

Political relations between turkey and azarbaijan economics essay

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INTRODUCTION

There are three areas that have the greatest development for the foreign policy and foreign economic activity of Turkey throughout the Caspian Sea Region from 1991 to 2012. The collapse of the Soviet Union and the collapse of the Soviet economy opened up to develop the giant market of the Former Soviet Republics. Turkey like many border countries saw it as a great opportunity to advance their economic interests. Ankara was the first to recognize the independence of former Soviet republics, and relied on the same special relationship as in the case of Azerbaijan. There were many reasons to do this such as common language and culture, secular regimes, need a guide to building the economy and the state. On the other hand; Historical responsibility motivates Turkey's interest to nearby areas including the Caucasus, the Caspian, Balkans, the Eastern Mediterranean and the Middle East from the Gulf to North Africa. Turkey's new foreign policy ambitions are called policy of neo. Turkey aims to become a power exchange of Eurasia, monopolizing the flow of energy coming from the east to the West throughout the Baku - Tbilisi - Ceyhan pipeline which provides 50 million tons of oil per year. Turkey provides unusually active and ambitious foreign policy. Turkish diplomacy seeks to nullify the problems with the nearest neighbors in the region, solving them through multilateral dialogue. After a pause, with the AK Party, Turkey has returned to the policy of the 1990s including the elements of Pan-Turkism. This turn has a direct impact on Ankara's relations with post-Soviet states of the Caspian Sea Region.

Independence, which acquired the republics of Central Asia; Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, Tajikistan added new options to the

Turkish foreign policy. In many areas of Turkey's relations and cooperation with the countries with which it has a common language, history and cultural relations are growing rapidly. Basic policy towards the countries of Central Asia is to promote the continuation of its entities and companies, strengthen the independence and achieve political and economic stability. Turkey maintains membership in international organizations of Central Asia and participate in the Partnership for Peace / NATO and for membership in the UN, the OSCE and the ECO. Summit of Turkic-speaking countries form a multilateral platform that collects, Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Turkey together at the highest level. On the other hand, in order to conduct a more productive type and follow-up, continue to work towards the creation of the Parliamentary Assembly of Turkic-speaking countries or a permanent secretariat which will be operational in Ankara. Also economic relations with the countries of Central Asia has rapidly been developing. Significant progress has been made in the areas of trade, communication and transport. In addition, in order to provide technical assistance to the Central Asian republics, Turkish Agency for Cooperation and Development (TICA) were established. Loans provided by the Turkish Eximbank to the region, a total exceeded \$ 1 billion With these loans were scheduled to turn the region into an attractive investment area for Turkish businessmen. The volume of trade with the region was 4. 5 billion U. S. dollars. Total investment by Turkish companies in the region exceeded 4. 6 billion U. S. dollars. Furthermore, the total value of the projects implemented in the region by Turkish contracting firms is about \$ 20 billion. Turkey's relations with the countries of the region have been rapidly

developing in the field of culture and education. Turkey has launched a large scholarship program for students from these countries in the period 1993-2008. About 11. 899 students had the opportunity to receive scholarships. So far, 5. 579 students are enrolled in 32 universities of Turkey. In the republics of Central Asia, there are Turkish schools under the Ministry of national education, and private organizations. Turkish-Kazakh University of Khoja Ahmed Yasawi in Kazakhstan and Bishkek, Kyrgyz-Turkish (Manas University) in kyrgyzistan were founded.

CHAPTER 1

Political and Economical Relations Between Turkey and Azarbaijan

1. 1 Political relations between turkey and azarbaijan

" Relations between Azerbaijan and Turkey have a long history. Common ancestry, language, religious unity, similar cultures, customs and traditions are among the factors causing these connections. Turkey and Azerbaijan are in the most difficult periods in its history to support each other. After Azerbaijan gained independence, the first to recognize was Turkey on November 9, 1991. Establishing diplomatic relations opened broad prospects for the development of relationships between the two countries. Relations between Azerbaijan and Turkey are based on mutual trust, historical friendship, mutually beneficial cooperation. Belonging to the same roots, similar languages, the same religion, culture brings these two countries support each other in sorrow and in joy. Today, relations between Turkey and Azerbaijan, thanks to the correct, targeted government policies, have achieved a high level, and in some areas have moved to a new stage. In the <https://assignbuster.com/political-relations-between-turkey-and-azarbaijan-economics-essay/>

last almost two years, the relations between Turkey and Azerbaijan were constantly high. Political relations are at a high level. The mutual trade turnover increases, the structure of trade is also positive. Ties in the energy sector has great importance not only for the two countries but also for the region. Joint projects - the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum today provide energy security of Azerbaijan, Turkey and other countries." [1] Turkish businessmen were the first ones to come to Baku and invest in the Azerbaijani economy. Understanding the language and culture of doing business in the country gave them a clear advantage over the businessmen from other countries. Ankara provided military training to Azeri soldiers, humanitarian assistance to the refugees and internally displaced, as well as political support. From the onset of the Karabakh conflict, Turkey, unlike Iran, condemned the Armenian aggression and subsequently closed its border with Armenia, protesting the occupation of Azerbaijani territory by Armenian forces. Thus, one can conclude that the bilateral relations were off to a great start." [2] These were the positive side of the mutual relations between Turkey and Azarbaijani but we should also not forget that there were some negative ones too. Past 20 years were actually observed during difficult periods. Ankara has been making efforts to enhance its foreign policy with the countries of the former Soviet Union and the South Caucasus region, this fact makes it necessary to close and consistent Azerbaijani-Turkish cooperation in all fields." It is necessary to develop a common position on the international political stage for the discussion of crucial issues of Azerbaijan and Turkey. Road map will initiate the formation of new political cooperation mechanisms. Azerbaijan and Turkey can not ignore each other's

interests in such matters as the fictional Armenian genocide or the settlement of the Armenian-Azerbaijani Nagorno-Karabakh conflict. Strategic partnership between Turkey and Azerbaijan suffered unprecedented damage, and it could have far-reaching consequences. From the time when the Turkish ruling Justice and Development Party has announced its intention to normalize relations with Armenia, the relations between Ankara and Baku have cooled. Turkish experts refers to the fact that Baku and Ankara still fails to use appropriate resources and the existing potential for the further development and strengthening relations the quality of which depends on a number of not only regional, but also international issues." [3] It is expedient that Turkey and Azerbaijan are based precisely on the common forces that run faster and required strengthening of Azerbaijani-Turkish alliance. important responsibility in this case lies with the civil society of both countries.

1. 1. 2 Turkey's reaction to Nagorno - Karabakh conflict

" Since the war Turkey fully supported Azerbaijan. After the transition Kelbajar region was taken under the control of Armenian forces, Turkey made an emergency meeting on the UN Security Council Turkey has been an active member of the OSCE Minsk Group, established in 1992 to mediate between the parties to the conflict but OSCE Minsk Group failed to provide a permanent platform conflicting parties to negotiate a peaceful resolution of the crisis. The international community, which promotes human rights around the world, must first pay attention to the Nagorno-Karabakh conflict and efforts to resolve it. As the Armenian forces to achieve success in the Karabakh war , the Armenian-Turkish relations are increasingly deteriorating.

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In May 1992, the Armenian armed forces attacked Nakhichevan, there was a situation in which Turkey would intervene into the war. In 1993, Turkey blocked the Armenian-Turkish border, citing the occupation of Azerbaijani territories by Armenian forces. The Turkish government has promised to open the border only if Armenia will cease to seek international recognition of the Armenian Genocide and withdraws from the conflict in Nagorno-Karabakh"[4]Turkey's position on the Nagorno-Karabakh conflict is clear and unchanging. Armenia must necessarily liberate the Azerbaijani territory to stabilize the situation in the region.

1. 1. 3 Turkey's Energy Politics towards Azerbaijan

" Azerbaijan and Turkey have subsequently built upon their linguistic and cultural ties to form a very close economic partnership that sees Turkey negotiating to buy natural gas from Azerbaijan and the two co-operating, along with neighbouring Georgia, in such infrastructure projects as the Baku-Tbilisi-Ceyhan pipeline, the South Caucasus Pipeline, Kars-Tbilisi-Baku railway and the proposed Trans-Anatolian gas pipeline all of which bypass Armenia despite a recent thawing in diplomatic relations between Ankara and Yerevan, that make them key players in European energy security."[5]"

The need for cooperation between Turkey and Azerbaijan in the energy sector has the support of the U. S. and the EU. In 1994-2009, five agreements between Azerbaijan and Turkey were signed. The main directions of the Turkish-Azerbaijani cooperation are the construction of oil and gas pipelines, as well as joint development of fields in the Caspian Sea. Turkey and Azerbaijan have implemented two major joint Project; one of these was the construction of the Baku-Tbilisi-Ceyhan oil pipeline and the

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other one was the Baku-Tbilisi-Erzurum gas pipeline. The Baku-Tbilisi-Ceyhan oil pipeline was opened in 2006, its length is 1, 767 km, of which 443 km are paved Azerbaijan, in Georgia - 248 km, in Turkey - 1076 km. The volume of oil imported through the Baku-Tbilisi-Ceyhan oil pipeline amounted to 36. 2 million tons in 2009. The gas pipeline was commissioned in 2007. This project was beneficial both for Turkey and Azerbaijan. The project allowed to export Azerbaijani gas to Europe via Turkey, bypassing Russia. For Azerbaijan, the pipeline is a major route for gas exports to Europe. In addition, the project provided the inflow of investment of foreign companies in Turkey and Azerbaijan."[6]Economically, the project was the most profitable for Azerbaijan, which has spent the least amount of money (260 million dollars. Dollars) for its construction, and most of the dividends received from the export of its own energy resources. For Turkey, it was also cost-effective due to the minimal amount of construction costs and increase profits obtained for the transit of oil. For the EU and the U. S., this project has an economically unprofitable due to high financial costs of its construction and to reduce the price of oil, but its implementation has led to the strengthening of the U. S and the EU in the Caspian sea region.

1. 1. 4 Technical and Military Cooperation between Turkey and Azerbaijan

" An agreement on strategic partnership and mutual assistance was ratified by the parliaments of Azerbaijan and Turkey in the previous years. The contract consists of 23 articles and 5 sections. Article 2 of the Treaty states that if one of the parties undergo armed attack or aggression by a third country or group of countries, the parties will have a mutual aid with all the

possibilities. Article 3 provides for close cooperation in the defense and military-technical policy. The parties will also work together to address the threats and challenges to national security. Baku and Ankara pledged to ban the activities of organizations and groups that threaten the independence, sovereignty and territorial integrity of each other. The Parties undertake to prevent the use of its territory for aggressive acts and other acts of violence against the other. The parties will meet the threats and challenges to regional and international stability and security, and in particular to terrorism in all its manifestations, its financing, organized crime, money laundering, drug trafficking, etc." [7] For the purpose of conducting joint military operations in the defense and mutual assistance, the parties intend to take measures to improve the military infrastructure. The parties also agreed to cooperate in the production of defense products, to conduct joint military exercises, training specialists of the Armed Forces, to solve logistical arrangements of the army and military medicine. Besides, the parties intend to implement joint investment projects in global and regional energy security, the development of hydrocarbon resources in themselves and in third countries, their transportation and sale." [8]

1. 2 Economic Relations between turkey and azerbaijan

" Economic relations between Turkey and Azerbaijan continue to develop and Turkey's exports and imports to Azerbaijan have reached respectively 1. 5 billion and 865 million USD in 2010, forming a trade volume of 2. 4 billion USD. 86. 9 % of Turkey's exports to Azerbaijan consist of industrial goods (machines, equipment, plastics, electrical devices, steel commodities, cars) and 9. 3 percent are composed of agricultural goods. 93. 2 % of Turkey's

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imports from Azerbaijan are mining products, including oil and natural gas." [9] Turnover and mutual investments, Azerbaijan and Turkey continue to grow significantly. In 2011, the trade turnover between Azerbaijan and Turkey amounted to 3.5 billion dollars, of which 2 billion dollars account for Turkey's exports and \$ 1.4 billion - import from Azerbaijan. The trade turnover between the two countries in 1999 was \$ 300 million, which is almost 12 times less than in 2011. During the period from January to April 2012 Turkey's exports to Azerbaijan increased by 38.5 percent compared to the same period in 2011, amounting to 785 million dollars. Imports from Azerbaijan for the period increased by 24 percent compared to the same period in 2011, amounting to \$ 631 million. These data allow us to say that the trade between the countries grow rapidly. Azerbaijan and Turkey continue their cooperation to create a more sustainable environment for the growth of mutual investments. On the other hand Baku-Tbilisi-Ceyhan oil pipeline is a new stage in cooperation between Turkey and Azerbaijan, and opened up new opportunities for Azerbaijani oil supplies to the world market. After the implementation of this project, Azerbaijan's economy began to develop actively and has improved the welfare of society." [10] There are also discussions at other energy and transportation projects that will make a huge contribution to the economy of both Turkey and Azerbaijan and the entire region. The number of Turkish companies operating in Azerbaijan amounted to 1,266 companies. These companies have created 30,000 jobs in Azerbaijan, taking first place among foreign companies established in the country. At present, there are 1,049 companies with Azerbaijani investments. Investments in Azerbaijani Turkish economy totaled three

billion dollars, mainly in the energy sector and tourism. Azerbaijan and Turkey continue their cooperation to create a more sustainable environment for the growth of mutual investments.

1. 2. 1 The Baku - Tbilisi - Ceyhan Pipeline Project

" The main directions of the Turkish-Azerbaijani cooperation are the construction of oil and gas pipelines. Turkey and Azerbaijan have implemented two major joint project: the construction of the Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas pipeline. Baku - Tbilisi - Ceyhan pipeline is a pipeline to transport Caspian oil to the Turkish port of Ceyhan located on the Mediterranean coast. From a geopolitical point of view, the main purpose of the pipeline was to create an independent oil routes from Russia through Azerbaijan to international markets in order to diversify energy export routes and stabilize the world energy market. The Baku-Tbilisi-Ceyhan oil pipeline was opened in 2006, its length is 1, 767 km, of which 443 km are paved Azerbaijan, in Georgia - 248 km, in Turkey - 1076 km. The volume of oil imported through the Baku-Tbilisi-Ceyhan oil pipeline, in 2006 amounted to 8, 000, 000 tons, in 2007 - 28. 02, and in 2008 - 20. 9, in 2009 - 36. 2 million tons . Economically, the project was the most profitable for Azerbaijan which has spent the least amount of money for its construction and most of the dividends received from the export of its own energy resources. For Turkey, it was also cost-effective due to the minimal amount of construction costs and increase profits obtained for the transit of oil. For the EU and the U. S., this project has an economically unprofitable due to high financial costs of its construction and to reduce the price of oil, but its implementation has led to the strengthening of the U. S. and the EU in

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the Caspian region." [11] The pipeline has changed the geopolitical balance of power in the vast region which covers Central Asia, the Caucasus and the Caspian Sea. Transporting large volumes of oil that could be implemented through Russia will now be made bypassing Russia, which will reduce Russia's influence in the region. The Americans not only have an alternative source of Persian Gulf oil, but also expanded its zone of influence. As we can easily understand, U. S. A has benefits from the Project. What about Turkey?" Besides all indirect revenue to be generated in relation to the BTC Crude Oil Pipeline Project, Turkey will collect USD 140 to 200 million in the first 16 years of the Project and USD 200 to 300 million in the 17th to 40th years period depending on the amount of transported oil, as " transit fees and operations services payments. Turkey will assume in the near future a major role in the transportation of rich reserves of 200 billion barrels crude oil and 18 trillion m³ natural gas of the Caspian Region to the world markets and to the European markets in particular. Turkey, although rich in minerals, does not have a significant potential as far as oil and natural gas are concerned. Due to limited domestic production capacity, Turkey is 64% dependent on imports to offset its energy requirements. This percentage is expected to increase drastically in the next 20 years, rising to 72% in 2010 and up to 76% in 2020. Considered as a natural bridge between the western markets with high demand and oil and natural gas exporting countries like Iraq, Iran, Azerbaijan, Kazakhstan and Turkmenistan, Turkey is today, and will be in the near future, defined as a " major transit country". In this context, Turkey accords a major importance to transportation of energy through its land and to the pipeline projects in particular." [12]

1. 2. 2 The South caucasus gas pipeline Project

" One of the European Union's strategy is to create conditions for active communication message route Central Asia - South Caucasus - EU - Turkey. Importance of Turkey as a strategic partner of the EU will increase because of the desire of Europe to gain access to new markets and sources of raw materials in Central Asia. Access to local markets for Caspian oil is necessary for the growth of the European economy. Turkey is a democratic country with close political, cultural and trade relations with countries of the region, the EU will provide a stable supply of energy. Joint projects of Turkish and European companies have already led to the launch of the Baku-Tbilisi-Ceyhan oil pipeline and the South Caucasus gas pipeline, which is being built along the railway and highway. Thus, the impact of Europe through Turkey will be projected on the shore of the rich energy resources of the Caspian Sea. Joint projects between Ankara and Brussels supported by Washington, is a trans-Caspian gas pipeline. The source of gas for this project is Azerbaijan, Kazakhstan and Turkmenistan, and transit passes are through Georgia and Turkey, bypassing Russia." [13] The South Caucasus Pipeline (SCP) is a gas pipeline to transport gas from the Shah-Deniz field in the Caspian Sea to Turkey. 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 at the city of Erzurum. The construction process commenced in 2004 and was completed by the end of 2006. The length of this pipeline is 692 km and it is capable of carrying up to 7 billion cubic meters of gas. The expansion of the South Caucasus Pipeline is part of the Shah-Deniz Full Field Development project. This expansion will involve

the laying of a new pipeline across Azerbaijan and the construction of two new compressor stations in Georgia. This will triple the gas volumes exported through the pipeline to over 20 billion cubic meters per year. At the border between Georgia and Turkey, the pipeline will link into other new pipelines to provide gas into Turkey and the European Union." [14] When we have a look at the pipelines with political aspects, we see that one of the European Union's strategy is to create conditions for active communication message route Central Asia, South Caucasus, EU, Turkey. Importance of Turkey as a strategic partner of the EU will increase because of the desire of Europe to gain access to new markets and sources of raw materials in Central Asia. Caspian oil, access to local markets are necessary for the growth of the European economy. Turkey is a democratic country with close political, cultural and trade relations with countries with the world's largest reserves of natural gas and oil, the EU will provide a stable supply of energy. Joint projects of Turkish and European companies have already led to the launch of the Baku - Tbilisi-Ceyhan oil pipeline and the South Caucasus gas pipeline, which are being built along the railway and highway. Thus, the impact of Europe through Turkey will be projected on the shore of the rich energy resources of the Caspian Sea." [15] On the other hand, Turkey seeks to present its experience of nation-building as a model, the most suitable for young Turkic states. It should be expected that membership in the EU will use the Turkish leadership to further strengthen its position in Central Asia and the Caucasus. Widening and deepening the penetration of Turkish post-Soviet space will increase the importance of Turkey to the EU as a bridge to Eurasia.

CHAPTER 2

Political and Economical Relations Between Turkey and Kazakhstan

2. 1 Political Relations between Turkey and Kazakhstan

Today marks the 20th anniversary of the establishment of diplomatic relations between Turkey and Kazakhstan. Language, history and culture of Turkish and Kazakh peoples are based on common roots. That's why relations with Kazakhstan are vital for Turkish foreign policy. Based on this understanding, Turkey became the first country to recognize the independence of Kazakhstan." Following the independence of Kazakhstan several treaties and protocols were signed which established the legal basis for the future bilateral cooperation in various fields. In line with the exemplary level of relations between the two countries Kazakhstan has become the most important political and economic partner of Turkey in the region." [16] Trade relations between the two countries entered a period of rapid recovery. It is expected that by the end of this year, the volume of bilateral trade will amount to \$ 4 billion. Total investments of Turkish companies in Kazakhstan amounted to about \$ 2 billion. Turkey is the 15th largest investor in Kazakhstan after countries such as USA, UK, France, Netherlands, Russia. And in the non-energy sector of Kazakhstan, Turkey is the 4th largest investor country. There are more than 500 joint Turkish-Kazakh enterprises, and the number of companies that are based on 100 percent Turkish capital, is about 160. Turkish entrepreneurs are active in sectors such as food, chemical and pharmaceutical industry, hospitality and manufacturing. The total cost of the projects undertaken by Turkish

construction companies in Kazakhstan, has exceeded \$ 15 billion." [17] The relations between Turkey and Kazakhstan which gained a new dimension with the Strategic Cooperation Agreement signed during the visit of His Excellency President Mr. Nazarbayev to Turkey in 2009 follows an excellent course in all the fields. Frequent high level visits between the two countries pave the way for further deepening and diversifying of our relations. The economic and trade relations between Turkey and Kazakhstan continue to develop and diversify. Kazakhstan is Turkey's most important economic and trade partner in the region. The exemplary cooperation in the fields of education and culture constitutes another important dimension of our bilateral relations. The Kazakh students receiving education in the Turkish universities both in Turkey and in Kazakhstan, in Kazakh-Turkish schools in Kazakhstan and the Turkish students studying in universities in Kazakhstan particularly in International Hodja Ahmet Yesevi Turkish-Kazakh University constitute the basis of our common future." [18] On the other hand, International Organization of Turkic Culture "TURKSOY" was established in accordance with the agreement signed on 12 July 1993 in Almaty by the ministers of culture of Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Turkey. The main objectives of TURKSOY can be characterized as providing a better understanding between having Turkic roots Turkic states and peoples, as well as the preservation, revitalization and further development of culture and art of the Turkic-speaking countries and peoples. This organization within these objectives very successfully organizes conferences, seminars, concerts and exhibitions not only in their area, but also in various important centers of the World.

2. 1. 2 Technical Cooperation between Turkey and Kazakhstan

" One of the important areas of relations between Kazakhstan and Turkey is a military and military-technical cooperation. Turkey is one of the priority partners of Kazakhstan in the field of defense. Turkey is one of the priority partners of Kazakhstan in the sphere of defense. Military cooperation with the armed forces of Turkey is at a high level, which is developing quite confident and positive. The main directions of the relationship between the armed forces are training of Kazakh servicemen in military schools in Turkey, training and equipment of Kazakh special forces, assist in the reform of the armed forces of Kazakhstan. Military-technical cooperation between Turkey and Kazakhstan has been expanding. Turkish Defense Minister supported the Kazakh army of almost a trillion Turkish liras." [19]" The first aspect of Kazakhstan and Turkey's relations is the military-technical assistance, that provided gratis by the Turkish Armed Forces (TAF). Between 1998 and 2005, military-technical assistance totaled more than \$ 5 million and substantial military equipment and materiel have been supplied to Kazakhstan in the framework of this aid. Another significant feature of bilateral relations has been Turkey's contribution to education and training of Kazakh military since 1993. At present more than 300 Kazakh officers graduated from the War Academies of the Turkish Republic. Starting October 2004, Turkish language courses were set up at the Military Institute of Foreign Languages under the Ministry of Defense of the Republic of Kazakhstan. Last year, training of Kazakh officers at the medical courses of the Gulhane Military-Medical Academy has been initiated and Turkish specialists have trained the Kazakh battalion of Special Forces in military education centers of Kazakhstan.

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Under this program, more than 400 Kazakhstani military officers have been trained and acquired new skills. Cooperation in the framework of NATO's Partnership for Peace (PfP) program constituted another international aspect of bilateral ties between Turkey and Kazakhstan.."[20]

2. 1. 3 Turkey's contribution to Kazakh Education

" One of the major educational projects of Turkey is the establishment of Hoca Ahmet Yesevi International Turkish University in cooperation with the Kazakh government. Ahmet Yesevi is the first Sufi mystic who lived in the 12th century and a prominent leader for the whole Turkic world. He gathered his poems in his masterpiece, Hikmet (Wisdom), in Turkish. He was the first intellectual to use Turkish language in a period when all other intellectuals were writing in Arabic and Persian. This project is important for both countries considering that future policy initiatives are launched not only but governmental circles but also they are planned in universities."[21]" The university was established on June 6 1991 by the order of N. Nazarbayev and originally was known as Turkestan State University or Turgenev. The first rector was appointed by Turgay Zhurinov Murat Zhurinovich . On his initiative, the university later changed to the International Kazakh-Turkish University. According to the Universal Declaration of Alma-Ata summit, the two countries signed the Agreement on cooperation in the fields of education, science, culture and sports on May 1-1992, where it was decided that the Turkestan State University to become the university of both countries. Memorandum of intent was signed on September 28, 1992 in Ankara. Agreement on the Establishment of the International Kazakh-Turkish University named Khoja Ahmed Yasawi in the city of Turkestan was signed on <https://assignbuster.com/political-relations-between-turkey-and-azarbaijan-economics-essay/>

31 October 1992 between the governments of the two countries at the Summit of Presidents of Turkic-speaking countries in Ankara. The agreement came into force after it has been ratified by the Turkish Grand National Assembly."[22]" Kazakhstan also welcomed the opening of Turkish high schools, the total number of which is 14. Kazakhstan also responded positively to Turkey's offer and sent 1, 109 students for higher education and 169 students for secondary education in the 1992-1993 education term. In 2001, there were totally 625 Kazakh students continuing their education in Turkish schools in Turkey. These students, whose countries have fallen behind the world in technology, are taught the knowledge and skills related to recent technological developments. By doing so, these schools contribute to the development of Kazakhstan."[23]

2. 2 Economic relations between Turkey and Kazakhstan

" The Turkish-Kazakh relations during the period of time from 1991 to the present had an important place in the international system. Development of relations between the two nations went through a new phase, different from the previous own peculiarities. Turkey is one of the most important regional partner of Kazakhstan with which it is associated not only economic relations but also the deep cultural and historical ties. It should be noted that Turkey is the first to recognize the independence of Kazakhstan on December 16, 1991. The interest of both countries in the development of economic relations provides a good basis for comprehensive cooperation at the state level. Economic cooperation between the two countries despite the objective difficulties has been successful and has been steadily expanding. By the volume of trade with the CIS countries of Turkey, Kazakhstan firmly holds the

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third after Russia and Ukraine. The structure of Kazakhstan's exports to Turkey for the last years has not undergone any major changes and has a sharp raw materials. The main export products are copper cathode and cathode, zinc ingots, rolled ferrous metals, fertilizers, animal hides, wool and others. On the other hand, Turkey has purchased consumer goods, food products, medicines, cars, buses, trucks, telephone exchanges, detergents, etc. According to the State Administration of Foreign Trade of Turkey, more than 200 Turkish companies are developing or have launched more than 40 projects for a total of \$ 2 billion. Turkish companies involved in major projects in the energy sector, as well as metallurgical industry, agriculture, food and textile industries. When we take a look at the the relations in the field of banking, we see that the largest banks in Turkey such as Ziraat Bankasi established cooperative banks with Kazakh partners in Almaty which are now successfully operating on the financial market of the country. One of their main tasks is to service unsecured direct government guarantees for investment projects in both the public and private sectors in Turkey in Kazakhstan."[24]" Nazarbayev's trip to Turkey in 2012 holds much significance in terms of economic relations between the two countries. This was the first meeting of the High Level Strategic Cooperation Council founded during Erdoğan's trip to Astana. Following the meeting, Economy Minister Zafer Çağlayan and Kazakhstan Deputy Prime Minister and Minister of Industry and New Technologies Aset Isekeshv signed the three-year action plan which will conclude in 2015. With this program, the two nations will be joining forces in a number of areas spanning from industry to transportation, science to innovation and banking to even the energy sector.

Also part of the agreement will be the development of industrial zones and technology parks as well as a number of tourism investments. Nursultan Nazarbayev and Erdogan had also an opportunity to oversee of an action plan which will be implemented by 2015 and will include increasing trade relations, mutual investments and trade volume. The plan includes establishing collaborations in the metallurgy, chemicals, machinery, food, industrial and construction materials sectors. The Bakü-Tiflis-Kars railway line will cross over the Caspian Sea, providing access to Kazakhstan, which is one of the upcoming foremost priorities."[25]

CHAPTER 3

Political and Economical Relations between Turkey and Kyrgyzstan

3. 1 Political Relations between Turkey and Kyrgyzstan

" Turkey was the first country to recognize the independence of Kyrgyzstan on 16 December 1991 and diplomatic relations were established on 29 January 1992. The Turkish Embassy in Bishkek and the Kyrgyz Embassy in Ankara were opened in 1992."[26]Relations between Kyrgyzstan and Turkey are developing on the basis of an agreement about the eternal friendship between Kyrgyzstan and Turkey and the joint statement Kyrgyzstan and Turkey - together into the 21st century. Kyrgyz-Turkish relations in recent years, developing steadily. They are based on the general contractual legal framework, covering all major aspects of international cooperation and together represent a solid foundation on which to line up the Kyrgyz-Turkish relations in the future. The most important event in bilateral relations was held on September 5-6, 2006, the official visit of the President of Kyrgyzstan <https://assignbuster.com/political-relations-between-turkey-and-azarbaijan-economics-essay/>

Bakiev to Turkey." Turkey and Kyrgyzstan have signed more than 100 agreements and cooperation protocols in various fields such as education, culture, trade, economy, transportation, communication and military. " The Eternal Friendship and Cooperation Agreement" which was signed in 1997 by the Presidents of the two countries and the " Turkey and Kyrgyzstan: Together Towards the 21st Century" statement that was issued in 1999 are the documents underpinning our friendly and brotherly relations. To date, various high level contacts and visits, especially at the Presidential level have been conducted between the two countries. Lastly, our President H. E. Mr. Abdullah Gül paid an official visit to Kyrgyzstan on 26-28 May 2009. The last visit at the level of Head of Government to Kyrgyzstan was paid by our Prime Minister H. E. Mr. Recep Tayyip Erdoğan on 1-2 February 2011. Lastly, the Prime Minister of Kyrgyzstan paid an official visit to Turkey on April 25-28, 2011. In the framework of the mutual understanding reached in the course of the visit of our Prime Minister to Kyrgyzstan, a " High-level Strategic Cooperation Council" between the two countries was established. Furthermore, the Visa Exemption Agreement and the Agreement on the Functioning Principles of Kyrgyzstan-Turkey Manas University were signed during the visit of our Prime Minister."[27]

3. 1. 2 Turkey's Contributions to Kirghiz Military

" Turkey will support the construction of the new Kyrgyz military facility in Osh for the military institute of the Kyrgyz armed forces. Defense ministers of Kyrgyzstan and Turkey, Abibilly Kudayberdiyev and Vecdi Gonul, reached an agreement on the issues at a meeting. The project is worth approximately \$10 million. Turkey will also provide \$1 million for the Kyrgyz army. The sides

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discussed further bilateral military cooperation." [28] Fundamentals of military cooperation between the two countries were established in 1992 and developed in the following areas: military personnel training and language training, the provision of humanitarian and logistical assistance, training and a special mountain training, cooperation in the framework of the "Partnership for Peace" in the field of military history, military archives and publishers. On the basis of the Bishkek Higher Military School of successfully operating in orientation courses in the program "Partnership for Peace" as well as the law of armed conflict with the advanced study of the Turkish language. Widely developing cooperation in the field of military education. Kyrgyz soldiers trained in training officers for special purposes, the school Army and the Military Medical Academy of Turkey. The costs of training and maintenance of the Kyrgyz military is provided by the Turkish side. Turkey began training staff for Kyrgyz armed forces, providing humanitarian, material and technical support. Aid was also provided within the framework of the NATO "Partnership for Peace" program." The Kyrgyz Military Institute has advanced lessons of Turkish language. Kyrgyz officers receive ranks at the Turkish Land Forces School and the Military Medical Academy. Turkish instructors carry out mountain and sniper training. Turkey has provided military support for Kyrgyzstan worth \$8.5 million. This includes vehicles, communication and night vision, logistical, medical equipment and machinery." [29]

3. 1. 2 Turkey's Contributions to Kirghiz Education

The first successful line that began cooperation between Turkey and Kyrgyzstan, was education. The first students from Kyrgyzstan came to

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Turkey in 1991. Then began the allocation of quotas for Kyrgyz citizens in the overall quota for the Turkic-speaking countries and, since 1992, began a purposeful direction of students from Turkish universities to Kyrgyzstan. One of the major projects of the Kyrgyz-Turkish University named Anwar Mokeev "Manas", which was established in 1995. For the projects, Kyrgyzstan provided the land and the building, and the Turkish side has invested not only in the construction of the campus, but also pays the operating costs. Currently, this project is successfully implemented, the university has about 3,000 students from around the world. Also in the field of education operate private university "Ataturk-Ala-Too" and a network of Turkish schools. These institutions offer a relatively high level of education.

3.2 Economic relations between Turkey and Kyrgyzstan

"Turkey was the first country to recognize the independence of Kyrgyzstan on 16 December 1991 and diplomatic relations were established on 29 January 1992. The Turkish Embassy in Bishkek and the Kyrgyz Embassy in Ankara were opened in 1992." [30] The starting point for development of economic relations between Kyrgyzstan and Turkey was the establishment of diplomatic relations between the two countries." One of the major reasons for Bishkek's rapprochement with Ankara is the latter's economic attraction. According to Asia Times, Bishkek expects almost US\$ 450 million of Turkish investment and bilateral trade is predicted to reach US\$ 1 billion by 2015. Bishkek is undoubtedly aware of Turkey's general economic power. In Turkmenistan, for example, 90 percent of construction works are carried out by Turkish firms, which were worth US\$ 3.2 billion in 2011." [31] Turkish business in Kyrgyzstan is mostly represented by small and medium-sized

enterprises, whereas in more capital-intensive sectors Turkish investments do not participate yet. Economic and geographic factors have primary importance for Turkish entrepreneurs in investing Kyrgyzstan. Turkey's experience in the development of market economy, technological opportunities and attraction of investment for the development of consumer and industrial products are important for Kyrgyzstan. For further development of economic relations with Turkey it is important to establish productive cooperation through the organization of production in Kyrgyzstan, and with access to other markets in the region. Moreover, given its geographical location and its experience in European markets, economic cooperation with Turkey could serve as a bridge to the development and promotion of Kyrgyz exports to the European market. The fight against corruption and the optimization of bureaucratic procedures have particular importance for Kyrgyzstan for further expansion and strengthening of Kyrgyz-Turkish cooperation and attraction of foreign investment.

CHAPTER 4

Political and Economical Relations Between Turkey and Turkmenistan

4. 1 Political relations between Turkey and Turkmenistan

Turkey was the first country to recognize the independence of Turkmenistan and to establish an Embassy in Ashgabat." Turkey supported the idea of Turkmenistan to become a state with the status of permanent neutrality, officially recognized by the General Assembly resolution in 1995. Over the last twenty years, the bilateral Turkish-Turkmen relations are developing, especially in areas such as trade, energy, investment, economic projects, <https://assignbuster.com/political-relations-between-turkey-and-azarbaijan-economics-essay/>

and education. Bound by a common history, language, religion and culture, the two countries and peoples sustain balanced, cooperative and close relations based on the axiom " One Nation, Two States" and mutual respect. Today the cooperation between the two countries encompasses very diverse fields; foreign policy, trade, economy, culture and education being the foremost areas."[32]May 30, 2011, a working visit to Turkmenistan was made by Turkish President Abdullah Gul. The purpose of this trip was to develop relations in all spheres between Turkey and Turkmenistan which are friendly and brotherly countries and share a common language, faith, history, culture and values. Presidents of the two countries met in the Caspian city of Turkmenbashi, which is located near the national tourist zone Avaza, attracting attention of Turkish business." Ashgabat and Ankara always emphasize the fraternal nature of relations between the two countries and peoples, noting their historical, cultural, linguistic affinity, common traditions and cultural values. And the fact that it is the Turkish Republic was the first country in the world to recognize the independence of Turkmenistan and first opened its embassy in Ashgabat, historically attached to the Turkmen-Turkish relations of a special nature. A solid international legal framework, consisting of more than 120 documents were signed at the interstate, intergovernmental and interdepartmental levels. Turkmenistan and Turkey are actively cooperating in the field of education and culture, trade and energy, construction and communications and in the textile industry. Bilateral trade increased by 25 percent in 2011 comparing to 2010, and investments of Turkish companies in various sectors of Turkmen economy has been estimated multi-billions. Turkey has traditionally been a

strong supporter of Turkmenistan's foreign policy initiatives in the area of the security, including energy security. Productive enough Ashgabat and Ankara react to the regional level, in particular within the framework of the Organization of Islamic Cooperation and the Economic Cooperation Organization. Since 1993, there is close cooperation between the parties through the Turkish government's International Cooperation Agency (TICA), which implements projects in Turkmenistan in agriculture, finance and statistics, road construction, health, education and culture, science and education."[33]

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4. 1. 2 Turkey's energy politics towards Turkmenistan

The main directions of the energy cooperation between Turkey and Turkmenistan are; the participation of Turkish companies in the construction of energy facilities in Turkmenistan, Turkish investments in the energy sector of Turkmenistan, as well as the transit of Turkmen gas to Europe. For Turkmen energy market there are several Turkish companies, the largest of which is the consortium " Calik Energy." In 2003, the Turkmen government, the American company " General Electric" and the consortium " Calik Energy" signed a tripartite agreement on cooperation in the implementation of the master plan for electricity production in Turkmenistan until 2011. In 2009, the consortium " Calik Energy" won a tender to build a power plant for the Turkmenbashi petrochemical complex. In 1999 it was awarded the contract for the supply of Turkmen gas to Turkey for 30 years, but at the moment its effect suspended. Thus, Turkmenistan participates in the implementation of some joint projects with Turkey, but has not yet become

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an alternative supplier of Russian gas to Turkey. An important direction of Turkish-Turkmen cooperation is the development of transit routes for Turkmen gas to Europe via Turkey. The current supply of Turkmen gas to Europe made by Russia, which, according to the contract in 2003, buys Turkmen gas for re-export. As in the case of Iran, Turkey sought to draw Turkmenistan to participate in joint projects with the organization of gas exports to Europe. Negotiations on the construction of Trans-Caspian gas pipeline began in 1998 with the active support of the EU and the U. S.. However, because of the unresolved legal status of the Caspian Sea and the conflict between Azerbaijan and Turkmenistan on the volume of gas that each country will supply through the pipeline in 2000, the project was shelved. A new round of negotiations began in 2006 with the participation of Kazakhstan. The main project is supported by the European Union, which, after the gas conflict between Russia, Ukraine and Belarus began to pay considerable attention to the diversification of energy supplies. In 2007, the project came from Kazakhstan, and the parties failed to reach an agreement.

4. 1. 3 Trans-Caspian Gas Pipeline Project

" The Trans/Caspian gas pipeline would run under the Caspian Sea from Türkmenbaşy to the Sangachal Terminal, where it would connect with the existing pipeline to Erzurum in Turkey, which in turn would be connected to the Nabucco pipeline, thus taking natural gas from Turkmenistan to Central Europe."^[34] A project to import natural gas from Turkmenistan through a submarine pipeline was suggested in 1996 by the United States.^[35] In February 1999, the Turkmen government entered into an agreement with General Electric and Bechtel Group for a feasibility study on the proposed <https://assignbuster.com/political-relations-between-turkey-and-azarbaijan-economics-essay/>

pipeline. In 1999, while attending the Organization for Economic Co-operation and Development meeting in Istanbul, Turkey, Georgia, Azerbaijan and Turkmenistan signed a number of agreements concerned with construction of pipelines"[36]However, because of Russian and Iranian opposition to the project, an unresolved legal dispute over Caspian Sea territorial boundaries and a gas discovery on Azerbaijan's Shah Deniz field, the submarine pipeline project was shelved in the summer of 2000 and only the South Caucasus Pipeline project continued. Recently, the idea of a trans-Caspian gas pipeline attracts attention of Azerbaijan, Turkmenistan, the EU and the U. S.. In September 2011, the European Union gave the European Commission a mandate to negotiate with the governments of Turkmenistan and Azerbaijan to supply Caspian gas to Europe. In March of this year in Brussels hosted a trilateral meeting on Trans-Caspian gas pipeline. Before the year is expected to sign an intergovernmental agreement on its construction between Turkmenistan and Azerbaijan, as well as a political declaration. This year marks 20 years since the first time the idea of laying a pipeline under the Caspian Sea has been announced publicly. In 1992, this route was proposed by the Turkish company Botas. It envisioned the construction of a pipeline under the Caspian Sea from Turkmenistan to Azerbaijan and then to Turkey. The main supplier of hydrocarbons had to perform Azerbaijan and Turkmenistan, which are actively involved in the formation of a new pipeline architecture. It is in the interests of the Western countries, which tend to be leaders in the development of Caspian resources and to minimize the influence of Russia in the creation of new export pipelines. Western countries have provided political support to the Caspian

countries, encouraging them to work in the promotion of pipelines that would bypass Russian territory." On 12 September 2011, the EU Foreign Affairs Council agreed to give a negotiating mandate to the European Commission for negotiations with Azerbaijan and Turkmenistan on the Trans-Caspian Gas Pipeline. On 3 September 2012, after the meeting between the European Commissioner for Energy Günther Oettinger, Turkish Energy Minister Taner Yıldız, and Azerbaijani and Turkmenistani officials in Ashgabat, Yıldız stated that Turkey will buy gas from Turkmenistan through the Trans-Caspian Gas Pipeline." [37]

4. 2 Economic relations between Turkey and Turkmenistan

Over the last ten years of small enterprises and medium-sized businesses from Turkey tried to conquer the markets of Central Asia, with varying degrees of success depending on the sector and the country. Because of the relatively high isolation of Turkmenistan compared to other Central Asian countries, other investors but Turkey were afraid to take the risk to go into the market of Turkmenistan." Turkish companies are involved in all areas of business in Turkmenistan. The Turkmen and Turkish officials discussed political and economic relations between the countries and ways to enhance them further. With the participation of Turkish companies, a number of major projects including the construction of an industrial infrastructure as well as social and cultural are being implemented. Tourism is another area of cooperation which is soaring in Turkmenistan due to a large scale project to create the Avaz seaside resort on the Caspian coast. Both sides inked a package of bilateral documents. It was learnt at the talks that Turkey is amongst Turkmenistan's largest trading partners." [38]

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years, the bilateral Turkish-Turkmen relations are developing, especially in areas such as trade, energy, investment, economic projects, and education. Republic of Turkey is the biggest trade partner of Turkmenistan. In 2010, the trade volume between Turkey and Turkmenistan has exceeded \$ 1. 5 billion. While Turkish exports to Turkmenistan amounted to more than \$ 1. 1 billion. Turkey exports to Turkmenistan metals, consumer products, electronics, food, textiles, building materials, vehicles, drugs." Nonetheless, although Turkey became a major trading partner for Turkmenistan, relations have yet to live up to the ambitious rhetoric. Turkey's trade with Turkmenistan and Turkish-speaking countries, despite a two-fold increase in the last five years, still makes up only a small fraction of its overall trade. While the trade volume between these countries was \$8. 6 billion in 2011, it only accounted for three percent of Turkey's overall trade volume. Turkmenistan ranked third after Azerbaijan and Kazakhstan in Turkey's overall trade with Turkic-speaking countries. While Turkey's imports from Turkmenistan were worth \$392. 7 million, its exports totaled \$1. 5 billion." [39]

4. 2. 1 Turkmen - Turkey - Europe Gas Pipeline

It is no secret that the European Union and the United States would be very happy if the economic power of Russia significantly reduced. To achieve this task can only limit the supply of Russian energy resources to world markets. It's a fact that Europe itself can not yet do without Russian energy supplies. To reduce dependence on Russian gas, the conditions for the delivery of natural gas to Europe from Central Asia, and especially Turkmenistan must be created. Moreover, " under the belly" Russia has a so-called western corridor from Azerbaijan, Georgia, and then from Turkey to Europe. The EU

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and the U. S. have expressed support for the project to build the Trans-Caspian pipeline so that Turkmen gas can be supplied to the European market. The construction of the Trans-Caspian gas pipeline will not only generate additional export markets for Turkmenistan, and attract significant European investment in the country." Senior officials from Turkey, Azerbaijan, Turkmenistan and the European Union came together in Ashgabat to discuss the launch of the Trans-Caspian Gas Pipeline, which will include Turkmen gas in the Trans-Anatolian Pipeline (TANAP) project and deliver it to Europe through Azerbaijan and Turkey. The project aims to strengthen the southern corridor that is an alternative source of natural gas for Europe, diminishing its dependence on Russian gas. The move comes at a time when Turkmenistan is trying to ease its export dependency on Russia -- the main market for Turkmen gas -- and as Turkey and Europe are looking for ways to diversify their supply. Turkmenistan's willingness to supply 20-30 billion cubic meters of gas to Europe is of great importance to Turkey. The Trans-Caspian project is expected to provide Turkey with additional natural gas resources and also help it achieve its goal of developing into a regional energy hub between Central Asia and Europe. The proposal envisions that gas from Turkmenistan, with among the world's largest natural gas reserves, will flow through the Trans-Caspian line into the TANAP, which will run across Azerbaijani and Turkish soil and join the Nabucco West, the shorter version of the Nabucco Classic, on the western border of Turkey. Another route that the TANAP pipeline could feed into is the Trans-Adriatic Pipeline (TAP) line, which would deliver the Caspian gas to Italy through Greece and Albania. Construction of the \$7 billion TANAP pipeline project is to commence in 2013,

with gas to start flowing through it in 2018. The TANAP project was initiated by Azerbaijan and Turkey to transport Caspian natural gas, from the Azeri Shah Deniz gas field, to Europe and is considered to be the first true push to the EU-backed Southern Corridor. If realized, the Trans-Caspian pipeline, between Turkmenbashi in Turkmenistan and Baku in Azerbaijan, will introduce a gas route via TANAP and later Nabucco West or TAP to Europe. Turkmen gas transported via the TANAP pipeline will make the project more cost-effective and financially viable, analysts agree, underlining that additional and very topical issues remained on the Ashgabat agenda."^[40]The topic sounds very strong for Turkmenistan, as is expected to begin large-scale work on the development of hydrocarbons in the Turkmen sector of the Caspian Sea. In this case, there is very pragmatic question: how to implement extracted gas in the Caspian Turkmen? We should not forget that the neighbors of Turkmenistan on the Caspian Sea; Russia, Iran and Azerbaijan are themselves the countries exporting natural gas. They are not interested in the transit through its territory of "blue fuel" from Turkmenistan. Especially when these countries themselves are in search of new markets for their own gas.