EULEX in Kosovo, and elsewhere. Turkey also hopes to enhance its cooperation with the CSDP, and sign an Associate Membership Agreement with the European Defense Agency.

More recently, on November 29, 2015, the EU-Turkey Joint Action Plan was activated in order to improve cooperation on the Syrian refugee crisis. The Joint Action Plan announced that Turkey’s EU “accession process needs to be re-energized” and that “the EU is committed to provide an initial three billion Euro of additional resources” for the welfare and protection of Syrian refugees in Turkey. Despite some incremental momentum in EU-Turkey relations, if Turkey’s accession to the EU remains deadlocked, Ankara might be tempted to split with the EU in order to further enhance its independent role in the region. The continuing economic crisis in the Eurozone might be said to give Turkey increased confidence to pursue a more determined economic statecraft in the Balkans. As the analysis in this paper suggests, Turkey’s national interests; resentment for its exclusion from European security developments; the uncertainties revolving around its EU membership prospects and the subsequent lack of trust towards the EU, have all led to Turkey’s attempts at pursuing a more independent foreign policy in the Western Balkans. The underlying rationale is to establish itself as an economic and political power in the region, and to bring renewed momentum into Turkey’s EU accession negotiations. As one scholar concludes, economic and political reform processes in the Balkans are stalled due to the interest calculation of the elites that the short-term costs outweigh the longer-term benefits of reform. This might also be said to contribute to Turkey’s motivation to move in to fill the gap in the region.

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65 Dursun-Özkanc 2008.
66 Author’s interview with Interviewee #3 in Ankara, Turkey, 13 July 2011.
67 European Union 2015.
68 Bechev 2012.
69 Ibid.
It should also be acknowledged that, despite a period of economic crisis and enlargement fatigue, the EU is still the most important actor in the region. EU’s Stabilization and Association Process (SAP) is a comprehensive framework for the countries in the region for their accession into the EU with three main goals: stability of SAP countries and their swift transition to market economies, enhanced regional cooperation, and eventual membership of the EU. The Instrument for Pre-Accession (IPA) Funding adopted by the EU in 2006 comprises of 11.5 billion Euros, and is intended for assistance for transition and institution-building, regional integration and development, human resources, and rural development. IPA II covers the period between 2014 and 2020 and has a budget of 12 billion Euros. Different than IPA I, it also includes regional cooperation initiatives.

The EU still maintains civilian and military missions in the region. Moreover, trade agreements between the EU and a number of Western Balkan countries have additional positive impact on the economies of the Balkan countries. Euro-Atlantic integration and enlargement of NATO and the EU are seen as pathways to maintaining stability, peace, and establishing democracy in the Balkans. The leading EU member states have much higher trade and investment volumes in the Western Balkans than Turkey.

Despite EU enlargement fatigue, i.e. the setback the EU enlargement process experienced as a result of the final three enlargement rounds, German Chancellor Angela Merkel wanted to emphasize that the future of the Balkans remain within the EU, by organizing the Western Balkans Summit in Berlin in 2014. More recently, at the Vienna Summit, the European perspective of the region and the resolution of open bilateral issues impacting the European integration process were put on the table. As one scholar notes, “the future of the EU is interlinked with the future of the Balkans.”70 Therefore, in the foreseeable future, Balkan policymakers will try to avoid creating the impression that by moving closer to Turkey they are surrendering their EU membership aspirations. Having said that, in the words of a leading analyst on Southeast Europe, the Western Balkans “remains the last non-integrated part of Europe. This is unfinished business for the EU and a serious test for its credibility.”71 If the EU is unwilling or incapable to take on a leading role, other regional actors might be willing to step in to fill the void.

**Conclusion**

This article concludes by making the argument that Turkey’s increased ambitions and activism in the region increasingly runs the risk of putting the country into a strategic competition with the EU. Changes in Turkish foreign policy are an attempt to respond to deteriorating relations with the EU due to serious setbacks in its EU accession negotiations process. In that respect, future studies might benefit from studying Turkish foreign policy behavior in the Western Balkans by using a foreign policy analysis theory.

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70 Bislimi 2011, 614.
71 Vejvoda 2016.
such as soft balancing theory – an increasingly popular theoretical framework developed under Realism’s balance of power theory.

Establishing open and democratic institutions, and consolidating peace and stability in the region are key priorities for NATO and the EU that are also shared by Turkey. Turkish authorities interviewed strongly believe that the change in the region will neither exclusively come from the EU, nor from NATO. They indicate that the human linkage, cultural interactions, and trade relations between Turkey and the Western Balkans are very important. With this comparative advantage, they maintain that Turkey may contribute to the stalled reform processes in the region.

At the same time, however, Turkey is increasingly becoming apprehensive of the possibility that it might become marginalized in the evolving Euro-Atlantic security infrastructures due to its non-EU member status and its faltering human rights record. Turkish foreign policy increasingly emphasizes the importance of economic advancements of Turkish interests in the region, in an attempt to respond to the uncertainties revolving around Turkey’s EU membership prospects, and the subsequent lack of trust towards the EU. Turkish authorities should nevertheless take note of the fact that Turkey can only act as an agent for change and contribute to the democratization and reform processes in the Balkans, as long as it takes steps to strengthen its own democracy, stays committed to NATO, and remains on track with regards to its EU accession process.
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