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## The Russian-Turkish Energy Rivalry in the South Caucasus

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*The article examines the clash of geopolitical and economic interests of Russia and Turkey in the South Caucasus after the collapse of the USSR. It primarily focuses on the Russian-Turkish rivalry for the control over the Caspian energy routes. To understand the real realignment of forces, the impact of the ethno-political conflicts of the South Caucasus on the geopolitical struggle in the region is also analyzed. The analysis shows that in the first decade of the post-Cold War period, Turkey succeeded in the Russian-Turkish struggle over control of the Caspian energy transfer routes, which led to tensions in bilateral relations. However, under the new geopolitical realities, the Russian-Turkish energy rivalry gradually transformed into cooperation, and turned into a geostrategic factor, having a stabilizing role in the rapprochement of bilateral relations. The final outcome of the Russian-Turkish energy cooperation/competition will largely depend on the results of the military aggression unleashed by Azerbaijan against Artsakh in September 2020, with Turkey's large-scale direct involvement.*

### Keywords

Russia, Turkey, geopolitical competition, cooperation, energy carriers, the Caspian Basin, the South Caucasus

### Introduction

A completely new geopolitical situation was formed in the late 20<sup>th</sup> century conditioned by the collapse of one of the poles of the bipolar world order, the Soviet Union. Under the new geopolitical realities, a number of new opportunities and challenges appeared for the influential powers for the redistribution of spheres of influence.

The South Caucasus, bordering regionally influential actors such as Russia, Iran, Turkey, as well as another strategically important region, the Middle East, and being located at the crossroads between Europe and Asia, became one of the hotspots of geopolitical rivalry after the collapse of the USSR. In particular, Russia and Turkey pursue a more active policy for

gaining influence in the South Caucasus. The interests of these states are conditioned by the huge geopolitical and strategic importance of the region, due to its geographical position, the fact that it is a transit zone, and the availability of natural resources.

The Russian-Turkish relations have complex and contradictory nature, having one significant feature: as both countries face serious difficulties in international relations, bilateral cooperation is essential for each of them, regardless of serious opposing interests on some issues. Therefore, the Russian-Turkish relations are both "competitive" and "cooperative"<sup>1</sup>.

The article examines the Russian-Turkish geopolitical struggle in the South Caucasus and the implementation of energy programs in the context of that struggle. The development of energy routes in this region is of exceptional economic and strategic importance. Moreover, today the energy sector has an emphasized geopolitical nature and it is considered to be one of the integral components of the modern system of international relations.

### **The Russian-Turkish geopolitical struggle in the South Caucasus**

The South Caucasus is of great strategic, geopolitical, economic and security significance for Moscow and Ankara. Once being a part of the Russian Empire and then of the Soviet Union, the region holds a special place in the Russian foreign policy agenda. Unlike other regions, the South Caucasus has always been viewed by Russia as a zone of existential interests<sup>2</sup>. After the collapse of the Soviet Union, Russia faced several internal and external challenges concerning the state-building process and the choice of the state's development strategy. That is why, Moscow was not actively involved in the political processes in the newly independent South Caucasian states in the early 1990s, which gave the impression that a political vacuum was formed, caused by the weakening of the Russian influence. If during the Soviet times the South Caucasus was considered a zone of the complete Russian influence, then the collapse of the USSR

<sup>1</sup>Թորոսյան Տ., Արշակյան Գ., Ռուս-թուրքական մրցակցություն, թե՛ համագործակցություն, *Հայկական քաղաքագիտական հանդես*, 2016, 1, 5-34.

<sup>2</sup>Нейшн Р. К., Россия и Кавказ, Connections. *The Quarterly Journal*, Весна, 2015, 14, 2, 1-14.

created a situation, when new players began to penetrate the region /e.g. Turkey, Iran and the United States/ and tried to strengthen their positions by filling the so-called political vacuum. However, Russia was mostly concerned about Turkey's interest in the region, which sought to gain influence through Azerbaijan.

As for Turkey, during the post-Cold War period, Ankara aimed to weaken Russia's influence in the region and to position itself not only in the South Caucasus but also in the post-soviet Turkic-speaking republics in Central Asia, using its pan-Turkic ideology. According to former President of Turkey S. Demirel, the Caucasus region is of strategic importance for Turkey, as it unites Turkey with Central Asia<sup>3</sup>. Even though the views and foreign policy approaches of the Turkish leaders in the post-Cold War period were different, the above-mentioned position towards the region was common.

The ethno-political conflicts in the South Caucasus, which erupted almost simultaneously after the collapse of the Soviet Union, played a significant role in the Russian-Turkish rivalry for the South Caucasus. Among these conflicts were the Artsakh and Abkhazian conflicts, in which Turkey and Russia supported the opposing parties and perceive the conflicts as a means of establishing geopolitical influence. During the Artsakh war, Russia sought to prevent possible Turkish attempts to penetrate the region through Azerbaijan. Moreover, after the collapse of the USSR the anti-Russian forces led by A. Elchibey came to power in Azerbaijan and during their rule, Baku began to deepen and strengthen relations with Ankara. During that period, Baku even refused to join the Commonwealth of Independent States<sup>4</sup>.

Azerbaijan, having close historical, cultural, linguistic, religious and political ties with Turkey, holds a unique place in Turkey's foreign policy<sup>5</sup>. Through Azerbaijan, Turkey sought to reinforce its positions in the region,

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<sup>3</sup>Demirel S., Turkey towards 1997. The Developments in 1996 and the Goals of 1997, 28 December 1996, <https://www.tccb.gov.tr/konusmalari-suleyman-demirel/1718/4080/address-by-his-ee-21st-congregation-of-the-turkish-grand-national-assembly>, (07.01.2020).

<sup>4</sup>Гребенников Е., Международное сотрудничество России и Азербайджана в годы правления Народного фронта Азербайджана (1992-1993гг.): проблемы и вызовы, *Историческая и социально-образовательная мысль*, 2017, 9, 2-3, 42-51.

<sup>5</sup>Balci B., Strengths and constraints of Turkish policy in the South Caucasus, *Insight Turkey*, 16, 2, 2014, pp. 43-52.

where, unlike Russia, it had no experience before in having dominant influence. In addition to this, Azerbaijan's energy resources were important for Turkey, as Ankara had several projects concerning the Caspian energy export routes<sup>6</sup>. As for the Artsakh issue, Turkey viewed it as a threat to Azerbaijan's territorial integrity, stability and a factor, hindering the implementation of pan-Turkic plans. Consequently, Ankara could not but show its interest in resolving the conflict.

Obviously, Moscow and Ankara had opposing positions in the Artsakh conflict, accordingly, the clash of the Russian-Turkish interests was inevitable. During the conflict, high-ranking officials of the two states made harsh statements accusing each other. In 1993, Turkish President T. Ozal accused Russia of supporting the Armenian side and said that Turkey would increase military assistance to Azerbaijan and would send Turkish troops. In response to this announcement, Russian Defense Minister P. Grachev during his official visit to Ankara warned Turkey to refrain from such steps<sup>7</sup>. Turkey's interest in the conflict was unacceptable for Russia, as Moscow viewed the South Caucasus as a region of an exclusive Russian sphere of influence. Thus, in the Nagorno-Karabakh conflict, Russia and Turkey gradually began to act as states that posed a threat to each other.

The victory of the Armenian side in the war, as well as the establishment of a ceasefire mediated by Moscow, led to the strengthening of Russia's influence in the region. Hence, the assertion of possible Turkish influence in the South Caucasus region was suspended. The next serious Turkish attempt for gaining influence in the region was made in 2020 by unleashing wide-scale military aggression against Artsakh with Azerbaijan. Moreover, this time the Turkish involvement is much more aggressive than in the first Artsakh war, which includes the use of different weapons and the involvement of mercenaries from Syria. Turkey probably feels that the formation of the new world order is coming to an end<sup>8</sup>, therefore, spares no effort to tackle the highly important issue.

<sup>6</sup> **Yesevi C., Tiftikçigil B.**, Turkey-Azerbaijan Energy Relations: A Political and Economic Analysis, *International Journal of Energy Economics and Policy*, 2015, 5, 1, 27-44.

<sup>7</sup> **Демоян Г.**, Турция и Карабахский конфликт в конце XX – начале XXI веков. Историко-сравнительный анализ, Авторское издание, Ереван, 2006, с. 116.

<sup>8</sup> **Թորոսյան Տ., Վարդանյան Ա.**, Եվրասիական կենտրոնի մեծ աշխարհաքաղաքական վերաբեռնավորման ավարտը, *Հայկական Քաղաքագիտական Հանդես*, 2020, 1, 5-52:

The Georgian-Abkhazian conflict occupies a key place within the Russian-Turkish geopolitical struggle too. Russia's involvement in the Georgian-Abkhazian war was conditioned by several strategic, geopolitical and economic factors. Being situated in the Black Sea basin, Abkhazia has always been of great geopolitical importance for Moscow, therefore, Russia deployed military units there, strengthening its presence both in the region and in the Black Sea.

In the Georgian-Abkhazian conflict, Moscow aimed to act as a mediator, which would allow Russia to strengthen its positions in Georgia, as the active interest of Western countries towards Georgia, due to being possible transit state for the Caspian energy resources export routes in the mid-1990s, caused serious concerns in Russia. Moreover, the unstable situation in the region could be a serious threat to the instability of the North Caucasus republics<sup>9</sup>. Thus, Moscow got actively involved in the settlement of the conflict and after the military victory of the Abkhazian side, the ceasefire agreement was signed between Georgia and Abkhazia by Russia's mediation in 1994.

Unlike the Artsakh conflict, Turkey's position in the Abkhazian conflict was ambiguous and Ankara faced a serious dilemma. Both Georgia and Abkhazia were of great importance to Ankara<sup>10</sup>. For Ankara, the geographical location of Georgia was paramount, as it was viewed as a bridge between Azerbaijan and Turkey. For Georgia, Turkey was also important, as Tbilisi sought to reduce the Russian presence in the region by strengthening relations with Turkey. Besides, Turkey was a NATO member state, so rapprochement with Turkey would enable Georgia to establish closer relations with the North Atlantic Alliance and the West in general<sup>11</sup>. As for Abkhazia, there is a large Abkhazian community in Turkey and Turkish society held pro-Abkhazian position in the Georgian-Abkhazian conflict. At the beginning of the conflict, due to lobbying groups of the Abkhazian community, Ankara did not pursue a pro-Georgian policy, which

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<sup>9</sup> **Акаба Н.**, Северокавказский фактор в Абхазо-грузинском вооруженном конфликте 1992-1993 гг., Фактор Северного Кавказа в контексте грузин абхазского конфликта, *Интернейшнл алерт*, Июль 2012, с. 25-32.

<sup>10</sup> **Reynolds M.**, Turkey's Troubles in the Caucasus, *Insight Turkey*, 2008, **10**, 4, 15-23.

<sup>11</sup> **Алексамян Л.**, Эволюция турецко-грузинских отношений: новые тенденции (экономический и военно-политический аспекты), *Проблемы постсоветского пространства*, 2017, **4**, 2, 148-158.

entailed some tensions between bilateral relations<sup>12</sup>. Soon, seeing Russia's active involvement and success in regaining influence in the region, Turkey began to improve relations with Georgia and started to support Georgia's territorial integrity. Of course, this was because Turkey had several communication and energy projects with Georgia<sup>13</sup>. Ankara realized that Turkish projects would be at risk, if Moscow's influence increased, so took steps to strengthen relations with Georgia.

Both in the Artsakh and the Abkhazian conflicts, Moscow managed to act as a mediator between the parties to the conflict, which further strengthened Russia's influence in the region. If in the first stage of the conflict, in the 1990s, there was Russian-Turkish rivalry in the South Caucasus, the picture was completely different in the second stage, in 2008. The second phase turned into a Russian-Georgian war, which was not the result of the Russian-Turkish struggle but the Russian-American rivalry. In 2003, as a result of the Rose Revolution, the pro-American forces led by M. Saakashvili came to power in Georgia. The Georgian authorities have repeatedly stated that they saw the country's future in European integration and wanted to join the North Atlantic Alliance. The West in turn was doing everything to "snatch" Georgia from Russia. This was a big blow to Russia; first, Russia's influence in the South Caucasus would weaken, and second, NATO would reach Russia's southern border. Obviously, Russia would take certain steps to prevent this. That is why, after the five-day Russian-Georgian war in 2008 Russia did not miss the opportunity to recognize the independence of Abkhazia and South Ossetia. By doing so, Moscow strengthened its influence in Abkhazia and South Ossetia, however, completely lost Georgia, as the latter renounced Russia by "choosing" the West.

The Russian-Turkish relations underwent interesting changes after the Five-Day war. Even though the war was the result of the Russian-American rivalry, Turkey was quite active in it. The reason for the Turkish interest was that the Russian-Georgian war created a new opportunity /the second after the collapse of the USSR/ to gain influence in the South

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<sup>12</sup> **Çelikpala M.**, From immigrants to diaspora: Influence of the North Caucasian diaspora in Turkey, *Middle Eastern Studies*, 2016, **42**, 3, 423-446.

<sup>13</sup> **Aras B., Akpinar P.**, The Relations between Turkey and the Caucasus, *Perceptions*, 2011, **XVI**, 3, 53-68.

Caucasus<sup>14</sup>. It is not accidental that after this war turning points were marked in the Russian-Turkish relations. Ankara rejected the US demand to revise the provisions of the Montreux Convention, in fact, Ankara "supported" Russia, by not allowing American warships to enter the Black Sea through the Turkish Straits<sup>15</sup>, which was strongly condemned by Turkey's Western partners.

The above-mentioned steps were due to the new geopolitical realities. Since the "Justice and Development" party came to power in Turkey, significant changes have taken place in the Turkish foreign policy agenda. Turkey adopted a new foreign policy doctrine, the Strategic Depth, which was based on the idea of turning Turkey into a global player in international relations<sup>16</sup>. To achieve that, first of all, Turkey needed to pursue an independent, multilateral foreign policy. Therefore, it was essential for Ankara, on the one hand, to develop relations with its ally, the United States, and on the other hand, to establish cooperative relations with Russia, which managed to gain new geopolitical weight in the region at that time. The Russian-Turkish competitive relations that existed before that period began to transform into a partnership; unprecedented multilateral cooperation was established. The changes that took place in the Russian foreign policy in the early 21<sup>st</sup> century also contributed to such bilateral rapprochement. Russia managed to overcome internal and external challenges related to the post-Soviet transformation process, adopted new foreign policy priorities, returned to world politics in 2007-2008, and became an influential center of power. In this context, it was favorable for Moscow to stabilize relations with Ankara when all preconditions were created.

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<sup>14</sup> **Torosyan T., Vardanyan A.**, The South Caucasus Conflicts in the Context of Struggle for the Eurasian Heartland, *Geopolitics*, 2015, **20**, 3, 559-582.

<sup>15</sup> **Weiss A., Zabanova Y.**, Georgia and Abkhazia Caught between Turkey and Russia, *SWP Comments 54: German Institute for International and Security Affairs*, December 2016, pp. 2-3.

<sup>16</sup> **Walker J.**, Turkey's Imperial Legacy: Understanding Contemporary Turkey through its Ottoman Past, *Perspective on Global Development and Technology*, 2009, **8**, 2-3, 494-508.

## The Russian-Turkish energy rivalry over the control of Caspian energy routes

Following the collapse of the USSR, the geopolitical significance of the South Caucasus increased even more due to the perspectives of becoming a transit zone of the Caspian energy resources. Approaches to the Caspian energy supplies were utopian in the early 1990s. There were speculations that it would become the second Persian Gulf, however, later studies showed that the reserves of the basin could not be compared with the supplies of the Persian Gulf<sup>17</sup>.

A number of influential regional and global actors were interested in the policy of Caspian oil and gas transportation routes<sup>18</sup>, including the US-led Turkey and the EU that wanted to strengthen their positions in the west of the Caspian basin, Russia in the north, Iran in the south and China in the east. Nevertheless, among these states, Russia and Turkey showed a more active interest in the Caspian energy resources.

In the post-Cold War period, the energy sector became one of the important aspects of the Russian-Turkish geopolitical struggle. Both Moscow and Ankara had different approaches and ideas about the export of the Caspian energy resources to world markets. Each of these states wanted the energy routes to pass through their territory. Later the situation became even more complicated because of the great interest shown by the EU towards the Caspian Basin.

The energy sector occupies a special place in Russia's foreign policy agenda<sup>19</sup>. As a result of the collapse of the Soviet Union, Moscow lost its control over the Caspian energy resources, hence, in the 1990s Russia began to actively propose a number of projects related to energy routes that were to pass through Russia. As for Turkey, it sought to become an energy hub in the region by using its favorable geographical location<sup>20</sup>. Moreover, in addition to becoming a transit zone, by importing the Caspian energy

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<sup>17</sup>**Manning R.**, The Myth of the Caspian Great Game and the "New Persian Gulf", *The Brown Journal of World Affairs*, 2000, **7**, 2, 15-33.

<sup>18</sup> **Labban M.**, The Struggle for the Heartland: Hybrid Geopolitics in the Transkaspien, *Geopolitics*, 2009, **14**, 1, 1-25.

<sup>19</sup> **Blank S.**, Russian Energy and Russian Security, *The Whiteland Journal of Diplomacy and International Relations*, 2011, **12**, 1, 173-188.

<sup>20</sup> **Roberts J.**, Turkey as Regional Hub, *Insight Turkey*, 2010, **12**, 3, 39-48.



resources, Turkey would be able to meet its huge energy demand, which was no less important challenge for Ankara.

Several energy projects were proposed for the export of Caspian hydrocarbon resources. Moscow suggested exploiting the existing Baku-Novorossiysk line, from where Azerbaijani oil would be supplied to Europe through the Turkish Straits<sup>21</sup>. With the support of the West, Turkey put forward the Baku-Tbilisi-Ceyhan oil pipeline project, which bypassed Russia. According to this oil project, the Caspian oil resources would be transported from Azerbaijan via Georgia to Turkey and from there to the world market<sup>22</sup>. Of course, the last option was vital for Ankara, as in that case, Turkish Ceyhan would become a major oil center, Turkey would control Azerbaijan's oil resources, and consequently, Ankara would strengthen its positions in the South Caucasus. The West, particularly the US, actively supported the Turkish project<sup>23</sup>, as it spared no effort to reduce Russia's role in the region.

Initially, Azerbaijan tried to pursue a balanced policy with Moscow and Ankara regarding the oil resources export. In 1995, Azerbaijan decided to export oil via the existing Baku- Novorossiysk and Baku-Supsa oil pipelines<sup>24</sup>. This policy was not perceived by Ankara and therefore, Turkey began to take steps to block the possible export of Azerbaijani oil through Russia. One of those steps was the new requirements set by Turkey for the transportation of the energy resources through its straits. Turkey began to claim that the export of oil resources through the Turkish Straits could lead to an ecological disaster for the population of Istanbul<sup>25</sup>.

Russia in turn took steps to thwart Turkey's oil project. In 1994, Russian intelligence Chief Y. Primakov argued that Western-led oil deals posed a threat to Russia's national security. In November 1994, Russian Energy Minister Y. Shafranik officially announced his government's

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<sup>21</sup> **Жильцов С.С., Зонн И. С., Ушков А. М.**, Геополитика Каспийского региона, Международные отношения Изд., Москва, 2003, с.

<sup>22</sup> **Гусейнов В.**, Каспийская нефть, экономика и геополитика, Олма Пресс, Москва, 2002, с. 57

<sup>23</sup> **Balcer A.**, The Future of Turkish-Russian Relations: A Strategic Perspective, *Turkish Policy Quarterly*, 2009, **8**, 1, 77-87.

<sup>24</sup> **Griffith B.**, Back Yard Politics: Russia's Foreign Policy toward the Caspian Basin, *Demokratizatsiya*, 1998, **6**, 2, 426-441.

<sup>25</sup> **Baran Z.**, The Baku-Tbilisi-Ceyhan Pipeline: Implications for Turkey, *Central Asia-Caucasus Institute and Silk Road Studies Program*, 2005, pp. 103-119.

intentions to take part in all energy projects undertaken by the CIS. Shafranik stated that the nations of the Caspian Basin could not independently act to exploit their part of the sea's shelf, as the sea represents one ecosystem the legal status of which has not yet been defined, and all projects developed by former Soviet states relied on an infrastructure established by Moscow during the Communist period. Accordingly, Russia could not refrain from participating in those projects<sup>26</sup>. The Minister also warned Azerbaijan and Kazakhstan that the unilateral exploitation of the Caspian Sea resources in the absence of an agreement on legal allocation could pose significant risks<sup>27</sup>.

Despite Russia's efforts to prevent the construction of the Baku-Tbilisi-Ceyhan oil pipeline, it eventually became a reality. The Chechen war contributed to the blocking of a Baku–Novorossiysk route, as a large portion of the pipeline, which connected the oil fields in Azerbaijan to Russia, ran through Chechnya. In 2005, the Baku-Tbilisi-Ceyhan oil pipeline (1768 km) was put into exploitation. The construction of this oil pipeline conditioned the weakening of Russia's position in the world oil market<sup>28</sup>.

Along with the construction of the Baku-Tbilisi-Ceyhan oil pipeline, the Baku-Tbilisi-Erzurum gas pipeline was also under construction, which was successfully completed in 2007. The construction of the Baku-Tbilisi-Erzurum gas pipeline was to some extent an energy defeat for Russia, as on the one hand, it strengthened Turkey's weight in the region and, on the other hand, it allowed Europe to launch gas projects bypassing Russia. Although later it became clear that the Caspian energy resources were limited and they could not be a real alternative to Russian natural gas in the long term.

The West, particularly the EU, has a significant role in the Russian-Turkish energy competition. Due to the scarcity of its own energy supplies, today, the EU is one of the largest importers of energy resources in the world, whose largest importer is Russia (37%), followed by Norway

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<sup>26</sup> Griffith B., Op. Cit.

<sup>27</sup> Hottelet R., Which Way Will the Oil Flow?, *Christian Science Monitor*, October 1995, p. 19.

<sup>28</sup> Мамедова Н. М., Россия и Турция: взаимные интересы, возможности и противоречия, Российско-турецкие отношения: 2002–2012 годы, МГИМО Университет, Москва, 2013, с. 76.

(31.6%), Algeria (12%) and Qatar (7%)<sup>29</sup>. Such high-energy dependency on Russian natural gas was a cause for serious concern for Brussels. Even in the 1990s, some scholars considered the EU's energy policy to be one of the Union's weakest and most vulnerable areas<sup>30</sup>. At the beginning of the century, The EU energy policy began to change significantly after the Union's enlargement and the Russian-Ukrainian gas crisis in 2006-2009, which led to the disruption in gas supplies to European countries<sup>31</sup>. The EU realized that the existing heavy dependency on Russian natural gas, the unreliability of Ukraine as a transit country, the lack of alternatives to sources of energy imports, and the disagreements between member states on the EU energy policy were serious challenges to Brussels' energy security. It is therefore logical that the Caspian energy supplies are essential to the EU's energy security, as they are viewed as a means of reducing dependency on Russia. The above-mentioned position was fixed within the framework of the Southern Gas Corridor initiative launched in 2008, which was to ensure the transfer of the Caspian and Middle Eastern gas resources to the European market<sup>32</sup>.

According to the initial project, the Southern Gas Corridor gas project would consist of Nabucco, Turkey-Greece-Italy (ITGI) (construction of the Turkey-Greece section of the pipeline was completed in 2007, while the future of the Greece-Italy pipeline project is unclear due to competing Trans-Adriatic pipeline), Trans-Adriatic (TAP), Trans-Anatolian (TANAP) pipelines<sup>33</sup>. The key part of the project was the Nabucco pipeline, which was soon abandoned by the EU because of the shortage of gas reserves.

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<sup>29</sup> EU energy in figures, Statistical pocketbook, 2016, Available at://ec.europa.eu/energy/sites/ener/files/documents/pocketbook\_energy-2016\_web-final\_final.pdf (10.09.2020).

<sup>30</sup> **Matlár, J. H.**, Energy policy in the European Union, Basingstoke: Macmillan, 1997, p. 78

<sup>31</sup> **Siddi M.**, The EU's Botched Geopolitical Approach to External Energy Policy: The Case of the Southern Gas Corridor, *Geopolitics*, 2019, **24**, 1, 124-144.

<sup>32</sup> European Commission, Second Strategic Energy Review: An EU energy, security and solidarity action plan, COM(2008) 781 final, Brussels 13, November 2008, <https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0781:FIN:EN:PDF>, (12.08.2020).

<sup>33</sup> **Roberts J. M.**, The Black Sea and European energy security, *Southeast European and Black Sea Studies*, 2006, **6**, 2, 207-223.

In the above-mentioned project bypassing Russia, Turkey was to play a key role and Ankara tried to use the existing tension between Russia and the EU. Among all pipelines of the Southern Gas Corridor project, Nabucco was the one that posed more threats to Russia and therefore, Moscow took steps to build an alternative pipeline, whereby it could prevent the possible construction of Nabucco. However, further developments showed that the Nabucco gas project was of geopolitical nature and doomed to failure, because of the limited energy resources of the Caspian Basin, as well as a number of political and economic factors.

The uncertainty of the future of the Nabucco project became clear back in 2006. Actually, the EU developed that project at the beginning of the century and according to the initial project,

the pipeline was supposed to import Iranian gas through Turkey as well, but when the UN Security Council imposed sanctions on Tehran in 2006, the EU-Iran gas cooperation got blocked and the Nabucco project completely lost its economic significance<sup>34</sup>. Later, the Southern Gas Corridor project was modified, and the Nabucco project was eventually aborted. That gas project can no longer play a key role in ensuring Brussels' energy security and diversification of energy suppliers, as it is based solely on 16 billion cubic meters (bcm) of Azerbaijani gas, of which 6 bcm is for Turkish consumption and the rest is for the European market<sup>35</sup>.

As an alternative to the Nabucco project, Moscow initiated the construction of the South Stream gas pipeline in 2011, which was soon canceled, as under apparent pressure from Brussels, one of the key countries involved in the project, Bulgaria, withdrew from the project<sup>36</sup>. However, Moscow immediately modified the route of this project and announced the construction of the Turk Stream gas pipeline<sup>37</sup>, in which Turkey's role was essential.

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<sup>34</sup> Siddi M., Op. Cit.

<sup>35</sup> Torosyan T., Vardanyan A, Op. Cit.

<sup>36</sup> Sharples J., South Stream - as Gazprom Abandons the Project and Announces a New Gas Pipeline to Turkey, *European Union Foreign Affairs Journal*, January 2015, 1, 41-55.

<sup>37</sup> Гянджумян В., «Война газопроводов»: о некоторых геополитических последствиях проектов ТАНАП и «Турецкий поток», *Центральная Азия и Кавказ*, 2015, 18, 3-4, 84-92.

The construction of the Turk Stream pipeline has a key role in the Russian-Turkish energy cooperation. The memorandum on the construction of the pipeline was signed in 2014, according to which, the Russian "Gazprom" and Turkish "Botas" companies would jointly build a 930 km long underwater pipeline to deliver Russian natural gas to Turkey and then to southern and southeastern Europe<sup>38</sup>. Construction was scheduled to begin in 2015, but because of the political crisis<sup>39</sup> in the Russian-Turkish relations caused by the crash of a Russian military plane in 2015, negotiations on the construction of the pipeline were frozen. However, one of the key motives for resolving the above-mentioned political crisis was the energy sector with its strategic and security joint energy deals, especially, when at that time both Moscow and Ankara were in a difficult political and economic situation. In 2016, during the normalization of bilateral relations, the negotiations on the construction of the gas pipeline were resumed and the agreement on the construction of the Turk Stream was eventually signed. The construction of the pipeline was successfully completed in 2019 and put into operation in January 2020.

The construction of the Turk Stream pipeline was of the strategic importance for both countries. By the construction of the pipeline, Russia solves several important issues. First, the Turk Stream will increase Turkey's and the southern European countries' energy dependence on Russian gas. As a result, Russia will expand the influence in the world energy market<sup>40</sup>. In addition to the above, the pipeline has another advantage for the Russian side, it is an alternative to the Ukrainian gas export route. For Moscow Ukraine is not a reliable transit country for a stable gas supply to Europe.

A favorable situation was created for Turkey as well. In addition to meeting domestic energy demand, the construction of the pipeline allows Turkey to gain significance as a major energy hub, which is of great importance to Ankara, as it will allow Turkey to strengthen its position as a

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<sup>38</sup> TurkStream, <https://www.gazprom.com/projects/turk-stream/>, (12.08.2020).

<sup>39</sup> On November 24, 2015, the Turkish Air Force shot down a Russian Su-24 fighter jet on the Turkish-Syrian border. In response, Russia imposed several economic sanctions on Turkey, restricted the activities of Turkish companies in Russia, suspended charter flights and visa-free agreement with Turkey. Turkey in turn restricted the entry of Russian warships through the Bosphorus. These actions led to a 7-month political crisis in bilateral relations.

<sup>40</sup> Мамедова Н. М., *Op. Cit.*

regional leader. Turkey could claim the status of a regional leader in three dimensions: geographical /the South Caucasus, the Middle East/, religious /the Islamic world/, and in resource dimension /as a controller of energy transportation routes/<sup>41</sup>. However, geopolitical developments showed that Turkey failed in the first and second dimensions, and had to focus on the third one. Consequently, the construction of the Turk Stream pipeline is a good opportunity for Ankara to enhance Turkish positions in the resource dimension.

Three subsystems of the energy corridor are distinguished passing through Turkey: *the Caspian*, which includes the transfer of energy resources from Azerbaijan, Kazakhstan and Turkmenistan /the latter two did not register any tangible success/, *the Black Sea or Russian*, which includes the Blue Stream, the Turk Stream pipelines and oil transportation through the straits, and *the Middle eastern-Mediterranean*, which includes the transportation of energy supplies from Iran, Iraq and the Eastern Mediterranean<sup>42</sup>. However, in the near future, the effectiveness of the first and third subsystems is vague. The reason is that the resources of the Caspian subsystem are limited, and the Middle East-Mediterranean subsystem registered zero result, so they cannot strengthen Turkey's position in terms of a controller of energy export routes. Thus, unlike the first and third subsystems, only the Black Sea or Russian subsystem has obvious advantages. From this point of view, the role of the Turk Stream gas pipeline is significant, as it provides and complements the third subsystem passing through Turkey.

The construction of Turkey's first nuclear power station, the Akkuyu power plant, is a significant project in bilateral energy cooperation. In 2010, an agreement was signed between the presidents of Russia and Turkey, according to which, the Russian company "Rosatom" would build a nuclear power plant, comprised of four power units, with a total capacity of 4800

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<sup>41</sup>Արշակյան Գ., Եղիազարյան Ա., Թուրքիայի քաղաքականությունը Անդրկովկասում և թուրք-ադրբեջանական հարաբերությունները 2002-2008թթ., *21-րդ դար*, 2012, 6, 46, 35-54:

<sup>42</sup>Գրիգորյան Ա., Գլոբալ և տարածաշրջանային զարգացումների ազդեցությունը միջազգային էներգետիկ գործընթացներում Թուրքիայի ներգրավվածության վրա, Քաղաքակրթական և մշակութային հետազոտությունների կենտրոն, *Վերլուծական տեղեկագիր. Երեք ծովերի համակարգ*, 2016, 9, էջ 98:

MW<sup>43</sup>. The construction began in 2018 and it is planned to put into exploitation in 2023. The construction of a nuclear power station will increase Russia's energy importance in the region. According to the agreement signed between the two countries, the nuclear power plant will have 60 years of "technical life" /with the prospect of extending its operation for 20 years/<sup>44</sup>. Accordingly, Russia will have some influence over the Turkish power grid by 2080 and according to some predictions, the plant is expected to meet about 8-10% of Turkey's energy needs<sup>45</sup>. The Akkuyu nuclear power heightens Turkey's energy dependence on Russia. The construction of a nuclear power plant is beneficial for Ankara as well. First, Turkey will be able to meet its high energy demand. Second, Turkey has always sought to build a nuclear power plant, which will reduce the state's dependence on gas and oil imports. Moreover, in addition to the above-mentioned, 20 billion dollars was invested by Russian companies in Turkey for the construction of the first nuclear power plant. With the construction of the Akkuyu nuclear power station and the Turk Stream gas pipeline, the Russian-Turkish energy cooperation reached an unprecedented level.

## Conclusion

The analysis of the Russian-Turkish geopolitical struggle in the South Caucasus after the collapse of the Soviet Union, in which energy competition plays a key role, shows that

1. In the new world order, both Russia and Turkey took active steps to realign the spheres of geopolitical influence in the South Caucasus, which led to significant developments in the process of the geopolitical rivalry. The importance of the settlements of the South-Caucasian ethno-political conflicts and the construction of new transport routes for Caspian energy resources are primary in the geopolitical struggle for the region. Even though there was political

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<sup>43</sup> **Winrow G.**, Turkey and Russia: The Importance of Energy Ties, *Insight Turkey*, 2017, **19**, 1, 17-32.

<sup>44</sup> Akkuyu NPP Construction Project, <http://www.akkuyu.com/index.php?lang=en>, (16.09.2020).

<sup>45</sup> **Aras E.**, The Necessity of Nuclear Energy in Turkey: A comparison with Hydropower energy, *Energy Sources Part B: Economics Planning and Policy*, 2013, **8**, 2, 107-114.

vacuum left by the collapse of the Soviet Union, Turkey could not replace Russia's influence because of the lack of proper political and economic potential. Russia, which has a significant weight in the South Caucasus, lost its influence in Georgia but could return to the region, where it still holds a more influential position among the other actors involved in geopolitical competition. Nevertheless, probably feeling that the establishment of geopolitical balance was coming to an end, Ankara made another attempt to assert influence in the South Caucasus by provoking and having unprecedented direct participation in the military aggression against Artsakh unleashed by Azerbaijan in September 2020.

2. In the first phase of the Russian-Turkish rivalry over the control of transit routes of the Caspian energy resources, Turkey had some success. The construction of the Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas pipeline was one of the first steps taken by Turkey to become an international hub for energy routes. The construction of the above-mentioned pipelines allowed Turkey to some extent to meet its growing energy demand by developing alternative energy sources and to control the export of Azerbaijani gas and oil, thereby improving its positions in competition with Russia.
3. The Russian-Turkish energy relations became even more "tangled" because of the EU's interest towards the Caspian energy resources. To reduce energy dependence on Russian natural gas and to ensure energy security, the EU has actively launched a number of energy projects related to the Caspian energy supplies. In the EU's projects, which bypass Russia, Turkey was to play a key role, which succeeded to become a transit zone for both Caspian and Russian natural gas export routes by using the existing competition between Moscow and Brussels.
4. Due to geopolitical realities, the Russia-Turkey energy rivalry gradually transformed into cooperation and turned into a geostrategic factor, having a stabilizing role in the rapprochement of bilateral relations. In the field of energy cooperation, the construction of Blue Stream, Turk Stream gas pipelines, as well as Akkuyu NPP is remarkable. Due to these energy deals, Russia got the opportunity to increase its presence in the Turkish energy sector and to transport Russian gas to Europe by using energy diplomacy.



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As for Turkey, besides meeting its huge domestic energy demand, Ankara gains significance as an international energy hub. However, Turkey, which could not resist the temptation to improve its position in the South Caucasus through military aggression of Azerbaijan against Artsakh, is endangering its relations with Russia and the implementation of joint energy programs.

5. Geopolitical developments show that in case of tensions, both Moscow and Ankara take steps to normalize relations, taking into account the joint energy projects, which are of strategic and security importance. Consequently, the energy sector has a decisive and tangible impact on bilateral relations and is used as a powerful geopolitical lever for both sides. Nevertheless, the large-scale involvement of Turkey /mercenary-terrorists, military aviation, various equipment, military specialists, etc./ in the military aggression against Artsakh unleashed by Azerbaijan in 2020 is a touchstone in this regularity.