SIR DAVID LOGAN

TURKEY AND THE MIDDLE EAST IN A CHANGING CONTEXT

Other speakers at this conference know a great deal more about the Middle East than me. Partly for that reason, I want to look at Turkey and Middle East in a context which I expect will not be touched upon at other sessions, namely Turkey's relationship with the European Union.

Another place which none of us might have been expecting to think about when we were invited to this conference is Georgia. But what has happened in Georgia affects Turkey, and it affects the Middle East.

At issue with Europe is not just the substance of Turkey's influence and policies with respect to the Middle East, but also European views on the significance of these for the future of the Union. On one European conception, Turkey is not really in Europe but embedded in a dangerous and unstable Middle Eastern neighbourhood, and touched by the instability, terrorism, illegal migration and drug smuggling which are associated with the region. On this view, Turkish accession to the EU would make Europe more vulnerable to these dangers. European security and prosperity are instead assured by the establishment of a fortress Europe, insulated from external threats by intensified internal cooperation rather than enlargement.

The opposite view is often expressed by Olli Rehn, the EU Commissioner for Enlargement. In an interview last year he said "Turkey is an anchor of stability in the most unstable region of the world, in the wider Middle East. It is a benchmark for democracy for the Muslim world from Morocco to Malaysia. With a successful accession process of Turkey to the EU, she can become a sturdier bridge of civilisations". On this view, Turkey is a bulwark against external instability which would otherwise lap at the borders of Bulgaria and Romania. Turkey projects stability and contributes with its European partners to the struggle against terrorism, illegal migration and drug smuggling and would be able to perform this role more effectively if she was a full member of the Union.

I'd like first to look at the special features of Turkey's relations with the Middle East. They include:

The historical (Ottoman) association.
Religion.
Geographical proximity.

The first two of these features are characterised by ambiguity for Turkey and her Middle Eastern neighbours alike. Historical association brings with it familiarity, shared experience and a degree of common cultural tradition. For the Arabs, however, the legacy is colonial and carries with it all the historical baggage which this implies. For the Turks, on the other hand, shared religion means a common faith and spirituality but at the same time gives rise to a fear, felt particularly by Turkey's secularist establishment, of fundamentalism imported from non-secular neighbours. Arguably, the Turkish rediscovery of the Middle East which I shall discuss is bound up with the waning of that establishment's dominance and the emergence of a new Anatolian middle class which does not share its suspicion of religion.

Geographical proximity brings with it shared interests, but also potential or actual threats where these diverge. Unlike some of her neighbours which have massive hydrocarbon resources, Turkey has virtually none. Her energy requirements are massive, which has vital implications for her relations with Iraq, Saudi Arabia, Iran and potentially Turkmenistan. On the other hand, she is relatively well resourced with water and controls the upper reaches of the Tigris and Euphrates, whose water is vital to Iraq and Syria. She has used water as a card in her confrontation with Syria over support for the PKK. Turkey's foreign trade was badly hit by the first Gulf War and subsequent sanctions against Saddam Hussein's regime; she now has a thriving trading relationship with the Middle East, with her exports to the Middle East rising five-fold between 1990 and 2004, which brings with it a strong interest in regional security and stability.

As for threats, these include WMD proliferation and terrorism, as well as exported fundamentalism. The future of Iraq is important to Turkey not just for trade and oil, but also because a fragmented Iraq would destabilise the Middle East and because Northern Iraq can be a safe haven for the PKK. Iran is important not just as a valuable source of energy, but also because, if her nuclear ambitions were realised, she would be a serious threat to regional stability and conceivably to Turkey itself. Turkey's neighbours like Syria and Iran have medium range missiles capable of reaching Turkish population centres. Turkey is the only major regional country which does not possess such missiles.

During the period in which the AKP government has been in power, Turkey has become active in the Middle East in ways which would have been unrecognisable, indeed unacceptable, to Ataturk. However, I believe it is wrong to call this development the "Islamisation" of Turkish foreign policy. Although the current Georgian crisis has brought with it a serious challenge to Turkey's

relations with Russia, the main threat to Turkey is not now exclusively Soviet. Instead, the risk of Kurdish separatism in Northern Iraq and the failure of the

Iraqi state; the rise of Iran; the fragmentation of Lebanon, partly at the hands of radical groups with close ties to Syria and Iran, all come from Turkey's southern periphery and the wider Middle East.

Turkey has, therefore, begun to focus more attention on the region, but not because it wants to emulate the Refah Party which in the 1990s tried to substitute Middle Eastern and Islamic countries for Turkey's partners in the United States and Europe. It is doing so because it can no longer afford to stand to one side on regional developments which directly affect its national interests. Just as importantly, this new found Turkish interest in the Middle East reflects the commercial interests of the new Anatolian middle class particularly in the Gulf States and Saudi Arabia. This new, more assertive, Turkish foreign policy is reflected in Turkey's candidacy for Security Council membership in 2009-10.

The European Commission's brief coverage of foreign policy in its last progress report noted that Turkey has continued to support efforts to achieve national reconciliation, security and peace in Iraq. Turkey had supported all EU statements related to Iran's nuclear programme. It had continued its support for the Middle East Peace Process. The report went on to note that relations with Syria continued to develop positively; and that the mandate of Turkish troops serving with UNIFIL in Lebanon was extended.

However, these Commission comments disguise a rebalancing of Turkish foreign policy which reflects strategic interests not all of which are shared with the EU, and particularly the US. For example, Turkey's relations with both Syria and Iran are partly driven by a shared interest in containing Kurdish nationalism and preventing the emergence of an independent Kurdish state on the borders of the three countries. These are not European or American interests; indeed for a long period American relations with turkey were bedevilled by Turkish suspicion that the US was shielding PKK guerrillas in Northern Iraq.

In the case of Iran, the key component of the European relationship is the threat of nuclear proliferation and Iran's role in Iraq, not energy. Turkey too is concerned is about the possibility of a nuclear-capable neighbour. But Turkey no longer takes very seriously the threat of fundamentalism exported from Iran. Soon after President Bush's election of Iran to the axis of evil, the staunchly secular Turkish President Sezer visited Iran, calling for new priorities in building economic relations between Turkey and Iran.

Turkey's energy requirements have led to the signature of an agreement between the Turkish Petroleum Corporation with their Iranian counterpart of a

$3.5 billion deal to develop the 22nd, 23rd and 24th phases of the South Pars gas reserves. This has drawn criticism from the United States. Nick Burns, the Under Secretary of State for Political Affairs at the State Department said last autumn that the US opposed the involvement of companies in oil and gas investment in Iran and that there could be strengthened US sanctions against countries cooperating with Iran on energy issues.

Meanwhile the volume of trade between Turkey and Iran rose from $1.3 billion in 2002 to $8.1 billion in 2007. There have been difficulties, for example over the contracts won by Turkish companies for the modernisation of Tehran airport and the Iranian mobile phone network. But Turkish construction companies are active in Iran. A Turkish state owned Fertiliser Company paid $681 million to buy Iran's biggest fertilisation production facility earlier this year. Then the Minister of Foreign Trade, Kursad Tuzmen, paid a two day visit accompanied by 100 public and private sector business people.

However, UNSCR 1803, adopted in March, introduced sanctions which covered, amongst other things, activities by Iranian banks, the export of dual-use items and transport and shipping activities. These will inhibit the growth of Turkish trade and investment in Iran. Still stronger sanctions against Iran, if pursued by the US and the Europeans, could well be in the field of Iran's energy exports, thereby risking differences between Turkey and the West on policy towards Iran. It is not surprising, therefore, that Turkey, while fully supportive of Europe's approach on nuclear proliferation, has emphasised the importance of not isolating Iran and of finding some ladder for the Iranians to climb down, arguing that centuries of familiarity as neighbours and as two regional powers puts Turkey in the position of knowing better than most how to handle the Iranians. The visits to Ankara by the American National Security Advisor and the Iranian Foreign Minister on 17 and 18 July respectively for discussions of the Iranian nuclear enrichment programme demonstrated a Turkish hand in the approach to the unprecedented face to face discussions between Iranian and US officials on the subject in Geneva the following day.

In the case of Syria, it is that country's role in Lebanon and in international terrorism, which are the key drivers of EU policy and not, as in the case of the Turks, the problem presented by the Kurdish population there. The Turkish relationship with Syria was historically poor because Syria provided a safe haven for the PKK. This reached its nadir in 1999 when Turkey threatened to invade Syria if the PKK leader, Ocalan, was not expelled. The Syrians backed down and

bilateral relations since then have seen a remarkable transformation, culminating with reciprocal State visits in 2004 which drew US criticism of Turkey on the

grounds that this contradicted US policy aimed at isolating Syria. The revelation that Turkey had been mediating between Israel and Syria for a year, is a remarkable illustration of the new Turkish relationship with her Arab neighbours and of the new significance of Turkey to the EU in terms of Middle East policy options. The Turkish mediation effort may be a long way from achieving a separate Israeli settlement with Syria. But the Turkish initiative, apparently undertaken at Syrian and Israeli request, is interesting both as an example of serious Turkish diplomacy not just as a facilitator but as a mediator, and because it has been undertaken in the face of US opposition to Israeli contacts with Syria.

As regards the Middle East Peace Process more broadly, the balance between Turkey's relations with Israel on the one hand and the Arabs on the other has become more complex. Prime Minister Erdogan has openly criticised Israeli policy on the West Bank and Gaza and described the assassination of Hamas leader Sheikh Ahmad as a a "terrorist act". In 2006 Presidnet Gul, then Foreign Minister, hosted a high-ranking Hamas delegation in Ankara and during the Lebanon crisis the same year he strongly condemned the Israeli attacks. However, he also sent 1000 troops to participate in the UN peacekeeping force in Lebanon, an act which was explicitly supported by Prime Minister Olmert, and defended this on the grounds that Turkey could not protect its interests by being a mere bystander and had to participate in the peace process. Last November, Mahmud Abbas and Shimon Peres met in Ankara: they addressed the Turkish parliament together; and President Gul met them both at a forum which brought together Turkish, Israeli and Palestinian business people.

This activity reflects not just Turkish perceptions of where its Middle East interests lie, but also the deterioration in Turkey's relationship with the United States, and a judgement about the decline of US influence in the region. The Turkish mediation effort between Syria and Israel is an illustration of the marginalisation of the United States, currently little more than Israel's patron, as a serious diplomatic actor in the Middle East.

It also, I believe, reflects the fact that Turkish policy on the Arab/Israel issue is no longer primarily driven by the military, on whose interests the alliance with Israel was mainly based. This is now balanced, both by the existential importance of Turkey's interests with neighbours which are Israel's enemies as well as her interests with Israel, and by the growing influence and interests of the new Anatolian middle classes. They are conservative and Muslim, but also enterprising and successful traders who are now responsible for the development of Turkish trading and cultural links with Saudi Arabia and the Gulf States.

Of course it takes two to develop a relationship. It is worth noting that Turkey's accession to the EU has been supported by the Arab League in Brussels. For most of my career, the idea that there was an Arab interest in a Turkish foreign policy objective such as this would have seemed ludicrous. Erdogan has visited virtually every country in the region since he came to power. In 2006, he became the first Turkish Prime Minister to attend an Arab League Summit, and Turkey was granted the status of "permanent guest".

This development in the political relationship with the Arab world has been paralleled with the Organisation of the Islamic conference. In 1997 President Demirel attended an OIC meeting in Tehran but walked out when Turkey was criticised for its links with Israel and the US. By 2003, however, Turkey had hosted a meeting at foreign minister level in Istanbul and the following year was elected chairman, interestingly on the first occasion at which the chairmanship was decided through an open election, at the insistence of the Turks.

Finally, and only last week, President Sarkozy, Prime Minister Erdogan, the Emir of Qatar and President Asad of Syria met in Damascus. This mini-summit was a further demonstration of the way the vacuum caused by the absence of the US is being filled by other actors. It was built in part on the Turkish activity between Israel and Syria; in part on Qatar's mediatory role between Iran and the Arabs; as well on Syria's centrality to key Middle Eastern issues such as Lebanon. Sarkozy, who has supported Erdogan's Caucasus Stability and Co-operation Pact proposed as a vehicle for mediating the regional tensions caused by the Georgia crisis, identified in Turkey a regional player whose influence and relations have developed to a point at which Turkey can play a significant role in Middle Eastern issues, for the solution of which time is running dangerously short.

In bilateral terms, the most striking example of Turkey's new role relates to Saudi Arabia. In 2006, King Abdullah paid the first visit to Turkey by a Saudi monarch in forty years and returned for a second visit within a year. The first took place during the tenure of the arch-secularist Sezer as president; the more recent during the incumbency of current president, Gul. These visits have been flanked by other exchanges at ministerial level, at which political, security, investment and trade relations have all been the focus of attention. In political terms, this activity can in part be viewed as a reaction by the two major Sunni regional powers to the threat represented by the gain in influence by Iran, the region's leading Shiite power, resulting from the debacle in Iraq.

This development in Turkish relations with Saudi Arabia has been replicated elsewhere in the Arabian Peninsula. Four months ago, the Foreign Minister of the UAE was in Ankara for what was described as first step in enhancing bilateral relations. This covered political relations, but also looked forward to UAE investment in Turkey in energy, tourism and infrastructure. There is a sense that Arab businessmen feel more comfortable dealing with the AKP government than with its secular predecessors, and also that Arab money which once flowed into the United States now goes to other destinations, including Turkey.

I'd like now to turn to the topical subject of Turkey's relationship with the EU in the field of energy. As I have already mentioned, Turkey herself has enormous, and burgeoning, energy requirements. The Baku-Tbilisi-Ceyhan pipeline opened in 2006 and is paralleled by a gas pipeline. Her developing relationship with Russia has been built on the back of the supply and, by now, of very significant dependency on Russian gas. I have mentioned the way in which energy supply affects Turkey's relations with Iran. The same applies to her relationship with Russia. Although this is not, directly at least, the subject matter of this conference, the current crisis in Russian relations with the West makes it highly topical. Turkey's geographical position in relation to energy sources for the EU, and the role of the Bosphorus as a key transit point for oil and gas transported from Black Sea ports, are an important component in her relationship with Europe. 15% of Europe's energy needs could one day transit Turkey. Turkey has a key role in the diversification of energy supply routes to Europe.

The Georgian crisis has vividly highlighted Europe's difficulties in concerting a unified energy policy, with Russia successfully making bilateral deals with a number of European countries, thereby undermining a cohesive approach. There is no doubt that the future of energy supplies are of vital importance to all of us; that the strategic challenge which securing these represents is far from being met; and that Turkey's interests and those of the EU on this question are to a considerable extent shared. Conversely, a Turkey alienated from the EU could adversely affect the Union's attempts to achieve energy security.

There are high geo-strategic stakes at issue here. Both Turkey and Europe need to re-invigorate Turkey's accession negotiations. Turkey cannot afford the delusion that the benefits of a close bilateral relationship with Russia, important though these are, can be a substitute for the EU, a unique multilateral community, which holds the prospect of societal and political transformation for Turkey, just

as has been achieved for its existing members. It is a serious category error to suppose that any bilateral relationship can be an alternative for this. The EU, for

its part, cannot continue to ignore the gains which Turkish membership would bring to the Union. In recent years, the Europeans have tended to forget that part of this benefit is geo-strategic. The Georgia crisis should have given the Europeans a timely reminder of this.

The quest for alternative sources for energy caused by the crisis in relations with Russia is, of course, likely to be seen also in a search for new policies towards the fossil fuel-rich countries of the Middle East. This will be as true for Turkey as for the EU. Moreover, in broader strategic terms, policy makers in the US in particular may find themselves confronted with difficult choices given that the fight with radical Islam requires cooperation with Russia. How will this affect US policy towards states in the Middle East, including Iran?

I would now like to take a look at Turkey's relationship with Iraq. The European Commission's last progress report on Turkey's accession negotiations noted that Turkey has continued to support efforts to achieve national reconciliation, security and peace in Iraq; hardly surprising since the overthrow of Sadam Hussein's regime has had serious consequences for Turkey. The effects have included the disruption of Turkey's Middle East trade and of Iraq's energy production, the growth of international terrorism, the development of Iranian influence in the region and, of course, the increase in Northern Iraq's autonomy carrying with it, if Iraq broke up, the risk of the establishment of an independent Kurdish state.

These negative effects for Turkey combine to make the establishment of a stable post-Saddam Iraq an objective as important for the EU as it is for Turkey. It is, of course, inconceivable that the new Iraq will have a strong central government. The implications of this for Turkey, in the shape of a heavily devolved administration in Northern Iraq, are a new fact of life. However, an Iraq with a weakened central government is still strongly preferable for Turkey to the replacement of Iraq by Kurdish, Shiite and Sunni mini-states. This would bring with it not only an independent Kurdistan, and with it the risk of Kurdish irredentism in south Eastern Turkey, but also dangerous confrontation between Iran and Saudi Arabia as they vied for influence in the Shiite and Sunni regions of the former Iraq, and confronted each other there.

Against this background, the Turks are cautiously pleased with how their relationship with the central government of Iraq is developing. The limited Turkish incursion against PKK in Northern Iraq in February cleared the air with Baghdad and demonstrated that the Turkish army had no intention of occupying

the region. They welcomed the new petrochemical law and, for obvious reasons, the postponement sine die of the referendum on Kirkuk. There is cooperation

between the two governments on economic development in Iraq. Already, more than 500 Turkish companies are doing business in the north of the country, and there is over $2 billion of Turkish investment there. While the war in Iraq has severely reduced energy production, the US wants to link Iraqi gas to the emerging trans-Turkey system to Europe. In the south of Iraq, the Turks are using their Sunni confessional relationship to underpin economic activity, and have opened a Consulate in Basra.

As for the North, there are new realities there which the Turks have to recognise. Northern Iraq has a functioning administration perceived as legitimate by the population, its own army and national flag, and a strong sense of national identity. Until recently, relations were poor. The PKK was using safe havens in the North for their lethal attacks in Turkey. There were statements by the Kurdish leadership which made explicit references to independence as a long term goal. But the relationship is complex. Besides Turkish investment, Northern Iraq depends on Turkey for food, cement, refined fuel, 20% of its electricity and 15-20% of its water. And, of course, how Northern Iraq and Turkey deal with one another is a factor in the attitudes of Kurds in Turkey towards their identity as Turkish citizens.

There has been a notable improvement in the Turkish relationship with Northern Iraq since President Talabani, who is of course Kurdish, visited Ankara in March. This came only a week after the Turkish military withdrew their troops from Northern Iraq after an eight-day ground offensive, the Americans having agreed on the one hand to provide real-time operational intelligence on the PKK to the Turks, while on the other hand urging them to have direct talks with the Northern Administration, led by Massoud Barzani. Since Talabani's visit, there has been a softening in Barzani's language (presumably as a consequence of American pressure) with even the then Chief of the Turkish General Staff commenting favourably on this. This positive development derives from reluctant recognition by both sides that each has interests best served by cooperation rather than by real reconciliation. Even so, since late March, the Turkish special envoy to Iraq has paid a series of visits to Baghdad and the North, and Ankara describes this as part of a process of normalisation.

My conclusion is that this survey of Turkey's relationships with its Middle Eastern neighbours in the context of the EU accession process demonstrates that European and Turkish interests overlap but do not coincide. Of course, the history of the Common Foreign and Security Policy exhibits important policy differences among the existing members of the EU on the Middle East as well.

So the special features of Turkish relations with the region which I outlined at the outset, derived from history, location, religion and historical experience, are

hardly surprising, even if they are important. They represent a challenge, but more significantly an opportunity, because they offer a basis for policy projection in the region which is not available to the present members of the EU.

Turkey's estrangement from the US, a more radical and more profound transformation than its parallel in the US/EU relationship, also offers opportunities to the EU. In Iran, for example, Mohammed El Baradei has described Turkey as having a unique intermediary role, because of her connections with each side. In sum, Turkey's combination of regional and historical assets give Turkey unique potential as a contributor to EU foreign policy formation and implementation, and to fulfil the role outlined by EU Commissioner Rehn, namely as an anchor of stability in the wider Middle East. Last week's summit in Damascus is a vivid illustration of this.

In these terms, as in others, accession will be a benefit for Turkey too. Seen from the countries of the Middle East, a Turkey which is integrated into the EU will be far more important in both political and commercial terms than one which is disconnected from the EU. Turkish isolation from Europe would risk instability and insecurity, and therefore an adverse relationship with her Middle Eastern neighbours. This risk seems the greater if, as seems likely, the Georgia crisis heralds a period of difficulty in Turkey's relations with Russia, Conversely, membership of the EU will provide powerful strategic support and important underpinning for the activist Turkish focus on the Middle East which I have described and which will, in the transformed post-Cold War environment, become a permanent feature of Turkish foreign policy.

The conclusion, therefore, is that Turkey and the EU need each other to confront the challenges and opportunities of the contemporary Middle East. In geo-strategic terms, Turkish accession to the EU will be an important asset for Europe and not a step which exposes it to Middle Eastern insecurities.