

ALTERNATIVES

Turkish Journal Of International Relations

Volume 8

Number 4

Winter 2009

The Policies around the BTC Pipeline

Halil Erdemir*

Abstract

The post-Cold War years have witnessed rivalries and cooperation among the players for the Caucasus and Caspian Sea natural resources. The significance of the petrochemical resources of the region was increased by the policies were played for the transportation routes and competition on them. The BTC pipeline project was one of the important alternatives of network route of natural resources of the Caspian region for the western markets in general for the region in particular. The issue became a multi-faced matter in the fields of economic, security, political and diplomatic relations of the regional countries. The paper will discuss the BTC pipeline policies of the involving players' whys and wherefores of interests.

Key words: The Caspian Sea resources, energy security, oil and natural gas, the BTC Pipeline, foreign policy.

Introduction

The disintegration (1991) of Soviet Union led new developments in the former Soviet Republics, and in and around the Caucasus and Caspian region. The newly aroused situations have created opportunities as well as rivalries in many parts of the former Soviet Union. One of these grief rivalries was experienced in the Caucasus and the Caspian Sea region for its natural resources and transporting them to the world markets. (See the map 1: The BTC Pipeline, EIA).¹

Considering the strategic energy issue, one of the regional alliances was made between Turkey, Azerbaijan and Israel in the 1990s. This was a reflection of a new geopolitical reality

of the post-Cold War era. Such alliance fueled the awareness of the sharing and taking the bigger piece of the pie of natural energy resources and transferring into the World market. A number of scholars² have drawn their attention to the emergence of the alliances and policies in the region. Alexander Murinson (2008) has discussed in his recent publication the trilateral axis (Azerbaijan-Turkey-Israel) in the post-Cold War era, particularly the issue of energy security.³ International competition to access secure, cheap and reliable energy resources dramatically increased in the recent decades. The impact of energy needs have influenced on the foreign policy making and practicing of the regional countries. This paper explores how the growing importance of energy security contributed to the formation of the strategic alliances and policies of the involving states in and around the Baku-Tbilisi-Ceyhan (BTC) pipeline. In order to reflect adequately the complexity of the BTC policies in the post Cold War environment, the conceptualization of security is extended beyond military security understanding. This new concept included energy security and transferring networks discoveries and exploration of the natural resources, and related environmental issues.

Research problem and relevance

Energy demand and supply is a matter of international security issue. ‘How the international market will guarantee its reliable, cheap and secure energy needs from the sources in general from the Caspian region in particular’ became an important issue for the consumers. The western dependence to the Russian energy resources and its control of the supplying networks became an important matter of the European security. In such circumstances a question arose as ‘how and to some extent the BTC pipeline can possibly play a role in the diversifying of the energy sources and the security of the sustainable and reliable network routes for the west and regional countries?’ ‘What kinds of problems were/are carried out by involving parties for the BTC project’s realization?’ The policies have taken places in the recent past for the BTC might be an indicator for future policies’ direction and implementation of the players for the regional projects and plans in the coming years. ‘What kinds of instruments determined the created policies of the regional countries?’ are directly related regional powers’ interests of economic, political and strategic goals.

The object of the research described in this article is the importance of the BTC pipeline for the regional and international powers’ foreign policies and their security matters. The purpose the paper is to determine the impact of the BTC pipeline and its associate issues on the security and foreign policies on the energy issues of the countries in the region.

The research tasks are set in the article to define the players and their policies on the

construction of the BTC pipeline in particular, energy issue in general.

Theoretical framework: Energy and security issues of the region are discussed. The policies and economic data of oil and gas are analyzed.

Research methodology: Analyzing of scientific literature and collecting data, comparing the information on the subject of various governmental and academic outputs, interpretation of the available materials accordance with the policies carried out. Possible developments and expectations were forecasted according to the events took places in the recent past.

Research results: National, bilateral and multilateral relations were carried out as a result of the consideration of energy security, economic and political interests. The involving countries of the BTC worked to achieve the project while Russia and Iran opposed the plan. Nevertheless, the BTC was achieved despite the difficulties were created by the regional and international players, and with some shortcomings of the respected aims of the project, for the present time.

The BTC synergy in the cross road of its region



Turkey proposed to construct a pipeline that would deliver Azeri and possible other newly independent Turkish republics' oil and gas from the Caspian region to the western markets. The BTC pipeline would be geopolitically important for Azerbaijan, Georgia and Turkey for their economic and political independence from the regional influence, beginning with Russia and Iran.⁴ The Jewish authorities in Israel shared the similar perceptions of Turkish stands on regional security issues of energy needs, and supported the realization of the pipeline.⁵

Through the BTC pipeline the existing ethnic and linguistic relations economically and politically will be boosted between Turkey and Azerbaijan.⁶ Turkey was the champion to defend the BTC as for an East-West pipeline network from the Caspian to the Western market in the early 1990s. Necdet Pamir's⁷ strategic vision was 'to make Turkey as the chief player' in a global energy hub for delivery of Caspian and Iraq hydrocarbon resources to the West. Turkey already exported Iraqi oil through its oil terminal in Ceyhan about 1.5 to 1.6 million barrels of Iraqi oil a day.⁸ The Turkish authorities' ambition was to make Ceyhan seaport as one of the top global oil terminal by transporting oil and gas of the new Central Asian Republics with a number of new pipeline projects.⁹ Turkey sought to gain reliable energy sources of oil and gas by accessing to the new Turkish republics in Central Asia starting with Azerbaijan as the main stepping point for further energy resources. The US and Israel supported the Turkish initiative on the energy issue for their own end in the 1990s. For all their pragmatic and strategic reasons, Azerbaijan became the focal point of intensive diplomatic movement of Turkey, the US and Israel.¹⁰

An active military-strategic entente between Turkey and Israel was supported by the United States.¹¹ This entente further boosted with an economic cooperation which also promoted Azerbaijani independence and economic viability in the Caucasus and the Caspian regions. The US government supported and removed many obstacles standing in the front of the project after 1995. One of the American aims from the outcome of the project was to use Azerbaijan and Turkey as a frontline in the global war against any kind of fundamentalist movements in the region.¹² There were/are discussion for possible plans among the partners for the extension of the BTC to Israel and even further to the Eastern markets.¹³

Transformation of Security

The post Cold War era changed the concepts of security understanding.¹⁴ The bipolarity in the world system has shifted and diversified. The new fields of potential rivalries and the concepts of international security understanding were adjusted to the new aroused situation. These might be called to access secure energy resources, environmental sensitivities and biospheric changes in global climate, new ideological threats, the threat of WMD proliferation and their use against civilian population in metropolis cities. The new understandings of threats and comprehensive security have had effects on the relationship of regional countries in general and Turkey in particular with its immediate and regional neighbors. The Turkish-Israeli axis, Turkish-Iranian gas contract, the BTC and other potential pipe line projects were only few developments for Turkey during the 1990s.¹⁵

The traditional understanding of security had a dual goal of ‘preserving the integrity of a state’s territory’ and its ‘sovereignty’.¹⁶ Nevertheless there are other definitions of national security as proposed “the capability of a state to deter or counter threats to its three components: territory, society, and regime.”¹⁷ Comprehensive security includes ‘military capabilities, political legitimacy, ethnic, religious and cultural tolerance, economic capabilities, and the availability of essential natural resources’. Energy security is based on a state’s ability to have ‘continued access to sufficient supplies of environmentally safe, reliable and affordable energy, oil, and gas either from sources on its own territory or from sources abroad’. Since globalization has become the dominant force animating the economic reality of the international community, the competition for reliable sources of energy and energy security is at the top of the international agenda. Energy security has become integrally interlinked with the national, regional and international issues.¹⁸

The Caspian offerings and relevant policies

Azerbaijan’s petrochemical resources in the Caspian shelf in the early 1990s became an energy security and cooperative issues not only for Turkey but also for the neighboring states. Energy security is an important part for the alliances and cooperative developments of the proposed strategic projects in the region. Azerbaijan’s geographic location is highly significant for the world markets as in the east-west passageway to the land-locked Caspian Sea and its petrochemical resources, as well as an important link of a wider possible network on the way to Central Asia’s natural resources.¹⁹ In an energy security issue Israel plays an important role not only for itself but also for the region. The reason for that is the outcome of the Israelis possible role (the Jewish lobby and international Jewish finance organizations) in the formation of the energy policies in the US and the western world.²⁰

One of the fundamental anxieties of Israeli leaders was/is access to secure oil and natural gas sources since the main oil-producing countries were Arab and they are opposing to the existence of Israel.²¹ The fossil-fuel rich Caspian basin, which was predicted that the total exports of oil would have reached 2 million barrels per day, is (should be) an important source of energy security for Europe and the region.²² European and American energy requirements and strategic considerations have necessitated an establishment of stable, western-oriented countries and their leaders in the region. Azerbaijan was/is not exempted in the interests of the westerners for western orientation of its leaders and polity. A number of transport and communications routes were developed throughout the Caucasus in order to implement Western policy and to anchor Azerbaijan in the Western-dominated global

economy. This, one way or another led to improved political stability despite with its shortcomings in the region for the Caspian oil. The American sponsored East-West energy corridors and a transportation corridor known as the TRACECA (Europe-Caucasus-Asia project proposed by the European Union) were viewed as guaranteeing the independence and economic viability of Azerbaijan and the Central Asian republics.²³ The Baku-Tbilisi-Ceyhan (BTC) oil pipeline, the Turkmenistan-Turkey natural gas pipeline, and the Azerbaijan-Turkey South Caucasus gas pipeline were the components of the East-West Energy Corridor.²⁴ The construction of this proposed corridor would allow the West, the Caspian basin countries, as well as Turkey and Israel to benefit from the Caspian energy resources. This corridor somehow aimed to avoid possible obstacles produced by the countries such as Russia, Iran, and Iraq. The relationship among Israel, Turkey, and the US was one of the major factors for the selection of the BTC route,²⁵ which could be extended to bring oil directly to the energy-deficient Israel and further to the world markets.²⁶

Turkey expected to be one of the main beneficiaries of the BTC project, after experiencing dramatic consequences of the politics played for oil in the past decades in the South-western Asian Countries (SWAC). Turkish industry and infrastructural development were affected by the 1973 Oil Embargo and the Wars between Israel and its Arab neighbors. Nevertheless, the Turkish leaders while keeping their promises and obeying international rules, also resisted becoming a satellite of either the US or the Soviet Union during these difficult years. Some kind of independent policies were followed on the foreign policy matters particularly on the Cyprus issue and the SWAC problems.²⁷ Other than in economic matters, Turkey managed to avoid direct interference in its domestic affairs by the outside world. Despite the Turkish resistance on the formation of its foreign policy, the Turkish energy needs forced the Turks from time to time difficult situation on the relations with Israel and the Arab oil-producing countries.²⁸ The Turkish economy came very close to total collapse because of severe and enduring shortages of fuel, power and necessary imports in the second half of the 1970s.²⁹ Turkey had to pay much more for its crude petroleum imports than it received in export earnings from its main oil suppliers, Iraq, Libya, Iran and Saudi Arabia.³⁰ The Turkish authorities had never forgotten the decades in which they experienced the shortages of energy and tried to avoid from such difficult situation by creation and initiation of the new energy projects in the region.

The Americans eager to secure oil supplies from the Persian Gulf and they value the close cooperative works and allies of the Turkish-Israeli relations as stabilizing elements in their regional strategy in the SWAC during the Cold War years. Turkey began importing natural

gas from Russia and became increasingly dependent on Russian gas since 1987. Turks tried to secure Turkish economy's energy needs by the construction of the Blue Stream (*Mavi Akım*) project, which has a capacity to pump 565 Bcf per year. It is estimated that the Blue Stream project significantly increased Turkey's dependence on Russia for natural gas as contracted to import representing %67 by 2006.³¹ It is criticized the existing contracts and the Turkish authorities are trying to diversify its import sources.

The Caspian oil and gas resources are a potential conflict issue between the neighboring states of the Caspian Sea. Azerbaijan, Iran, Turkmenistan, Kazakhstan and Russia laid their own claims to the petrochemicals in their prospective sea shelves of the Caspian Sea. Each state has their own intentions and aims to achieve on the natural resources, and its transfers to the world consumer markets. Russia has pursued a dual goal not only in the Caspian region but also between Asia and European networks. Russians wanted to control the largest production share of hydrocarbons of the regions, and the total control over transport routes to the world markets.³² Azerbaijan tried various ways to disentangle its dependence on Russia for delivery of its natural resources as well as political leverages. Nevertheless, Russia succeeded, to some extend, controlling the pipeline infrastructure delivering the Caspian energy to the markets in the mid-1990s. The BTC oil pipeline provided an alternative for Azerbaijan to overcome Russian obstacles. Meanwhile Azeri leaders tried to increase their optimal economic and political gains from the USA and Turkey on the BTC which was to some point expensive overland route for international investors. Nevertheless, the discovery of the world largest natural gas reserve (since 1978) in the Shah Deniz field³³ was helpful to decide for the investors to this strategic pipeline. The new gas from the Shah Deniz field will be delivered to the world market through Turkey via the South Caucasus Pipeline (SPC), which will be built parallel to the BTC up to the Turkish gas pipeline network near the town of Horasan.³⁴ The length of the pipeline is expected some 630 miles, including 290 miles in Azerbaijan and approximately 170 miles in both Georgia and Turkey. The estimated cost of the line is \$900 million.³⁵ Azerbaijan and its gas reserve became a major player in the Caspian gas business. British Petroleum (BP) is the largest shareholder in the Azerbaijani International Oil Corporation (AIOC). The AIOC decided to use BTC in addition to a Russian pipeline for Azerbaijani oil in 1999.³⁶

Turkey sought to increase the various relations between Turkey and new the Turkish Republics of Central Asia.³⁷ The Turkish leaders expected western support particularly American one for its tie with the new republics. Turkey aimed to access secure energy supplies as well as the country will be the energy transit network center from the origins to

the (western) world consumer markets. It is also argued that the close tie with Azerbaijan will support secular and pro-Western leaning in the ruling elite. This is important for newly independent states while Russia and Iran were working to achieve their ends which might not serve for the western interests. Azerbaijan's new direction of its regime and its vital natural resources became a major issue between the international discussions and cooperation.³⁸ Turkish lobbying initiatives were assisted by the Jewish lobby for the construction of the BTC pipeline. This will help to boost the relations between Turkey and Israel. The latter needed Turkish support not only for the stands of Israeli existence but also for stabilization of the region for the western interests.³⁹ Azerbaijan might be one of the best reliable partners for the Turkish as well as Israelis in the region for the various economic, strategic and political reasons. The shared interests might be named as in the economic sphere such as agriculture, industrial developments, telecommunications and geopolitical and strategic aims which might serve for the western interests. It seems Americans approved the multi-vector foreign policy relations between Azerbaijan and their western neighbors, namely Turkey and Israel. All the parties aimed to achieve their goals among the agreed parties. America was going to be able to secure in diversifying its energy sources and exporting its 'regime change policy' to the region. Americans' stall ally Israel was going to transfer its 'know how' and its related industrial materials on technical expertise of medicine, agriculture and irrigation to the new republics of Central Asia. Turkey, on the other hand, will be benefiting from American policy as a reliable important partner in the Transcaucasus and Central Asia, in its economic, political and strategic issues. The Azeri authorities expected to cultivate its western tie through an alliance with Turkey and its western leaned partners. It seemed energy was the core issue of these multiparty relations as crucial to access to the Caspian hydrocarbon resources for the western parties.

Nevertheless, there were interest groups such as the Armenian American lobby, who opposed the BTC project as well as American governmental aid to Azerbaijan. The Silk Road Strategy Bill in the US Congress, which included the BTC, was American aid to Azerbaijan to the East-West Energy Corridor. The Armenian lobby conducted a campaign to block the legislation which passed in June 1999.⁴⁰ The US found itself in a kind of dilemma on this energy issue: on the one hand, the Armenian lobby influence had to be considered in the US Congress, and Armenia as a country should not be pushed aside for the falling to the Russian hands, on the other, Azerbaijan and the US allies', Turkey and Israel, had to be considered carefully.

The counter actions of the Turkish and Azeri lobby were supported by the American Jewish

lobby, which coincided with improvement of Turkish-Israeli relations.⁴¹ The Turkish authorities were thankful to the Jewish lobby and its community, the B'nai Brith, undertook a prominent role in this lobbying effort. Moreover, after 11 September 2001, the US has revived its securing energy policy by diversification of world hydrocarbon fuel supplies in order to reduce future dependence on Persian Gulf oil. The US aim was fulfilled by the request of Azeri, Turkish and Israelis in the Caucasus.

Regional Energy Need and Requirement for International Cooperation

The rapidly growing Turkish economy have made Turkey a significant regional energy consumer of a secure and sustainable energy which almost totally dependent on importation. Almost %90 of the Turkish oil needs was supplied by the SWAC and Russia. Russians were covering nearly half of the Turkey's energy consumption. The projections by 2010 due to the Turkish energy requirements will grow from %200 up to %300, which will be a %75 dependence on energy imports.⁴² For Israel on the other hand, does not possess significant oil resources and is completely reliant on oil imports. The economic figures indicated that Turkey and Israel require energy from the Caucasus and the Caspian region.⁴³



The western and European demands for sustainable and cheap oil and natural gas supplies have grown rapidly in the recent years. These demands and possible threats posed to the oil

resources and their transportation issues led two Gulf Wars in within a decade or so. As the western countries did, Israel supplied its petrochemical needs from oil exporters; Egypt, the North Sea, West Africa and Mexico. Nevertheless, Israel looked for alternatives and shifted its energy needs from its traditional supplies to the new exporters as Russia, Azerbaijan, Kazakhstan and Turkmenistan.⁴⁴

The regional relations were affected from energy security concerns and played a prominent role in the formation of regional allies and cooperation. Projects of pipelines and seaport terminals for delivering of oil and gas to the markets were economically and politically important for the transit and central network countries. The availability of multiple transportation routes for oil and gas can contribute to the energy security for both exporters and importers. This also might be helpful to decrease of dependence on any particular pipeline in case of conflicts in the region by either terrorist attacks or inter-state clashes.

The Jewish lobby in the US worked for the realization of the BTC pipeline which might be used for the Jewish State in the SWAC. The BTC pipeline would be important for Israel and Turkey which would lesson the dependence of both countries to the Arab and traditional oil exporters. This would freer foreign policy creation for Turkey, particularly to those related with the Arab states, in case of energy demands. This would be a factor to boost the relations between Turkey and Israel which would be encouraged by the American Jewish lobby. President of Azerbaijan, Haydar Aliyev, met with the American Jewish leaders in August 1997, for their support in an active campaign to promote the BTC project on Capitol Hill. The concerted lobbying campaign reflected the confluence of interests of Turkey, Israel and Azerbaijan.

This BTC pipeline, despite its limitation of carrying of gas and oil, will provide some flexibility in Azerbaijani foreign policy. The pipeline provided a diversified form of relations for Azerbaijan with Turkey, Georgia and Israel. Azerbaijan largely followed a policy on Iran on the line of the US and Israel during the 1990s. This BTC pipeline would facilitate reliable and shortest delivery of Azerbaijani oil to the western markets by avoiding Iranian and Russian territories. For Turkey, Ceyhan port will be an important oil terminal in the Mediterranean Sea.⁴⁵ It is expected that the BTC will transfer 15 Million tons of Azerbaijani oil to the Mediterranean Sea.

Azerbaijan requested reassurance of Turkey and the US that Azerbaijani interests would be protected from Iranian meddling in oil exploration on its Caspian continental shelf. Iran did not like what was happening by the BTC project in Azerbaijan. The Iranian authorities disputed the maritime and seabed boundaries demarcating its sector and the legal status of

Caspian Sea.⁴⁶ According to the Azerbaijani officials since the collapse of the Soviet Empire, Iranian supported Armenia during the Nagorno-Karabakh conflict, opposed Azeri policy on the Caspian Sea, worked against on the realization of the BTC pipeline and Azeri integration with the west. Iran opposed the project while this would deprive Iranian potential oil transportation revenues. Iranian gunboats have made several incursions into Azerbaijani territorial waters. The last violation occurred on 23 July 2001, when an Iranian warship ordered to an Azerbaijani exploration ship, hired from the British Petroleum, to withdraw from exploration operations in a disputed zone. In a show of force and to express support for Azerbaijan, Turkey sent its Chief of the General Staff, Hüseyin Kıvrıkoğlu, to Baku and a squadron of the Turkish Air Force to participate in the air show in the Azerbaijani capital.⁴⁷ Israel has shadowed this operation, which was a kind of indication that Azerbaijan will be supported in case of a conflict by Turkey and with its western allies. Overall trade between Israel and Azerbaijan constituted a small amount (\$23 million in 1996-1998) compared to the availability of potentials of \$1 billion.⁴⁸ Moreover Israel has been importing oil from Azerbaijan since 1991. The Azerbaijani-Turkish trade volume for the same period constituted of \$832 million.⁴⁹ This might seem greater volume compared to Israelis, nevertheless, the potentiality and proximity of the two economies far greater than Israelis. Oil is the dominant commodity in the trade relation between the countries.

Israeli Prime Minister, Benjamin Netanyahu, stated that his country interested in importing Azerbaijani oil through the BTC pipeline when he visited Azerbaijan in 1997. On the other hand, Russia proposed two alternative oil pipelines, one of them through under the Black Sea to Samsun and the other one is will be to Turkey through Armenia. These pipelines would be planned for a further extension to Israel.⁵⁰ The BTC pipeline began to deliver Azeri oil to the markets in July 2006.⁵¹ Nevertheless, the volume of Azerbaijani oil capacity would not be sufficient enough for the economically feasible outcome of the pipeline. On the other hand, Kazakhstan as the largest regional oil producer in the region made a commitment to supply additional oil to make the BTC commercially viable for the investors and for the consumer markets. The BTC pipeline capacity is projected to be 1 million-barrels/day. The general expectation was/is that Kazakhstan might pump Kazak oil through an underwater cross-Caspian pipeline which required a new pipeline construction from Aktau to Baku for the BTC pipeline. With the Kazak oil the BTC pipeline would be profitable for the contracting partners.⁵²

Turkey's geo-strategic location at the crossroads of the two continents has made it an ideal location for the construction of an energy network corridor linking Caspian oil and gas

producers with the consumers of the western markets. The main concern on Turkish internal and foreign policy in the post Cold War years was concentrated on energy security.⁵³ Ceyhan seaport terminal will be an important outlet both for current existing Kirkuk Ceyhan oil pipeline for Iraqi oil exports and potential future Caspian oil exports with the BTC pipeline.⁵⁴ The Turkish authorities proved to being a reliable ally for the western interests as a stable and reliable democratic country in the region. This is helpful Turkey's competitive advantage in the pipeline construction and infrastructure projects of building and maintenance in the region for the world markets.

Gas Synergy in the SWAC, Israel in focus

Israel wanted to use the BTC and its extension to Israel for its political and economic gain in the region. Israel will be able to eliminate its regional isolation. The Jewish State would guarantee a reliable source of oil and gas for its ever expanding demand for growing industry without any disturbance of the Persian Gulf states. It is estimated that Israel needed 282.5 billion cubic feet (Bcf) annually by 2010. In Israel demand for natural gas has grown exponentially since the 1980s and has been projected to reach 282.5 billion cubic feet (Bcf) annually by 2010.⁵⁵

The Israel Electric Company is planning to invest \$1.5 billion in the construction of eight additional natural gas power plants in Israel. The Turkish policymakers wanted to take part in the supply of natural gas and oil to Israel through Turkey. In this way Turkey will participate in the projects for the Israeli power network which might be extended further cooperation in other fields. Zorlu holding signed a contract to participate in the construction of the Ashdod gas-based power plant for % 20 shares in Israel in October 2005. The plant will produce a significant amount of energy 100 MW annually.⁵⁶ The Israeli authorities had to consider the diversification of gas supply from multiple sources in order to meet secure and reliable energy. The BTC is a real alternative, for Israel, with its potential of Kazak and Turkmen gas and oil. A company from Israel, Merhav, is investing in Turkmenistan as the largest foreign contractor for the reconstruction and upgrading of Turkmen refineries. Merhav controlled \$1.4 billion worth of contracts in Turkmenistan energy business.⁵⁷

Prior to 1997, Caspian region natural gas was delivered through the re-export route from Turkmenistan via the Russian natural gas pipeline system. Russia had originally intended to deliver gas to the Turkish market by extending its Central Asian pipeline and connecting it to the existing Russian natural gas pipeline to Georgia and then via a new pipeline to Turkey. In October 1998, Merhav negotiated with the Turkmenbashi government for a \$3 billion deal to

build a trans-Caspian gas pipeline (TCGP) that would bypass Russian territory. Earlier that same month, Turkish President Süleyman Demirel and Saparmurat Niyazov signed a long-term agreement for the supply of Turkmeni gas to Turkey via the Israeli Merhav-backed pipeline.⁵⁸ This pipeline was expected to be a substantial component of the US sponsored “East-West corridor” and would run along the BTC pipeline. The BTC project was approved by the Turkish, American, Azerbaijani, Georgian, Kazak and Turkmen governments in October 1998. The BTC project expected a high cost and financially was not liable. Nevertheless, it was an important step forward for long-term diplomatic, strategic and political purposes. The American government hoped from the project would guarantee Turkey’s energy needs, and possibly be a future power source for Israel as its main partner in the region.

Russia is not only the largest producer of natural gas in the world, but it has vigorously competed for natural gas delivery to Turkey since the mid-1990s. Ultimately, the Russian gas monopoly Gazprom was able to harness its influence among Turkish and Israeli business lobbies and thus to realize the controversial Blue Stream project to be discussed. Negotiations are now underway to extend the Russian pipeline through the Turkish territory from the Mediterranean to Israel.

Turkish Gas Demands and Its Supply

Turkey has begun shifting from oil to natural gas which is heavily dependent on imports for its energy production and industrial needs. Turkish consumption of natural gas has increased dramatically within a decade from 150 Billion cubic feet (Bcf) in 1991 to 748 Bcf in 2003. The Turkish authorities had signed gas import contracts for a total of around 1.8 trillion cubic feet (tcf) per year.⁵⁹ The signed contract amount was far above the actual needs and revised the estimation down by %45 by BOTAŞ (the state natural gas and pipeline company), from about 1.6 tcf to under 0.9 tcf in 2005.⁶⁰

Erbakan government signed a natural contract with Iran, which was criticized by various internal and external interest groups in August 1996.⁶¹ There were writers who described this deal as a representation of a broader Erbakan campaign to improve its relations with the predominantly Muslim world as a part of D-8 project.⁶² The gas supplied from Iran to Turkey was expected to cover about %19 of Turkish needs by the year 2010.⁶³

Despite the planned Trans-Caspian Pipeline construction suspension in 2002, the new discovery in the Shah Deniz reduced Turkmenistan’s leverage in negotiations over the delivery capacity of the pipeline. On the other hand, Turkey behaved heavy handed in signing

an agreement with Azerbaijan due to the over-commitments in the previously signed gas importation agreements with Iran and Russia. Russia and Iran were strict on their agreements with Turkey over their purchase, and requested “take-or-pay” provisions on Turkey. In case of the event that the Turkish government fails to purchase contracted gas, Turkey had to pay for the gas which was not used. The provision included cash penalties of up to \$1 billion per year if Turkey does not live up to the letter of the contract.⁶⁴ Moreover, Turkey was not allowed to re-export Russian gas to the third parties of importers. Nevertheless, the parties managed to reach a settlement that reduced both the price and the take or pay percentage in the late 2003.⁶⁵ Further discussion on the clauses of the contract renegotiated, but the discretion remained in the hand of the Russian side. On the other hand, Turkey continued its cooperation with Azerbaijan on gas transportation and energy security and, signed an agreement on the gas export deal from the Shah Deniz field. According to the agreement, Azerbaijan is to deliver 70 Bcf of natural gas to Turkey in 2006, then 177 Bcf in 2007, and around 223 Bcf per year from 2009 through 2020.⁶⁶ By the year of 2010 Azerbaijan is expected to supply about %13 of total Turkish gas imports. Moreover, Turkey and Azerbaijan are proceeding to construct the Baku-Tbilisi-Erzurum gas (the South Caucasus Gas pipeline) pipeline which will run parallel to the BTC. These projects are expected to boost the East-West “energy corridor,” in the coming years. Azerbaijani economic self-sufficiency and geopolitical stance will be improved with the Turkish support of transferring Azerbaijan gas and connection of Azeri to the Euro-Atlantic community.

The Blue Stream (*Mavi Akım*) Impacts on the BTC Gas Usage

The Blue Stream (*Mavi Akım*) submerged gas pipeline was completed under the Black Sea in October 2002 and officially opened in November of 2005. The pipeline runs from Russian port Dzhugba to Samsun in Turkey (see Map:2 and Map:3). The projected capacity of the pipeline is 275,700 billion barrels a day.⁶⁷ A sole dependence on any particular foreign supplier is weakening a country’s ‘energy’ security. Russia aimed a strategic goal to re-establish itself as the “great energy power” in the region. This would be achieved by aiming be the dominant power in the energy business as an exporter and a network of transferring gas and oil. Therefore, energy is seen as the key to the new Russian foreign policy doctrine, namely routes of oil and gas distribution networks, control of energy resources and electricity grids of the neighboring countries, as well the domination in oil and gas supply to Europe.⁶⁸ The Turkish government’s decision to go ahead with the Blue Stream project was the result of intense lobbying of particularly GAMA, ENKA, and Tekfen who heavily invested in Russia.

Both the True Path Party (*Doğru Yol Partisi*) government under Tansu Çiller (1993-1997) and the Motherland (*Anavatan*) government led by Mesut Yılmaz (1997-2000) were implicated in influence-peddling to secure the Blue Stream project. Corruption scandals were associated with all stages of negotiations and construction of the project.⁶⁹

The signed contract had a geopolitical significance as regarded the “turnabout” in Turkish-Russian relations. It was signed during the Russian Prime Minister Viktor Chernomyrdin visit to Turkey on 16-17 December 1997.⁷⁰ Nevertheless, Justice and Development (AK) government harshly criticized the gas deal concluded by the previous governments and made attempts to reductions in Turkey's dependence on Russia in 2003. The Justice and Development government aimed to reduce the dependence on Russian supplied natural gas from %70 to %30 within five years.⁷¹

The Blue Stream project undermined long-term Turkish energy independence and security. Russia gain upper hand over Turkey in this contract by through the legal mechanism of the “take-or-pay” provisions and Turkey had to pay exorbitant penalty fees for suspension of pumping Russian gas into its distribution system.⁷² The contract is forcing Turkey to think twice on the Turkish intention of supporting the newly independent Turkish Republics in Central Asia. Direct imports of the Turkish republics natural gas has become less tangible and much more financially taxing for Turkey.

New Initiatives in Energy Cooperation

The completion of the BTC was the turning point in the energy cooperation between Baku, Tbilisi, Ankara, and Jerusalem.⁷³ The inauguration ceremony for the BTC pipeline, supported by the US, took place in the Turkish Mediterranean port on 6 July 2006.⁷⁴ Israel sent his Minister of National Infrastructures Binyamin Ben-Eliezer to the ceremony in which there were other 36 countries representatives. Israel interested in to build an extension to the BTC pipeline up to its Red Sea port in Eilat (600 km) in order to deliver Caspian oil and gas to the Eastern markets.⁷⁵

The first delivery of Azerbaijani oil via the BTC reached Israel in July 2006. It was only the sixth delivery of crude oil via the pipeline to the Turkish terminal of Ceyhan to the international markets. As a matter of general policy, Israel keeps the sources of its energy imports and some other national issues confidential. Nevertheless, if previously Israel had been secretly purchasing Azerbaijani oil, from now on, the Israeli authorities announced this sale publicly in order to underscore the strategic nature of Azerbaijani-Turkish-Israeli cooperation.⁷⁶ The Azerbaijani and Turkish sides took significant political and economic risks

by selling and transferring oil to Israel in defiance of the regime of Iranian and the Arab extremists. Currently, the sixth part of Israeli oil imports comes from Azerbaijan.⁷⁷ When the Azeri-Chirag-Güneşli (ACG) oil field in the Azerbaijani Caspian shelf reaches its maximum extraction capacity, Azerbaijan is expected to generate \$29 billion in oil revenue over the next 20 years.⁷⁸

Israel interested in purchasing the natural gas from the Shah Deniz field which might reach the extraction volume of 9 Billion cubic meters annually with a prospect of reaching 24 Billion cubic meters. Israel needs to import 1.7 Billion cubic meters of gas, some of which could come from Azerbaijan. It is also proposed to extend the completed Baku-Tbilisi-Erzurum natural gas pipeline to the Ceyhan energy hub in Turkey. The Israeli officials made clear their interests on purchasing as much Azerbaijani gas as possible and discussed this possibility with their Turkish counterparts for a long-term contract.⁷⁹

Conclusion

The post-Cold War years brought an end the Soviet Union threats posed to Turkey and in the wider region. Nonetheless, Turkey faced with a number of new challenges aroused in the region to their general security issues. The Turkish authorities tried to transform Turkey's status from a "consumer of security" to a "security producer" in the region for the world markets. This initiative required to face and overcome of a number of challenges regionally and internationally. Moreover, the end of the Cold War and globalization has shifted the pattern of security paradigm to a new non-military issue, such as energy security. Meanwhile, regional oil and gas producers like Azerbaijan, Kazakhstan, and Russia were looking to take advantage of the ongoing conflict in the Persian Gulf and the rising demands of petrochemical energy sources in the world markets.

In the post-Soviet Union era provided new opportunities for the world consumers and the regional countries to gain undisturbed access to reliable sources of petrochemicals in the Caucasus and Central Asia. Azerbaijan was/is in a favorable position due to its geographical location for transferring Central Asian resources to the western markets. The energy demand and new atmosphere required fresh international initiatives either bilaterally or multilateral cooperation and conflicts.⁸⁰

The sharing and distribution of the petrochemical resources in the Caspian shelf were problematic among the neighbors of the Sea in the early 1990s. Therefore, energy security became as a major issue in the area which might an affect to the world energy markets. Meanwhile, the two western-leaned regional democratic countries relations were diversified

in the various fields. Therefore the relations between Turkey and Israel were a helpful movement in promoting the independence and economic viability of Azerbaijan and their cooperation with the other potential Central Asian Turkish republics. This two countries' stance as 'the power of balance' was supported by the US against Russian and Iranian challenges in the power balance in the Caucasus and Caspian regions. The task was not so easy to implement; nonetheless, the US government indicated its official support for the region beginning with the BTC project support after 1995.

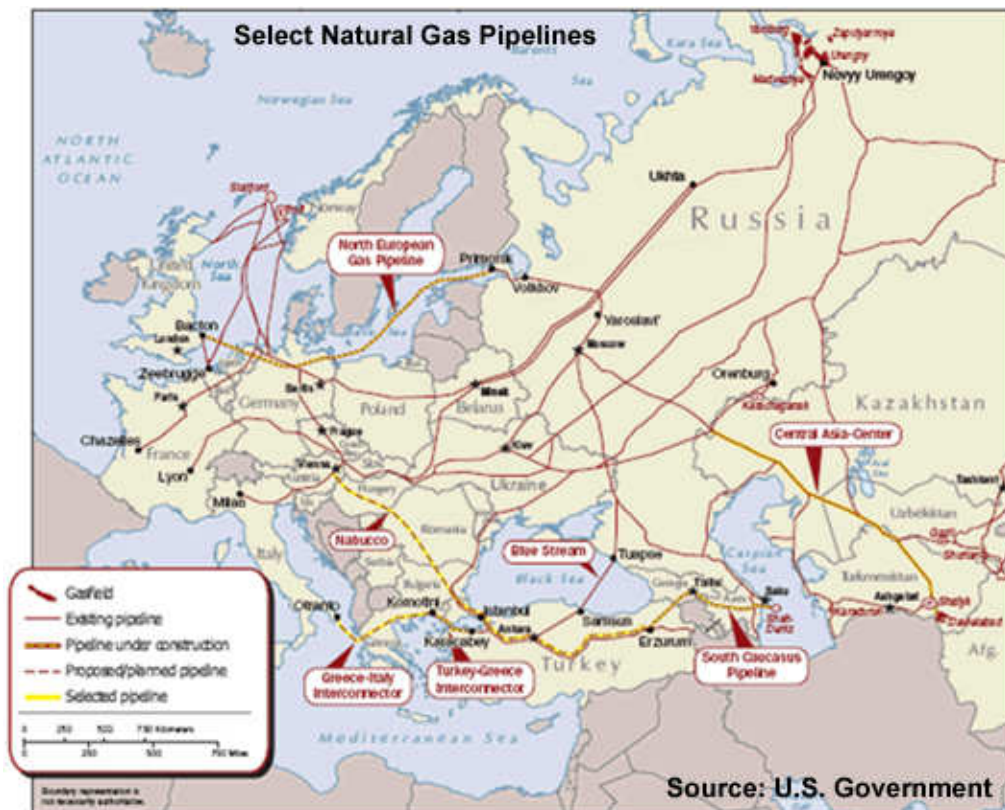
An inauguration ceremony for the BTC oil pipeline was realized in Ceyhan on 6 July 2006. This pipeline went round of the territories of Russia and Armenia, both of which have close relations with Iran. This geopolitical project was built to transport Caspian oil to the Turkish port of Ceyhan for the western markets, which supported Azerbaijan's economic and political independence against the Russian and Iranian interests and challenges. This was important for the American and Israeli policy makers who shared the same original perceptions and realized the strategic value of the construction of this pipeline. Israeli officials began to discuss possible plans with Turkey to extend the BTC to Israel for the Eastern markets. Although, Turkey's overall strategy from the BTC was not fully completed yet, due to successful challenges of the Russian policies. This had taken places as the locking dominant country-producers, Russia, of hydrocarbons into the Russian energy network.

The active and planned (the BTC and the South Caucasus Gas) pipelines will make a significant contribution to the overall economic viability and environmental security of all transit countries, Azerbaijan, Georgia and Turkey. This is particularly important in economic and environmental perspectives of commercial exploitation for Georgia and Azerbaijan. These two countries more or less dependent on these pipelines' transit fees as significant sources of their national revenue. Turkey, on the other hand, can collect a regulated low transit fees compare to its economic size, \$40 million annually in the last six years; it is expected to rising to \$300 million when the pipeline reaches its full capacity. Nevertheless, the overall Turkish expectation from the BTC business was/is to earn \$1.5 billion. This includes pipeline and terminal operations, transit fees, and upstream investments. It is forecast that the Caspian region could pump over 6 million barrels a day, roughly %6 of the daily world oil demand by 2020.⁸¹

In the near future, energy, water, and environment security issues might be the most important components of the relationship among the regional countries. In such an environment, the cooperation and alliances will play higher role for the national and regional security among the parties. With the BTC and planned pipelines, the safety against environmental disasters of

the Turkish Straits will be lessened, since a significant portion of oil tanker traffic through the Turkish straits would be eliminated.⁸² The full capacity pipeline will avoid around 450-500 additional tanker movements a year, which approximately consisted of %35 of current tanker movements through the Bosphorus and Dardanelles. In addition to this, Russians' exports toward the Baltic ports decreased from 3.1 million bbl/d to the levels in 2006, nonetheless, Azerbaijan and Kazakhstan augment crude production and exports in the near future will expected to increase the current traffic (50,000 vessels, including 5,500 oil tankers passing through annually) of the Straits.⁸³ (See the Map:2 for proposed Bosphorus Bypass Options).

In the sphere of natural gas, the increasingly important alternative commodity to oil, the results of the cooperation are less propitious. The Blue Stream contract stipulates that Russia has exclusive rights to construction and operation of the Blue Stream pipeline project. Any initiative to change the current status quo is challenged by the Russian policies in the region as in the example of the Russian invasion of Georgia in August 2008. Nevertheless, there are potential opportunities to be discovered as in the Blue Stream project which might be an energy bridge not only in the east-west direction, but also north-south, by transferring Russian natural gas to Israel for the Eastern markets. Under this and possible future scenarios, Turkey has a great potential to increase its geopolitical stature in the SWAC and fulfill the gap of energy security provider for the Greater Europe.⁸⁴



The recent developments' implication in the medium-term, Russia would be expected to reap most of the financial benefits as the exclusive gas exporter and transit country of the region and the world. Russia has capacity to exert political influence and economic leverage over Turkey at the present bilateral energy relations. The possible projects to deliver oil, gas, electricity, and water from the sources countries through Turkey to the Asian and to the European markets holds the promise of a promising breakthrough for Turkey and possible involving Israel in this energy and security businesses. On the other hand, the recent conflict between Russia and Georgia in August 2008 had important implications for the West in general, Turkey, Israel and the US in particular in the energy security issue and political stance in the region. The conflict was near the BTC and South Caucasus pipelines, critical for delivering energy resources to the Western markets. Russia sent a clear message to the international community about who can 'control' and 'in charge' on the delivery and distribution of the natural resources in the area extending from the Caucasus to Central Asia.⁸⁵ This indicates that energy game is not fully over and there are a lot of projects and cooperation will take places as the challenges will go on in the region.

NOTES

* Assistant Professor of International Relations at Celal Bayar University, Manisa-Turkiye, uygula@yahoo.com, an earlier version of this article has been presented in International Congress "Blue Black Sea" in the Sakarya University on 14-17 October 2008, Sakarya.

1 Most of the data and energy information were obtained from 'the United States Energy Information Administration' (<http://www.eia.doe.gov>) which will be mentioned from now on as (EIA).

2 Faruk Sönmezoğlu, *Uluslararası Politika ve Dış Politika Analizi*, (International Polity and Analysis of Foreign Policy) (İstanbul: Filiz Kitabevi, 2005); Faruk Sönmezoğlu, *Türk Dış Politikası* (Turkish Foreign Policy), (İstanbul: Der Yayınları, 2006); Bülent Aras, *The New Geopolitics of Eurasia and Turkey's Position*, (London Portland: Frank Cass, 2002); A. Liel, *Turkey in the Middle East Oil, Islam, and Politics*, (London and Boilder: Lyne Rienner Publishers, 2001); M. Aydın, 2001, 'Global Değişim ve Genişleyen Türk Dünyası: Türkler ve Türkiler', (Global Change and the Expanding Turkish World: Turks and Turkeys), *Türkiye'nin Dış Politika Gündemi (Foreign Policy Agenda of Turkey)*, Edited by Şaban H. Çalış, İhsan D. Dağı & Ramazan Gözen, (Ankara: Liberte Yayınları, 2001): 271-291; S. Bölükbaşı, 'Türkiye ve İsrail: Mesafeli Yakınlıktan Stratejik Ortaklığa', (Turkey and Israel: from distanced relationship to the strategic partnership), *Türkiye'nin Dış Politika Gündemi (Foreign Policy Agenda of Turkey)* Edited by Şaban H. Çalış, İhsan D. Dağı & Ramazan Gözen, (Ankara: Liberte Yayınları, 2001): 243-269; N. A. Güney, 'Rusya Federasyonu'nun Yeni Güvenlik Politikası Çerçevesinde Türkiye'ye Bakışı' (Turkey in the new Security Policy of Russian Federation perspectives), edited by Mustafa Türkeş & İlhan Uzgel, *Türkiye'nin Komşuları* (the Neighbours of Turkey). Ankara: İmge Kitabevi, 2002): 333-376; O. Tanrısever, 'Sovyet-Sonrası Dönemde Rusya'nın Kafkasya Politikası' (Russian Caucasus Policy in post Soviet Era), edited by Mustafa Türkeş & İlhan Uzgel, *Türkiye'nin Komşuları* (the Neighbours of Turkey), (Ankara: İmge Kitabevi, 2002): 377-410; B. K. Yeşilbursa, *Orta Doğuda Soğuk Savaş ve Emperyalizm* (Cold War in the Middle East and Imperialism), İstanbul: IQ Kültür Sanat Yayıncılık, 2007); İ. Bal, 'Terörizm, Liberal Devlet ve Uluslararası İşbirliği' (Terrorism, Liberal State and International Cooperation), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, (Ankara: Nobel Yayınları 2004): 859-875; İ. Bal 'Ortadoğu'da İstikrarsızlığa Yol Açan Faktörler ve PKK'nın Katkısı', (The Destabilization factors in the Middle East and PKK's role in it), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel

Yayınları, 2004): 651-665; K. Ağacan, 'Soğuk Savaş Sonrası Türkiye Gürcistan İlişkileri', (Turkey-Georgia Relations In post Cold War Era), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 427-443; M. Kırımlı&D. Temiz, 'Soğuk Savaş Sonrası Türk Cumhuriyetlerine Yönelik Türk Dış Politikası', (Turkish Foreign Policy Towards the Turkish Republics in the post Cold War Era), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 445-462; T. Arı, 'Geçmişten Günümüze Türkiye'nin Orta Doğu Politikasının Analizi ve İlişkileri Belirleyen Dinamikler', (the Analysis of Turkish Middle East Policies from the past to the present and the Effective dynamics), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları 2004); 667-700.

3 S. Peterson, 'Middle East Balance of Power Shifts as an "Axis" is Born', *Christian Science Monitor*, 1996; A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008: 1-16, 1-9.

4 E. Efeğil, 'Türk-Rus İlişkileri: Bölgesel İşbirliği veya Stratejik Kaçç?', (Turkish-Russian Relations: Regional Cooperation or Strategic gain?), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 343-363, 351-59; H. Ersoy, 'Bölgesel Entegrasyon Girişimlerinde Türkiye-İran Rekabeti', (Turkish-Iranian Competition in the regional cooperation initiatives), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 537-550.

5 D. Pipes, 'The Emerging Turkish-Israeli Entente' *The National Interest* Winter, 1998; J.M. Nomikos, 'Israel-Turkey Defense Relations: Will It Last?' *Research Institute for European Studies*, 1996; J.M. Nomikos, 'Looking Back to See Forward: Israeli-Turkey Defense Relations' *Special Report, Research Paper No. 39. Research Institute for European Studies*, 1997; A. Nachmani, *Israel, Turkey & Greece: Uneasy Relations in the East Mediterranean*, (London: Frank Cass, 1988); A. Nachmani, 'The Remarkable Turkish-Israeli Tie', *Middle East Quarterly*, Vol.5 No.2. (1998); A. Nachmani, 'Turkey-Israel Strategic Partnership', *BESA Security and Policy Studies* No. 42, Ramat Gan, (Israel: The BESA Center for Strategic Studies, 1999).

6 Y. Kalafat& A. Aslanlı 'Türkiye-Azerbaycan İlişkileri' (Turkey-Azerbaijan Relations), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, (Ankara: Nobel Yayınları, 2004): 379-396; Y. Kalafat, 'Türkiye-Türk Cumhuriyetleri Kültür İlişkileri' (Turkey-Turkish Republics Cultural Relations), Edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları 2004): 463-505, 464-66.

7 Necdet Pamir was the initiator of the BTC to the Turkish public opinion and business circles. He was working as a energy security analyst of the Turkish Petroleum Corporation (Türkiye Petrolleri Ananım Ortaklığı, TPAO). Pamir talked about the BTC project's strategic value rather than economic profitability. The line will by-pass Russia and Iran, Turkish republics in Central Asia will be no longer depended on Russia to export their oil and gas, so, they will be able to more freely exercise their foreign policy and national decisions (N. Pamir, 'Orta Asya ve Kafkasya'da Güvenlik Arayışları Sürecinde Bölgedeki Enerji Kaynaklarının Rolü', (the role played by the energy resources in the search of security in the Central Asia and Caucasus)', edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, (Ankara: Nobel Yayınları 2004): 507-535).

8 US Energy Information Administration, *Israel Country Analysis Brief*. <http://www.eia.doe.gov> [accessed on 23 August 2008]; R. Gözen, 'Kuzey Irak Sorunu', (the Northern Iraq Question), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 769-790; R. Gözen, 'Ortadoğu'da Güç Dengeleri', (Power balance in the Middle East), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları 2004): 643-650; R. Gözen, 'Türkiye'nin II. Körfez Savaşı Politikası: Aktif Politika ve Sonuçları', (Turkish Policy of Second Gulf War: Active Policy and its result), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 725-750.

9 İ. Altınsoy, 'Samsun-Ceyhan Pipeline' (Samsun-Ceyhan Boruhattı) *Zaman*, (7 December 2005):3; İ. Altınsoy, 'Turkey Now Has Voice in Energy Policies' (Türkiye'nin enerji politikalarında sözü var) *Zaman*, 14 July 2006:5.

10 K. Kasım, 'Türkiye-İsrail İlişkileri: İki Bölgesel Gücün Stratejik Ortaklığı', (Turkish-Israeli Relations: the strategic partnership of two regional powers), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 809-820.

11 Arı, 2004:667-699&701-723.

12 There were, some kinds of, cooperation for their potential challengers between the parties in question: such as the PKK-KADEK, Al-Qaida, ASALA for Turkey, Hizbullah, the Islamic Jihad and Hamas for Israel, while Weapon of Mass Destruction (WMD) proliferation and other transnational threats for the US (US Energy

Information Administration, *Israel Country Analysis Brief*. <http://www.eia.doe.gov> [accessed on 23 August 2008]; K. Kasım, ‘Türkiye-İsrail İlişkileri: İki Bölgesel Gücün Stratejik Ortaklığı’, (Turkish-Israeli Relations: the strategic partnership of two regional powers), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları, 2004): 809-820; R. Gözen, ‘Ortadoğu’da Güç Dengeleri’, (Power balance in the Middle East), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, Ankara: Nobel Yayınları 2004): 643-650; H. Bağcı, ‘11 Eylül Sonrası Dönemde Türk Dış ve Güvenlik Politikalarındaki Gelişmeler ve Yeni Parametreler’, (New Parameters and developments in the Turkish Foreign and Security policies in the post 11 September Era), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, (Ankara: Nobel Yayınları, 2004): 911-916; İ. Bal, ‘Terörizm, Liberal Devlet ve Uluslararası İşbirliği’, (Terrorism, Liberal State and International Cooperation), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, (Ankara: Nobel Yayınları, 2004): 859-875.

13 (US Energy Information Administration, *Israel Country Analysis Brief*. <http://www.eia.doe.gov> [accessed on 23 August 2008].

14 Faruk Sönmezoğlu, *Uluslararası Politika ve Dış Politika Analizi*, (International Polity and Analysis of Foreign Policy) (İstanbul: Filiz Kitabevi, 2005), 21-38. This study is one of the excellent books in the field of political theory written in Turkish language. A number of discussion can be found on the formation of the security issues in foreign policy of a state. State and other players’ role in the understanding of statehood and other issues are exemplified in a number of occasions in various parts of the book.

15 Faruk Sönmezoğlu, *Türk Dış Politikası (Turkish Foreign Policy)*, (İstanbul: Der Yayınları, 2006), 690-755; N. Pamir, ‘Orta Asya ve Kafkasya’da Güvenlik Arayışları Sürecinde Bölgedeki Enerji Kaynaklarının Rolü’, (the role played by the energy resources in the search of security in the Central Asia and Caucasus), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, (Ankara: Nobel Yayınları 2004):507-535, 515-531.

16 Faruk Sönmezoğlu, *Uluslararası Politika ve Dış Politika Analizi*, (International Polity and Analysis of Foreign Policy) (İstanbul: Filiz Kitabevi, 2005), 21-33.

17 A. Murinson, ‘Azerbaijan-Turkey-Israel Relations: The Energy Factor’, *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 5.

18 İ. Bal, ‘Terörizm, Liberal Devlet ve Uluslararası İşbirliği’ (Terrorism, Liberal State and International Cooperation), edited by İdris Bal, *Türk Dış Politikası (Turkish Foreign Policy)*, (Ankara: Nobel Yayınları 2004): 859-875; A. Murinson, ‘Azerbaijan-Turkey-Israel Relations: The Energy Factor’, *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 8.

19 http://www.eia.doe.gov/emeu/cabs/Region_ni.html ‘The Caspian Sea Region’ [accessed on 24 August 2008]; Bollyn, C., the Great Game-the War For Caspian Oil and Gas, *American Free Press*, <http://www.rense.com/general15/game.htm> [accessed on 23 August 2008].

20 H. Erdemir, *Türkiye-İsrail İlişkileri (Turkish-Israeli Relations)*, Manisa: Celal Bayar Üniversitesi Matbaası, 2007: 1-22.

21 H. Erdemir, *Türkiye-İsrail İlişkileri (Turkish-Israeli Relations)*, Manisa: Celal Bayar Üniversitesi Matbaası, 2007: 23-59.

22 http://www.eia.doe.gov/emeu/cabs/Region_ni.html ‘The Caspian Sea Region’ [accessed on 24 August 2008]; A. Murinson, ‘Azerbaijan-Turkey-Israel Relations: The Energy Factor’, *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 1-14.

23 See the Map:2 and Map:3 for those existing and proposed pipelines.

24 http://www.eia.doe.gov/emeu/cabs/Region_ni.html ‘The Caspian Sea Region’ [accessed on 24 August 2008]; U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]:7.

25 The BTC is the first direct pipeline to deliver crude oil from the Caspian Sea to the Mediterranean without crossing Russian territory and passing through the Bosphorus. The length of the BTC is 1,100 mile which cost around \$4 billion to build (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 3; <http://www.eia.doe.gov> ‘World Oil Transit Chokepoints’ “Bosphorus”. p.7-8 [accessed on 28 August 2008], 7.

-
- 26 Bollyn, <http://www.rense.com/general15/game.htm> [accessed on 25 August 2008].
- 27 F. Sönmezoğlu, *Türk Dış Politikası* (Turkish Foreign Policy), (İstanbul: Der Yayınları, 2006), 288-316;440-441.
- 28 F. Sönmezoğlu, *Türk Dış Politikası* (Turkish Foreign Policy), (İstanbul: Der Yayınları, 2006), 443-457; A. Liel, *Turkey in the Middle East Oil, Islam, and Politics*, (London and Boilder: Lyne Rienner Publishers, 2001), 219-233.
- 29 Faruk Sönmezoğlu, *Türk Dış Politikası* (Turkish Foreign Policy), (İstanbul: Der Yayınları, 2006), 362-368.
- 30 OECD June 1987:21; A. Liel, *Turkey in the Middle East Oil, Islam, and Politics*, (London and Boilder: Lyne Rienner Publishers, 2001), 68-72.
- 31 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 7.
- 32 http://www.eia.doe.gov/emeu/cabs/Region_ni.html 'The Caspian Sea Region' [accessed on 24 August 2008]; Christopher, B. 'the Great Game-the War For Caspian Oil and Gas' *American Free Press*, <http://www.rense.com/general15/game.htm> [accessed on 23 August 2008].
- 33 It is estimated over 700 billion cubic meters. <http://www.gasandoil.com/goc/company/cnc93719.htm> .
- 34 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 3.
- 35 http://www.eia.doe.gov/emeu/cabs/Region_ni.html 'The Caspian Sea Region' [accessed on 24 August 2008].
- 36 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 8-9.
- 37 Y. Kalafat, 'Türkiye-Türk Cumhuriyetleri Kültür İlişkileri' (Turkey-Turkish Republics Cultural Relations), Edited by İdris Bal, *Türk Dış Politikası* (Turkish Foreign Policy), Ankara: Nobel Yayınları 2004):463-500.
- 38 N. Pamir, 'Orta Asya ve Kafkasya'da Güvenlik Arayışları Sürecinde Bölgedeki Enerji Kaynaklarının Rolü', (the role played by the energy resources in the search of security in the Central Asia and Caucasus)', edited by İdris Bal, *Türk Dış Politikası* (Turkish Foreign Policy), (Ankara: Nobel Yayınları 2004): 507-535).
- 39 Erdemir, 2007:2-3.
- 40 'Silk road legislation passes US Senate tonight' <http://brownback.senate.gov/pressapp/record.cfm?id=175947&> [accessed on 22 August 2008].
- 41 Machlis, A. 'Azerbaijan courts Jews, Israel to win favour with US', *Jewish Telegraphic Agency*. <http://www.jewishaz.com/jewishnews/000218/charsid2.html> [accessed on 25 August 2008].
- 42 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 6.
- 43 Machlis, A. 'Azerbaijan courts Jews, Israel to win favour with US', *Jewish Telegraphic Agency*. <http://www.jewishaz.com/jewishnews/000218/charsid2.html> [accessed on 25 August 2008].
- 44 *Israel Country Report*, <http://www.eia.doe.gov> , US Energy Information Administration [accessed on 25 August 2008].
- 45 G. Çetinsaya, 'Rafsanjani'den Hatemi'ye İran Dış Politikasına Bakışlar (General outlook of Iranian Foreign Policy from Rafsanjani to Hatemi), edited by Mustafa Türkeş & İlhan Uzgel, *Türkiye'nin Komşuları* (the Neighbours of Turkey). Ankara: İmge Kitabevi 2002): 293-329; <http://www.azer.com/aiweb/categories/topics/Oil/aioc.html> [accessed on 28 August 2008].
- 46 The dispute focuses on the question of whether the Caspian is a sea or a lake and has implications for both the applicability of the U.N. Convention on the Law of the Sea and negotiation of the boundary demarcation regime.
- 47 H. Erdemir, 'The Requirement for International Relations Knowledge by Business Management in the Example of the Turkish-Iranian Gas Contract of 1996', *Social Research* 1 (9), (Siauliai: Siauliai University Publishing House, 2007): 73-80.

48 A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 15.

49 A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 15; **Eurasianet, (2008). 'Russia: Gazprom Having Second Thoughts About The South Stream Pipeline?'** <http://www.eurasianet.org/departments/insight/articles/eav100308b.shtml> [accessed on 23 August 2008].

50 The head of Gazprom, Rem Vyahirev, visited Turkey on 29 August 1997 and handed over to the Turkish authorities the two projects which mentioned above see for further information Taşpınar, 1997.

51 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]:3; Tiflis AA (2005).

52 <http://www.eurasianet.org> .

53 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 2; http://globalization.icaap.org/content/v3.1/03_stern.html .

54 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 3.

55 Machlis, A. 'Azerbaijan courts Jews, Israel to win favour with US', *Jewish Telegraphic Agency*. <http://www.jewishaz.com/jewishnews/000218/charsid2.html> [accessed on 25 August 2008]; *EIA Israel; EIA Annual Oil Market Chronology:1-51*.

56 Editorial Zaman (12 October 2005), 'Zorlu İsrail'de santral inşa edecek', (Zorlu will build power plant in Israel) <http://www.zaman.com.tr/haber.do?haberno=219036> [accessed on 26 August 2008].

57 Under the contract, Merhav is responsible for the refining of up to two million tons of crude oil and ultimately would produce 900,000 tones of gasoline a year (A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, fnt.53).

58 'The Merhav deal included the prospective development of upstream gas resources, negotiating rights of way with Azerbaijan and Georgia, and constructing a 2,000 kilometres pipeline capable of transporting 30 billion cubic meters of gas annually. Azerbaijan and Georgia would have benefited financially from transit fees, but the international consortium (Amoco, Unocal with Conoco, Halliburton, Enron, Bechtel, Mobil and GE Capital) was suspended. The TCGP project was met with intense opposition from the Russian government, which applied considerable pressure on the Western oil concerns involved in the project.' A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16; *Nezavisimaya Gazeta* (1999). 'Details on Shah-Deniz discovery'. <http://www.gasandoil.com/goc/company/cnc93719.htm> [accessed on 22 August 2008]; Tiflis AA (2005 October 13) 'BTC'de Tiflis de tamam' <http://www.milliyet.com/2005/10/13/ekonomi/axeko02.html> [accessed on 29 August 2008].

59 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 1-5; S. Stern, 'Turkey's Energy and Foreign Policy' http://globalization.icaap.org/content/v3.1/03_stern.html [accessed on 22 August 2008].

60 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 6.

61 See for further discussion on the contract and analysis of criticisms (Erdemir, 2007:73-80; <http://meria.idc.ac.il/journal/1997/issue2/jv1n2a6.html> ; A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 1-15) S. Taşpınar, 'Rusya "Gaz" vermek istiyor' (Russia want to give "gas"), *Sabah*, <http://arsiv.sabah.com.tr/1997/08/30/> [accessed on 29 August 2008]; Wild, A. 'Gasprom's Trouble In Turkey' <http://english.neftegaz.ru/analit/comments.php?one=1&id=1073> [accessed on 22 August 2008].

62 'Turkey: the Key to Caspian Oil and Gas' <http://www.iasps.org/strategic/strat13.pdf> [accessed on 25 August 2008].

-
- 63 McCaffrey, D. (1996). 'US Trade Sanctions: Effective Tool or Superpower Cudgel' <http://www.fas.org/irp/news/1995/960826mr.htm> [accessed on 21 August 2008].
- 64 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 9.
- 65 <http://english.neftegaz.ru/analit/comments.php?one=1&id=1073> .
- 66 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 9.
- 67 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 7.
- 68 N. A. Güney, 'Rusya Federasyonu'nun Yeni Güvenlik Politikası Çerçevesinde Türkiye'ye Bakışı' (Turkey in the new Security Policy of Russian Federation perspectives), edited by Mustafa Türkeş & İlhan Uzgel, *Türkiye'nin Komşuları* (the Neighbours of Turkey). Ankara: İmge Kitabevi, 2002), 337-38.
- 69 The former Turkish Prime Minister Mesut Yılmaz and two former Turkish energy ministers, Cumhur Ersümer and Zeki Çakan, have been under Turkish State Court investigation on corruption charges stemming from multiple allegations of bribery of the Turkish state officials who signed the agreement to construct the Blue Stream project. The Beyaz Enerji "White Energy" secret police investigation of 2001 specifically named Cumhur Ersümer as the prime suspect.
- 70 <http://www.fes.de/globalization> .
- 71 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 7-9.
- 72 (U.S. Energy Information Administration, *Turkey Country Analysis Brief*. <http://www.eia.doe.gov/emeu/cabs/turkey.html> [accessed on 23 August 2008]: 9. Nevertheless, some opportunities or alternatives may lie in the front of Turkey considering some alterations in the contracts. The Sharon government pursued an improvement in relations with Russia in hopes of reaching Russian energy through the Turkish territory. The completion of the Blue Stream project made this dream a tangible reality for Israel. At the official opening ceremony of the Blue Stream, President Vladimir Putin reiterated the Russian interest in transporting Russian gas to Israel through an extension of the Blue Stream pipeline or by liquefied natural gas (LNG) tankers. This may provide a new negotiation for the Turkish authorities with the Russian and Israelis on the contract terms.
- 73 The BTC pipeline was regarded as a world-class pipeline, which was/is expected to make a positive difference by bringing significant benefits to the region. 'By avoiding the Turkish Straits, it will help relieve the inevitable growth in oil-related traffic and associated environmental risks, while creating substantial revenues for the transit countries. As well, it will strengthen economic and political links between Azerbaijan, Georgia, Turkey and the West.' T. Bayatlı, 'BP Developments', *Azerbaijan International*, Volume 15.1 2008: 66-70.
- 74 Editorial Zaman (12 October 2005), 'Zorlu İsrail'de santral inşa edecek', (Zorlu will build power plant in Israel) <http://www.zaman.com.tr/haber.do?haberno=219036> [accessed on 26 August 2008].
- 75 Editorial, Zaman (2005 March 11) 'Turkey included in EU's Strategic Energy Projects' *Zaman*, <http://www.zaman.com.tr/haber.do?haberno=264557> [accessed on 29 August 2008]; A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 8-15.
- 76 T. Bayatlı, 'BP Developments', *Azerbaijan International*, Volume 15.1 2008: 66-70. http://www.azer.com/aiweb/categories/magazine/ai151_folder/151_articles/151_bp_developments.html [accessed on 28 August 2008]:66-70; A. Machlis, 'Azerbaijan courts Jews, Israel to win favour with US' <http://www.jewishaz.com/jewishnews/000218/charsid2.html> [accessed on 23 August 2008].
- 77 A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 7-14. R. Al-shawaf, 'Russian-Georgian conflict impacts Middle East' *Turkish Daily News* (on 18 September 2008); (2005 November 11). *The Journal of Turkish Weekly*. <http://www.turkishdailynews.com.tr/article.php?enewsid=115601> [accessed on 29 August 2008].

78 T. Bayatlı, 'BP Developments', *Azerbaijan International*, Volume 15.1 2008: 66-70. http://www.azer.com/aiweb/categories/magazine/ai151_folder/151_articles/151_bp_developments.html [accessed on 28 August 2008].

79 http://news.bakililar.az/news_ministr_nacionalnoy_infr_9154.html [accessed in August 2008].

80 Turkey was very sensitive about the spread of radicalism and extremists activities in the former Soviet Union countries. This idea was shared by the western countries and the US, and its ally, Israel, in the region. These concerns have forced to work cooperatively to those countries that have similar interests and concerns in the region. Therefore, there were focus on Azerbaijan with an increasing intensive diplomacy and security cooperation, for various practical reasons. The active military-strategic alliances in the region were driving force for further cooperative initiatives between Turkey, Israel and the US.

81 http://www.eia.doe.gov/emeu/cabs/Region_ni.html 'The Caspian Sea Region' [accessed on 24 August 2008].

82 'Ever growing oil exports from the Caspian Sea region make the Bosphorus and Dardanelles one of the busiest and the most dangerous chokepoints in the world supplying Western and Southern Europe with 2.4 million bbl/day.' <http://www.eia.doe.gov> 'World Oil Transit Chokepoints' "Bosporus". p.7-8 [accessed on 28 August 2008], 7-8.

83 <http://www.eia.doe.gov> 'World Oil Transit Chokepoints' "Bosporus". p.7-8 [accessed on 28 August 2008], 7.

84 İ. Altınsoy, 'Samsun-Ceyhan Pipeline' (Samsun-Ceyhan Boruhattı) *Zaman*, (7 December 2005):3; İ. Altınsoy, 'Turkey Now Has Voice in Energy Policies' (Türkiye'nin enerji politikalarında sözü var) *Zaman*, 14 July 2006:5.

85 A. Murinson, 'Azerbaijan-Turkey-Israel Relations: The Energy Factor', *Meria the Middle East Review of International Affairs*, Volume 12, No. 3 (September) 2008:1-16, 1-15.