

Iran-Turkey Relations, 1997-2009

*Dissertation submitted to Jawaharlal Nehru University
in partial fulfillment of the requirement
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Master of Philosophy

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DECLARATION

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I declare that the dissertation entitled “**Iran-Turkey Relations, 1997-2009**” submitted by me for the award of the degree of **Master of Philosophy** of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this university or any other university.

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CERTIFICATE

We recommend that this dissertation be placed before the examiners for evaluation.

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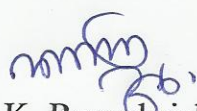
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Introduction

Iran and Turkey have a long history of conflict and cooperation since the days of Persian and Ottoman empires. The Iran-Turkey relations have been subject to the influence of various factors. These tendencies were derived from the realities of having a common border, cultural interaction and other factors that are both old and new. A number of factors helped to bring about the commonalities of interests between Iran and Turkey. They have in common non-Arab identities amid Arab neighbours. About a third of Iran's population, close to 25 million, speaks Turkish as a mother tongue, while being fluent in Persian, Iran's official language. The Turkish-speaking population of Iran, while concentrated in Azerbaijan, is present in large numbers across many of the country's north eastern and western provinces. Turkey was neutral during the eight year long Iran-Iraq war, a stand which Iran appreciated. During the Cold War years, anti-communism was quite pronounced in the foreign policy posture of both countries as each perceived the Soviet Union's regional ambitions as a major threat to their territorial integrity and national security. The political and military ties Iran and Turkey developed with the West as a hedge against the Soviet Union also brought about a coincidence of interests between the two countries and created the framework for the coordination of their regional activities with respect to Kurdish uprisings and other commonly perceived threats in the region. Furthermore, bilateral relations were strengthened as Iran and Turkey saw themselves as a counterbalance to rising Arab nationalism and radicalism in the region.

However, a period of coldness could be witnessed in their relations after the 1979 Iranian Revolution which resulted in major changes inside Iran and the West Asian regional status quo. Before the Revolution, both countries were members of the Central Treaty Organization (CENTO), a defence alliance in West Asia and Regional Cooperation for Development (RCD), an economic agreement during 1950s to 1970s. Iran withdrew from these agreements after the Revolution. Iran's Revolution had initially been welcomed by the Turkish leaders. Despite Turkey's immediate recognition of the Khomeini regime, the ideological contrast between the two regimes was stark. The relations were only improved with the outbreak of the Iran-Iraq War, creating incentives

for Iran and Turkey to cooperate economically. Iran needed passage of goods for transportation and Turkey was reeling from an economic crisis and the 1980 coup had also left it politically weakened on the international stage. At the same time, Turkey proved to be a viable trade and transport route for Iranians. Government-negotiated barter deals – oil for consumer and industrial goods – ensured stable Iranian-Turkish relations free of political differences during the Iran-Iraq war.

During the Iran-Iraq war, commercial ties between Iran and Turkey expanded. Iran's imports from Turkey mushroomed from \$45 million in 1978 to \$ 1,088 million in 1983. The war compelled both Iran and Turkey to adopt pragmatist policies. However, Iran's offensives indirectly created a safe haven for the separatist Kurdistan Workers Party (Partiya Karkeren Kurdistan, PKK) to launch an insurgency inside Turkey from Iraqi soil. Toward the end of the war, Turkey's military response to the PKK increasingly made it a party to the conflict in support of the objectives of the Baghdad regime. This development and the simultaneous collapse in world oil prices diminished the importance of economic ties and Iranian-Turkish relations became more fractious. Thus the effect of coldness was experienced in bilateral relations over several decades on various issues. These included the suspicion from both sides that the other country was supporting terrorist groups in its country, i.e. the Mujahideen-e-Khalq Organisation (MKO) attacks on Iran from Turkey and PKK attacks on Turkey from Iran, close interaction between Turkey and the United States and Israel, rivalries in the Caucasus regarding energy transit etc.

When the Iran-Iraq war ended, Iranian-Turkish relations became more confrontational because of ideological differences. Each viewed the other through the narrow prism of their religious-secular divide. Ayatollah Ruhollah Khomeini once quipped that secular Kemalism was worse than communism. Tehran was repeatedly complaining that Ankara was not doing enough to control Iranian dissidents operating on Turkish soil. Turkey also had suspicions about Iranian support for fundamentalist movements in Turkey. During the late 1990s, Turkey formed close links with Israel, particularly in the defence industry and in military training while Iran had become

strongly anti-Western and against Israel. Iran considered this relationship as a threat against its own country.

The relationship between Iran and Turkey has witnessed considerable change during the rule of Turkey's Adalet ve Kalkinma Partisi (AKP) after 2002. Ankara developed a policy based on "zero-problems" with its neighbours, including Iran. It wanted to become the leading actor in regional politics and to develop new trade opportunities with the West Asian countries. The AK Party which had Islamist roots was mostly comprised of members of the earlier Welfare Party. Although it remained publicly committed to close ties with the US and maintaining Turkey's drive for membership of the European Union, the AKP also sought to strengthen ties with other Muslim countries in the region. The result was an increase in bilateral visits and unofficial contacts between Iran and Turkey, culminating in a visit to Tehran by Prime Minister Tayyip Erdogan in July 2004. There has been a turnaround of relations between the two neighbours. This visit was a key sign of the change affecting Turkey's world view. From that time, both Iran and Turkey began to adopt the view that they should put aside deep-rooted and enduring ideological differences, increase trade and address the continuing problem of terrorism. After the invasion of Iraq by the US-led forces in 2003, there was a change in attitude of both the countries as they both did not want to give any autonomy to the Kurds of Iraq which could give rise to an upsurge in the Kurdish population of their own countries. Both the countries tried to formulate a joint strategy to prevent the emergence of Kurdish state in Iraq. It included a number of low level meetings between the militaries of both the countries.

Given the oil and gas richness of Iran, and the high energy demand of Turkey, both the countries have been working to increase volume of trade despite the pressures from the US. It is notable that, the territories of both the countries have served as transportation routes to each for centuries. Turkey hopes to enhance its energy security by reducing its dependency on Russian oil and natural gas, by including Iranian oil and natural gas in its energy composition. The already completed Tabriz-Erzurum pipeline has a capacity of 14 billion cubic meter of gas per year, though currently only one quarter

of its capacity is being used; however, in general, this development allows for considerably increasing natural gas imports from Iran to Turkey.

In early 2006, Iran came under international pressure to suspend its uranium enrichment programme with the suspicion of attaining nuclear weapons capability. Because of this, it has been facing strong UN sanctions and increased international isolation. Despite severe international pressure, Turkey has repeatedly expressed its support for Iran's nuclear programme but only for civilian purposes. It has publicly declared that it will abide by any decisions taken by the UN, including the imposition of sanctions.

In the context of tourism, every year one million Iranians visit Turkey. By far the biggest number of tourists to Turkey from the West Asian region is Iranians, – 1.38 million in 2009. In so doing, these Iranians are exposed to a Muslim society at peace with the world, economically advanced and where Islamic traditions coexist with Western patterns of consumption, commerce and secular institutions. This makes it likely that Turkey is culturally influencing Iran especially given that about one quarter of Iranians speak Azeri Turkish, and Turkish satellite television shows are seen all over the country.

Today, Iran and Turkey cooperate in a wide variety of fields that range from fighting terrorism and drug trafficking to promoting stability in Iraq and Central Asia. Turkey is also increasing its level of relationship with Iran by supporting its nuclear program for peaceful purposes. Turkey under AKP rule had taken these steps with Iran in order to achieve 'zero problems with neighbours' to accomplish its goal of becoming a regional power in West Asia. It has also offered to become a mediator in the disputes between Iran and the Western world.

This study has been divided into four chapters. The first chapter **Political Dimensions of Iran-Turkey Relations** focuses on the diplomatic and strategic relations between Iran and Turkey after Mohammad Khatami was elected as Iranian President in 1997 till the controversial election of Mahmoud Ahmadinejad as president in 2009. It analyses different political issues in general and try to highlight some important issues

affecting their relationship like Kurdish issue, Iran's nuclear program, Turkey's alleged interference in the Iranian Azerbaijan area, etc.

The second chapter **Economic Relations between Iran and Turkey** captures the strong economic ties between Iran and Turkey in different economic arenas. It provides details of Iranian-Turkish cooperation in gas and oil trade and it also gives a brief outlook of non-energy trade between Iran and Turkey. The chapter also examines the effect of these economic ties in shaping the overall relationship between both the countries.

The third chapter **Socio-Cultural Aspects of Iran and Turkey Relations** tries to analyse the socio-cultural relations between both the countries. It highlights the ideological differences between these two countries as both of them belong to two different sects (Shi'a and Sunni) and ideologies (religious and secular). It will also examine the linguistic aspect affecting this relationship as there are many Turks living in Iran. In the concluding chapter, major findings of the study would be summarised. The study has a set the time period which starts from the 1997 and ends in 2009. This covers the two presidencies of Mohammad Khatami and one presidency of Mahmoud Ahmadinejad in Iran. Some recent developments and economic relations also figure in the study as they are related to the period selected.

Chapter 1

Political Dimensions of Iran-Turkey Relations

The Islamic Revolution of Iran in the 1979 dramatically reversed the pro-Western foreign policy of the last Shah of Iran, Mohammad Reza Pahlavi. Since then the country's policies have oscillated between the two opposing tendencies of revolutionary ardour, which would eliminate Western and non-Muslim influences while promoting the Islamic revolution abroad, and pragmatism, which would advance economic development and normalization of relations with regional and extra-regional states. Since the end of the Iran–Iraq War, Iran's new foreign policy has had a dramatic effect on its global standing. Relations with the European Union have dramatically improved, to the point where Iran is a major oil exporter and a trading partner with such countries as Italy, France, and Germany. This relationship has been negatively affected by the controversy on Iran's nuclear issue and the sanctions. China and India have also emerged as friends of Iran; these three countries face similar challenges in the global economy as they industrialize, and consequently find themselves aligned on a number of issues.

Iran maintains regular diplomatic and commercial relations with Russia and the former Soviet Republics. Both Iran and Russia believe they have important national interests at stake in developments in Central Asia and the Trans-Caucasus, particularly concerning energy resources from the Caspian Sea. The Islamic Republic of Iran accords priority to its relations with the other states in the region and with the rest of the Islamic world. Iran is seeking new allies around the world due to its increasing political and economic isolation in the international community.

Since the Revolution, Iran's relations with Turkey have generally been amicable even though there were certain issues which required harsh bargaining. Turkey also has become the major transit route for goods travelling by truck and rail between Iran and Europe. The increased volume of trade with Turkey has been facilitated both by the location and by the ideology of "neither East nor West," which advocates reducing

imports from the industrialized nations in favour of importing more from Muslim and Third World countries.

Iran and Turkey are neighbours with a 310-mile border being shared by them. Iran-Turkey relations were reasonably good until the Iranian Revolution of 1979. After the Revolution, as the two countries started to follow contradictory ideological poles, there was a remarkable change in bilateral relations. Turkey felt threatened, because firstly during the 1980s and 1990s, it accused Iran as the main sponsor of what it regards as PKK (the Kurdistan Workers' Party) terrorism; secondly, there were attempts of Iran to export the Iranian revolution; and thirdly, there were claims of Iranian involvement in the political assassinations of Turkish intellectuals by training the radical Islamist groups in Turkey. Iranian-Turkish competition in the Caucasus, and Iranian accusations against Turkey of inciting separatism amongst its Azeri minority while harbouring opponents to the Iranian regime, further exacerbated relations. Thus, there was high tension and serious problems between the two countries. The relations improved with the outbreak of the Iran-Iraq war. As Turkey maintained neutrality during the Iran-Iraq war, commercial ties between Iran and Turkey expanded. Despite economic cooperation, other problems remained (Karacasulu 2011).

Political Islam

By the mid-1990s, when Iran's Islamic revolution lost steam, political relations between Iran and Turkey slowly began to improve. This rapprochement was also helped by political Islam gaining some social and cultural ground in Turkey with the arrival of the Welfare Party to power. In fact, it was under the Islamist-led coalition government of Necmettin Erbakan that Ankara signed a \$23 billion deal for the delivery of natural gas from Iran to Turkey. After coming to power in 1996, Erbakan quickly launched new openings to the Islamic world. Since the Turkish military was vigilant about any departure from secularism at home, Erbakan's overtures to the Islamic world were partly designed to compensate for the absence of a domestic Islamic agenda. Yet, it did not take

very long for Erbakan's high-profile state visits to Iran and Libya to upset both Washington and Turkey's secular military establishment. Given its official policy of isolating Iran, a multibillion-dollar energy deal between Tehran and Ankara was not welcomed by Washington. In time, the Turkish military and secularist public opinion also began to worry about Erbakan's outreach to the Islamic world. Erbakan's short tenure in power—he was forced out from office by the soft coup of 1997—included visits to Egypt, Malaysia, Pakistan, Indonesia, and Nigeria.

During the 1990s, the relations were frequently tense due to the claims that Iran was permitting PKK to use its own territory as headquarter and camps for their attacks to Turkey. And similarly, Turkey was accused of providing sanctuary to Mujahedin al-Khalq, an organization aiming to overthrow the Khomeini regime in Iran (Koni 2011). Iranian-Turkish relations were getting worse towards the end of the 1990s. Ankara warned Iran not to interfere in the Turkish domestic affairs by means of radical Islamic organizations that were being used to generate agitation against the secular regime. The events reached a peak on the night of February 1, 1997, when during the commemoration of 'Jerusalem Day' in Sincan (a small town in the environs of the Turkish capital of Ankara), posters of Hizbullah and Hamas were displayed and the participants strongly criticized the secular regime of the Turkish Republic. One of the participants, then-Iranian ambassador to Turkey Mohammed Reza Bagheri, reportedly called for the institution of Shari'a in Turkey. This event caused deep anger and a crisis in Ankara, and Bagheri and Istanbul consulate Mohammed Riza Rashid were pronounced "persona non grata" (Kibaroglu 2009). Later, both states called back their ambassadors.

Iran was perceived as posing an existential threat to the secular ideology of the Turkish state and attempting to undermine the domestic legitimacy of the regime. In the eyes of Turkish decision-makers, the Bagheri crisis was part of a broader campaign launched against Turkey, calling on Islamic Turks to embrace a regime similar to the one in Iran. They declared reactionary Islam as a national security threat. The incident caused a diplomatic crisis that lasted for six months until the two parties agreed to exchange ambassadors again. This was a time when the Islamist Welfare Party was in power and when there were serious suspicions about the government's secular credentials. Thus,

there was already a suspicion of spreading of political Islam in domestic politics that was then combined with a hostile act by a neighbouring country, which eventually led to the toppling of the coalition government following an indirect military intervention through the National Security Council.

Similarly, Turkey is the only country in the West that Iranians can visit without visas. The visa-free policy has enabled large numbers of regime opponents to flee the country and enjoy temporary protection in Turkey before settling elsewhere in the West. More broadly, Turkey is one of the few countries that the Iranian middle class can visit freely, and in which they can enjoy the benefits of a liberal economy and society. Soon after coming to power in 2005, Iranian President Mahmoud Ahmadinejad banned direct flights from Tehran to the Turkish Mediterranean city of Antalya and said that the values displayed on Antalya's beaches were incompatible with those of the Islamic revolution (Evin et al. 2010).

Indeed, in the past, the typical cyclical pattern of ruptures in Iranian–Turkish relations has been characterized by severe crises involving ideologically driven incriminations and, at times, the recall of diplomats, generally followed by periods of pragmatic relations. The major crises that have emerged between Iran and Turkey– in 1985, from 1988 to 1990, from 1993 to 1994, and in 1997 – have all followed this pattern. Another incident of this pattern occurred in 1999, when a newly elected female member of parliament appeared in the Turkish parliament wearing a headscarf she was immediately accused by President Suleyman Demirel of being an ‘agent provocateur’ working for Iran. Merve Kavakci was elected to the Turkish National Assembly from the Virtue Party (FP) as deputy for Istanbul in the 1999 elections. She refused to take off her headscarf at the plenary session of the parliament and subsequently attracted harsh criticism. She was ousted from the parliament after it was revealed that she had obtained US citizenship without securing the permission of Turkish authorities.

Similarly, after the assassinations of prominent Turks such as journalist Ugur Mumcu, Professor Ahmet Taner Kislali, as well as Professor Bahriye Uçok and Professor Muammer Aksoy, Turkey cracked down on Hizbullah. Following the operations against

Hizbullah, Prime Minister Bulent Ecevit directed strong criticism at Iran (Cevik 2000), seemingly in disagreement with foreign minister, Ismail Cem, who advocated a moderate and pragmatist policy towards Iran. In fact, there was a disagreement among officials in Turkey about allegations of Iranian links to the murders. In contrast to the Ministry of Interior, and the General Staff, Foreign Ministry of Turkey adopted a cautious stance. Despite growing public pressure, Turkey continued to pursue a moderate and pragmatist policy towards Iran. Turkey avoided imposing visas on Iranian citizens and sustained its political and economic relations with Iran. Furthermore, the Turkish Ministry of Foreign Affairs diplomatically refrained from accusing Iran of being involved in illegal activities in Turkey, arguing the lack of sufficient proof of such activities. Besides the impact of ideology and internal developments in Iran and Turkey, their alliances and animosities with third parties also closely affected Iranian-Turkish relations. At this point of time there was a state visit from Iran to negotiate the passage of a natural gas pipeline from Iran, which was then subject to an embargo by the United States. Tensions flared after the assassination, and the \$25 billion pipeline deal fell through.

Although relations between Iran and Turkey have had their ups and downs in history and

in spite of the stark ideological differences, since the Justice and Development Party (AKP) came to power in Turkey in 2002, Iran and Turkey have increasingly cooperated on a variety of fronts. The AKP's Islamic credentials and affinity for the Muslim world have certainly helped Iran and Turkey get closer, but it would be wrong to assume that this is the most important reason for the warming of relations (McCurdy 2008).

The Turkish government has been looking for good relations with its neighbours and producing policies and economic links that will work for this purpose (Karakoc 2009).

Even Turkey's secularist establishment appeared willing to engage in more direct relations with Iran. For instance, it was quite remarkable that in June 2002, shortly after President Bush declared Iran part of the "axis of evil," the secular Turkish President Ahmet Necdet Sezer, who had excellent relations with the Turkish military, visited Iran, calling for new priorities in building economic relations between Iran and Turkey. Iran

warmly welcomed him. Sezer became the first Turkish president to visit the Turkish–Azeri regions of the country. He also gave a lecture in Tehran on Kemalism and Atatürk. Then Iranian President Mohammad Khatami declared to Sezer that Tehran strongly supported Turkey’s European Union membership as a symbol refuting the supposed “Clash of Civilizations” (Taspinar 2008). Turkey also rejected political and economic sanctions against Iran and the identification of Iran as part of an ‘axis of evil’. Instead, Turkey opted for a policy of engagement, using bilateral ties to discuss Iran’s relations with the West in general and with Europe in particular. Iran and Turkey have also engaged in a dialogue on security issues and political ties between the two countries have been upgraded.

Kurdish Issue

Progress in Iranian-Turkish relations during the late 1990s was not confined to economic relations or the Islamic solidarity of Erbakan. As trade relations between Ankara and Tehran improved, the two countries also increasingly began to focus on the Kurdish issue. Although there was no specific mention of the Kurds, the 1938 Saadabad Pact signed in Tehran among Iran, Turkey, Iraq, and Afghanistan implied that the countries would cooperate in suppressing any subversive movement or communist infiltration associated with ethnic minority demands. After World War I, the Kurds who had been formerly under the Ottoman Empire were divided into three newly formed states: Turkey, Iraq, and Syria. Iran, Iraq, and Turkey had the largest Kurdish populations, and one of the main objectives of the pact was to contain the Kurdish challenge under the mantle of an anticommunist alliance. During most of the 1990s, the Turkish military was concerned that Tehran tolerated PKK activities inside Iran and offered a safe haven for militants being pursued by Turkish security forces (Taspinar 2008).

After the seizure of Abdullah Ocalan, leader of the PKK, by Turkish security units in February 1999, Iran-Turkey relations entered a more difficult phase. PKK terrorism again became a problem between Iran and Turkey. The biggest demonstrations

were organized by the members of the PKK settled in Iran, when Ocalan was captured. Moreover, upon the closure of Syrian border, PKK militants started to pass into Turkey through Iran. The relations between Iran and Turkey were hottest when Turkey bombed some PKK targets in Iranian border villages in 1999 during which the two countries had come to the brink of war (Hale 2009: 139-41). Iran accused Ankara of violating Iranian airspace and bombing Iranian territory. Ankara denied any planned violation of Iranian airspace, but accepted that in pursuit of the PKK militants, such a violation might have occurred.

Moreover, some officials in Iran accused Turkey of pursuing a new hostile strategy against Iran, which was encouraged by the West. On July 22, Iran arrested two Turkish soldiers charging them with unlawful border crossing and spying (Olson 2000: 877-880). After these allegations made by each country against the other, the Turkish-Iranian High Security Commission met in Ankara in August 1999; and both Turkey and Iran admitted that the bombing incident was a mistake, and Turkey consented to pay compensation for damages. The crisis started by these arrests ended only with the release of the Turkish soldiers. In the meantime, Iran accepted 'joint and sudden' inspection and 'synchronized' joint operation, which had been demanded by Turkey for long time, in the places where PKK was active inside the Iranian border (Karakoc 2009). Moreover, since the arrest of PKK leader Abdullah Ocalan, Turkey enjoyed a much cherished sense of stability in its Kurdish regions. As the PKK was subdued, political and economic relations with Iran significantly improved. By the close of the century, Turkish policy makers began to speak of normalization and the emergence of a "zone of peace" as the main objective of Turkey's new West Asia policy.

Since the election of the moderate Islamist Justice and Development Party (AKP) in November 2002 and particularly since the establishment of The Party for a Free Life in Kurdistan (PJAK) in 2004, security cooperation has improved dramatically. The Turkish-Iranian Security Commission met several times. In 2004, Tehran and Ankara signed a security cooperation agreement that branded the PKK a terrorist organization. For Tehran, Turkey's Kurdish obsession has been a useful issue to press Turkey to stay out of an economic embargo or support with the West in case of a U.S.-Iranian military

confrontation. During visits to Ankara, Iranian officials often stress the troubles created for both nations by the PKK. According to Iranian and Turkish news reports, Iran's former top nuclear policy negotiator, Ali Larijani, suggested that Turkey join with Iran and Syria to establish a tripartite platform of security cooperation against the Kurdish separatists. Although Iran and Turkey have not staged any joint military operations against the PKK and PJAK, there has been intelligence cooperation. Each country has arrested militants from the two organizations targeting the other country. Iran, in particular, has detained and extradited several PKK militants to Turkey. In March 2008 the Turkish security forces in the southeastern province of Van arrested Memichir Eminzade, an alleged PJAK regional commander, after he had crossed into Turkey from northern Iraq. Both Iran and Turkey have also struck at Kurdish rebel bases in northern Iraq.

In December 2007, Turkey launched the first of a series of air raids against PKK positions in northern Iraq based on intelligence provided by the United States. In February, Turkish commandos staged a cross border raid against PKK camps in the Zap valley. Iranian artillery has frequently shelled PJAK positions in the Qandil Mountains. It often happened that Iranian artillery was shelling related PJAK camps in the same area on the same day when Turkish warplanes were bombing PKK militant camps deep in Iraq. In July 2010 Iranian General Hossein Zolfaqari noted that Turkey has been instrumental in suppressing PJAK and thus Iran experienced no Kurdish activity on the Iran-Turkey border (Jenkins 2008).

Iran and Turkey in Iraq

The Iranian leadership, while on the one hand appearing to have a friendly disposition towards Turkey, has on the other hand been exhibiting circumspect and sceptical attitude towards Turkey's role in their shared neighbourhood. This is especially so with regard to Turkey's potential role as a counterweight to Iranian influence in Iraq, a role which is certainly appreciated not solely, but most openly, by representatives of Iraq's Sunni community (Perthes 2010b). Though Iraq is an Arab country, its issues and

problems have influenced Iran's and Turkey's national security. As the war in 2003 ruined Iraq and the foundation of an Islamic Republic of Iraq was established, the Revolutionary Guards moved in to secure a solid sphere of influence in southern Iraq, as Turkey did the same in the north in Iraqi Kurdistan. The Iranians used Ahmad Chalabi (an Iraqi businessman-turned politician who was instrumental in providing the US with false information in the lead-up to invasion of Iraq) - as he made sure that the make-up of the next generation of Iraqi leadership was entirely Iran-friendly, and the screening of Iraqis suitable for that purpose excluded not just the former Ba'athists, but all independent-minded Iraqi nationalists who loved their country and believed in its political integrity, and who as such were not just against American occupation but equally opposed to Iranian colonization (Dabashi 2010: 77-78).

According to Iraq's traditional political order, Iraq was governed by a Sunni minority, based on tribal loyalty and indirect rule. The primary function of this order was to contain the neighbouring non-Arab states of the region, i.e., Iran and Turkey (Zunes 2003). By controlling the Kurds in north, and the Shiite in the south, the Sunni regime of Iraq balanced Iran and Turkey's regional role. Removing the Ba'ath regime subverted this traditional order, and replaced it with a new one which was based on increasing the role of Shiites and Kurds, direct democracy, and the rule of the majority. This development especially strengthened the role of Iran, since it has close cultural-political relations with both the Shiites and the Kurds. Regarding Iran's relations with the Shiites, this relation goes beyond ideological and religious factors, since it was also based on social-cultural connectedness, an important matter which brings the Iranian and Iraqi nations closer to each other, dispelling the traditional idea of "two strategic enemies" (Barzegar 2009).

The fall of Saddam Hussein's regime in Iraq brought Iran and Turkey initially closer, as both the countries were afraid of an independent Kurdistan that could emerge in Iraq. There are about 13 million Kurds in Turkey. Turkey was vigilant regarding future developments in Iraq given the large degree of autonomy enjoyed by the Kurds in northern Iraq. Iran, home to 5 million Kurds, has historically been concerned about Kurdish separatism. Although Tehran has traditionally been more tolerant of Kurdish

cultural rights than Turkey, the Islamic regime still shared Ankara's concerns about an increasingly independent Kurdish region in Iraq. Iran and Turkey had begun cooperating on the security front in the framework of the Turkey–Iran High Security Commission established in 1988. However, this body became more active after the fall of Saddam regime and after the formation of PJAK, a sister terrorist organization of the PKK active in Iran. PJAK held its inaugural congress in April 2004, one month before a PKK Party Congress voted to return to violence after a five-year ceasefire.

Although the PKK and PJAK are organizationally distinct, both have their main training camps in the Qandil Mountains of northern Iraq and profess allegiance to the teachings of PKK founder Abdullah Ocalan, who has been imprisoned in Turkey since February 1999. There is no evidence that the PJAK and the PKK have ever staged joint operations although some militants have moved from one organization to the other and there have been indications of logistical cooperation. Turkey was suspicious that Iran was providing a safe haven to Kurdish terrorism inside Iran. In the past decade, however, this tension has abated considerably, with deepening energy ties, burgeoning bilateral trade, and intense social interaction between Iran and Turkey. Above all, Iran and Turkey had become security partners; the Kurdish question now represented an area of convergent interests between the two. Tehran was in agreement and collaboration with the Turkey, in order to curb the military action of the Kurdish guerrillas. The Iranians were deeply concerned with the separatist activity of PJAK in the Iranian Kurdistan and they were actually fighting against such a prospect in collaboration with the Baghdad government. This initial joint interest slowly began to change when Ankara decided to pursue diplomatic and economic relations with the Iraqi Kurds, and when it became clear that Iranian backing for Iraqi Shiite power and support for terrorism against coalition forces were ultimately undermining Turkey's own interests.

The Kurdish issue was at one time a bone of contention between Tehran and Ankara, with the former accusing the latter of supporting the PKK's secessionist designs. This now turned into an area of convergence between the two capitals, which were equally concerned about Kurdish secessionism and irredentism. According to one Iranian commentator, "The likelihood of an independent Kurdish state is at the heart of common

interests between Iran and Turkey, and Washington's ambiguous policy on this issue has strengthened the sense of fear felt by both Iran and Turkey." Both Iran and Turkey, despite their support for different factions within Iraq, had a vested interest in the unity of that country, in large part to prevent the emergence of a Kurdish state. This meant that Iran's support for the Shi'a in Iraq was constrained by the need to protect the unity of Iraq; Turkish support for certain Sunni factions, especially the Turkomen, was subject to the same constraint.

Regional Context

Iran's tense relations with the United States, and the dual containment policy directed against Iran hindered the improvement of bilateral relations between Iran and Turkey. While the United States opposed any initiative to cooperate with Iran, Iranian leaders denounced Turkey's close relations with the United States and Israel. Turkish-Israeli agreements were regarded by Iran as a new US strategy to contain Iran (Sariolghalam 2001). Finally, the new geopolitics of Iran and Turkey which emerged after the dissolution of the USSR and the Gulf War caused competition between the two countries in the Caucasus and northern Iraq. For Turkey, the Caucasus, especially Azerbaijan, was a gateway to the Caspian Sea, and the rest of Central Asia.

Of all the New Independent Muslim States (NIMS) of Central Asia, Azerbaijan was culturally and ethnically the closest country to Turkey. The ethnic dimension was compounded by the fact that the Azerbaijan was locked in a conflict with Armenians, Turkey's age-old foe. In addition, Azeri oil and its potential transit through Turkey promised to be economically very rewarding for Turkey (Calabrese 1998). On the other hand, Azerbaijan shares a border with Iran, while its people have cultural affinities with Iran's Azeri population. Azerbaijan's importance for Iran was derived from the large number of Azeri living in Iranian Azerbaijan, though creating the potential for a separatist movement in Iran. Moreover, Iran also stood to benefit from a pipeline crossing through its territory. Competition over Azerbaijan between Iran and Turkey manifested

itself in the geopolitical and commercial areas, within the context of the Karabakh conflict and oil/gas production and transportation negotiations.

For instance, Iran opposed the projected pipeline, the Baku-Tbilisi-Ceyhan (BTC), which would transport Caspian oil via Turkey, and insisted on the Iranian route. The Iranian route for Caspian oil would “give Iran more royalties and control over the outlet of Azeri oil, and thereby, an important leverage on Baku” (Olson 2002: 111). For Iran, the completion of the BTC would mean that Iran would be bypassed for oil and gas pipelines. Moreover, in the view of the Iranian leaders, the BTC pipeline would “leave Azerbaijan free to support Iranian Azeri against Iran” in the absence of Iranian influence over Baku (Olson 2002). However, Iran neither managed to get a share in the international consortium for Azeri oil, nor succeeded in dividing the Caspian basin according to its wishes, and nor did it prevent the adoption of the BTC for transporting Caspian oil. Moreover, Iran lost its main supporter in the Caspian issue-Russia, which favoured the delimitation of the Caspian, after Vladimir Putin came to power and established bilateral agreements with other littoral states. Furthermore, Russia wanted to participate in the BTC project.

At this juncture, Iran and Turkey confronted each other over Azerbaijan in July-August 2001. On July 23, an Iranian warship entered Azerbaijan's territorial waters and threatened to fire on the research ship unless it left the area called the Araz-Alov-Shargh field by Azerbaijan and named Alborz by Iran. After the July 23 incident, Azerbaijan constantly complained throughout August that Iran was violating its airspace. In this climate, an official in the Azerbaijan embassy in Turkey declared on August 13, “there was nothing more natural than our friend and brother Turkey to take a strong stance against Iran's aggressive position” (Gorvett 2001). Meanwhile, the Turkish Chief of the Staff Huseyin Kivrikoglu visited Baku on August 25, accompanied by 10 F-5 fighter aircraft - the Turkish air force acrobatic team called the “Turkish Stars”, which caused unease in Iran (Sinkaya 2005). This prevented the Iranian air force intimidation action in Azerbaijani territorial waters (Gorvett 2001).

In the context of Turkey's relations with Israel, according to Byman et al. the Revolutionary Guards were particularly worried about the growing relationship between Turkey and Israel (Byman et al. 2001). They saw this partnership as posing a direct threat to the country's security and exposing Iran's vital western and central territories (the country's most important regions economically and demographically) to the Israeli armed forces and intelligence-gathering services. It was believed in Tehran that the Turkish-Israeli partnership gives Israel the opportunity to spy on the Iranian border and enables the two countries to train Iran's Kurds while also enabling Turkey to suppress the PKK in eastern Turkey.

Tehran also believed that Turkish intelligence has given the Mossad access to information about Iran and about Iranian residents in and visitors to Turkey. Tehran also conceived of the Turkish-Israeli partnership in strategic terms and interpreted the logistical relationship between Ankara and Tel Aviv as a dagger drawn against Iran. It had tried since the mid-1990s to balance against this alliance by developing closer links with Greece, Georgia, and Armenia, but in the absence of concrete strategic ties with these countries, Tehran's efforts has dissolved into rather loose bilateral links (Ehteshami 2004). Tehran's residual support for Islam abroad causes problems for Turkey as well. Turkish Prime Minister Bulent Ecevit accused Iran of seeking to export its ideology to Turkey. As long as Iran perceives Turkey's cooperation with Israel as aimed at itself, its support for the PKK, and perhaps Turkish Islamist groups, will continue (Byman 2001).

In 2004, Iran's Revolutionary Guards seized control of Tehran's new Turkish-built Imam Khomeini Airport, due to be operated by a mainly Turkish consortium TAV (Tepe Akfen Vie), and a mobile phone tender won by a Turkish company Turkcell, the cellular phone network provider, was cancelled. The Iranian parliament formally rescinded both contracts, accusing the firms of ties to Israel that would damage Iranian security¹. This led to tensions between the two countries². Because of this cancellation, President Khatami had to postpone a planned trip to Turkey. This incident also eroded the

¹ "Iranian MPs Vote for Turkish Veto", 27 September 2004, *BBC News*, accessed 13 June 2012, url: <http://news.bbc.co.uk/2/hi/business/3695142.stm>.

² *Turkey and the Middle East: Ambitions and Constraints*, 2010, Istanbul/Brussels: International Crisis Group.

confidence of Turkish business and government circles in the reliability of deals made with Iran, at a time that Iran needed all the investment it could get (Hunter 2010).

Despite the vast difference in their rhetoric and Turkey's defence relationship with Israel, Iranian and Turkish perceptions of Israel begun to converge. The gap has been much reduced, thanks to Israel's devastation of Gaza in December 2008 and the Israeli killing of nine Turks in international waters in May 2010. The deterioration in Turkish-Israeli relations can be traced to the American invasion of Iraq in 2003, which facilitated an enhanced covert Israeli presence and espionage operations in the Kurdish region of Iraq (Ayoob 2011). Ankara rewrote its national security threat assessment document ("the Red Book"), removed Iran and placed Israel on the critical threats list³. Ankara insisted on removing Iran from the NATO threat assessment in relation to the missile defence deployment (although Iran is mentioned in the "wise men" document on which missile defence concept is based).

In spite of US warnings concerning the purchase of Iranian natural gas by Turkey to Europe via Greece, Erdogan paid a visit to Tehran in 2004. The United States strongly criticised the deal and preferred to see Turkey import gas from Iraq instead. Nevertheless, the Erdogan government seemed determined to go through with it. Ankara argued that Turkey needs to diversify its sources of supply in order to avoid becoming too dependent on one supplier. Turkey imports over 65% of its natural gas from Russia, and Iran represented one of the few alternative suppliers capable of meeting Turkey's growing needs. During the visit, the two sides noted that the bilateral trade volume of 2.5 billion dollars per annum should double in the mid-term despite problems such as the supply of Iranian natural gas to Turkey and the running of the airport in Tehran by the Turkish company remaining unresolved because of strategic considerations and opposition from conservative circles in Iran (Al-Marashi 2005). The fact that both parties put aside their deep-rooted historical and ideological differences and signed a 'Memorandum of Understanding' on security cooperation indicated that the major concern of both

³ "Turkish 'Red Book' Irks Israel", *Turkish Weekly*, 1 November 2010, accessed 10 June 2012, url: <http://www.turkishweekly.net/news/109122/turkish-39-redbook-39-irks-israel-.html>.

countries was the deteriorating situation in Iraq and alleged Israeli interference in northern Iraq (Oktav 2007). Cooperation with Iran also intensified in the security field. During this visit, Iran and Turkey signed an agreement on security cooperation that branded the PKK a terrorist organisation. Since then, the two countries have stepped up cooperation to protect their borders and increased coordination of intelligence and other activities against the PKK.

Iranian Nuclear Programme

With the inauguration of the AKP government in 2002, Iranian-Turkish relations have acquired a multidimensional and multipartite character involving security matters as well as economic and diplomatic issues. The most important issue in the agenda of Iranian-Turkish relations was Iran's ambitions for establishing a nuclear energy installation and uranium enrichment program. Turkey has been opposed to Iran's nuclear ambitions together with the USA and the EU for a more peaceful and nuclear-free West Asia. For this matter, Turkey tried to be a mediator between Iran and Western countries to dissuade Iran from its nuclear program. While being opposed to a nuclear Iran, the AKP government has never been suspicious of a potential attack from Iran but rather believed in the value of historical friendship and neighbourhood between two countries. Turkey made pledges not to support any attack against Iran that may originate from the west (Hale 2009: 139-41). Erdogan, on the other hand, has explicitly warned that Israeli use of Turkish airspace for a military strike against Iran would provoke a Turkish response resembling 'an earthquake'⁴. Important differences exist regarding policy toward Iran as well. While Turkey does not want to see the emergence of a nuclear-armed Iran, Erdogan continues to down play the Iranian nuclear threat and to express strong reservations about imposing sanctions on Iran, arguing that they will only harden the regime's resolve.

⁴ "Turkey Warns IAF against Using Airspace", *Jerusalem Post*, 19 December 2009, accessed 13 May 2012, url: <http://www.jpost.com/International/Article.aspx?id=162784>.

Given the AKP's willingness to improve relations with the Islamic world and the "strategic depth" argument of Ahmet Davutoglu, it may be tempting to argue that Prime Minister Erdogan is following a foreign policy similar to Erbakan. However, unlike the overtly pro-Islamic Welfare Party, the AKP is firmly committed to Turkey's drive for membership in the European Union. Turkey's new policy line aims to promote a regional peacemaker role and give priority to democratic legitimacy in international relations. Turkey's new neighbourhood policy has a vision of minimising the problems in its neighbouring regions while avoiding involvement in international confrontations. Turkish policy is built on a model of enduring cooperation among countries, which is delicately balanced between the shared interests of the parties and the perceptions of international society, especially in the top echelons of the power hierarchy in international relations. This new policy line targets minimizing problems with Iran and developing political and economic relations to foster peace and stability in the region. Investments by Turkish companies in Iran and agreements concerning the purchase of natural gas have added a new dimension to the two countries' relations under the impact of the new policy orientation. Turkey's accommodating policy line is similar to that of the EU when it comes to a number of Iranian issues, ranging from the nuclear problem to political reform (Aras and Bicakci 2006).

As an example of the new policy line, which contrasted sharply with former Iranian-Turkish relations, Turkey played a facilitator role between Iran and the group known as 5+1, namely, the permanent members of UN Security Council and Germany. Turkish policy makers propagated the idea that Ankara had emerged as an ideal channel for the 5+1 initiative to persuade Iran to adopt a more responsible line regarding nuclear proliferation. Turkish diplomats carried on intensive shuttle diplomacy, discussing this issue with the US Secretary of State, Condoleezza Rice, head of nuclear diplomacy in Iran, Ali Larijani, head of International Atomic Energy Agency (IAEA), Mohamed El Baradei, and EU's foreign policy chief, Javier Solana. In June 2006, Turkish attempts were considered successful based on the assumption that Turkish Foreign Minister Gul persuaded Solana to go to Iran and present the report to the Iranians, and prepared Iran to adopt a moderate attitude toward the 5+1 report on the Iranian nuclear issue.

It is salient that the secretary of the Supreme National Security Council, Ali Larijani, paid a visit to Turkey in May 2006 to discuss the Turkish involvement in a number of issues ranging from the Iraqi crisis to US-Iranian relations. Larijani also discussed the idea of a Turkish mediator role in the nuclear issue during his visit. When Gul visited Washington on July 6, 2006, Secretary of State Condoleezza Rice praised Turkish mediation in relation to the Iranian nuclear issue. During his US trip, Gul shared his observations of his earlier trip to Tehran with his US counterpart (Soylemez 2006). The Turkish position aimed to enhance diplomacy while releasing pressure on Iran to enable the facilitation of a constructive Iranian response to the demands of the international community. On the Iranian front, Turkey urged the Iranian establishment not to play for time and to understand the seriousness of its situation vis-à-vis the US and the international community.

Turkey had been encouraging dialogue in order to overcome the disagreements on Iran's nuclear issue. Turkey believes that without a dialogue there will be no chance to convince Iran to cooperate with the international community, and especially with the P5+1, based on the international commitments asked by the Nuclear Proliferation Treaty (NPT) regime and the International Atomic Energy Agency (IAEA). Nuclear energy might emerge as an area of cooperation between Iran and Turkey if and when Iran gets its civilian nuclear power station. The same Russian company (Rosatom, the Russian State Atomic Energy Corporation) that provides fuel to Iran is also slated to construct Turkey's first nuclear power station. Turkey stands with the US, the EU and the UN in support of diplomatic efforts to stop the Iranian government from developing nuclear weapons capabilities. Turkey has been drawn into mediation regarding the Iranian nuclear question since 2006. Since then, Ankara has consistently relayed messages between Tehran and Washington. However, Turkey's efforts have thus far yielded few results and have raised concerns about lack of solidarity with the West.

In 2008, Iranian Prime Minister Ahmadinejad made an official visit to Turkey to meet with Abdullah Gul and Recep Tayyip Erdogan. They met in Ankara, where the agenda was dominated by discussions about intelligence cooperation against the PKK and PJAK. Under the shadow of Israel's Gaza War and succeeding similar events, it was

observed that Turkey's opposition to a nuclear Iran was softened and that Turkey was not against Iran's production of nuclear energy for civilian purposes. During the visit, Ahmadinejad reiterated that Iran has no motivations for acquiring nuclear weapons⁵.

AKP government officials quickly accepted the disputed results of the controversial 2009 presidential election as an "internal" affair of Iran. Once more, this contrasted with U.S. and EU criticism of the vote and of the regime's forceful suppression of the Green Movement opposition. In this case, the party favoured Muslims, even if Shi'a, over non-Muslim critics. Prime Minister Erdoğan has described President Mahmoud Ahmadinejad as a "friend" (Tait 2009). Since the election, Washington and other Western capitals have used several opportunities to draw public international attention to Tehran's violations of human rights. AKP officials claim that they express concerns to Iranian counterparts more effectively in private even though public diplomacy may be needed in cases of egregious offenses and might serve to align Turkey with democracies against an autocracy. AKP leaders also shield Iran against criticism of its nuclear program. Prime Minister Erdoğan has described reports that Iran intends to produce nuclear weapons as "speculation" and has vigorously defended Iran's right to develop nuclear energy for civilian purposes. Turkey opposed UN sanctions on Iran because, Prime Minister Erdoğan insisted, they were unfair and based on speculations. Turkey is abiding by the UN sanctions, but not the more sweeping ones that the United States and EU imposed. Trade and energy ties with Iran are a major reason for this stance. Another reason is the view that that the international community, particularly the United States, inadequately compensated Turkey for enforcing sanctions on the regime of Saddam Hussein and it does not want to experience comparable losses now (Migdalovitz 2010). Improved Iranian-Turkish relations can elucidate Turkey's position regarding Iran's nuclear potential.

Turkey does not feel as threatened as its Western partners by Iran's nuclear program, in the same way that it does not feel imperilled by Israel's nuclear arsenal. But

⁵ "Iran Nuclear Programme – Solely Civilian", *BBC News*, 16 March 2010, accessed 15 May 2012, url: http://news.bbc.co.uk/2/hi/middle_east/8570842.stm.

Turkey is concerned about a nuclear arms race in the region, as well as the disastrous potential of a nuclear attack in its back yard. Turkey's favourable disposition toward Iran also runs counter to Washington's anxiety over Iran's nuclear ambitions. Although it has not violated the U.S. Iran Sanctions Act, Turkey has signed deals to develop Iran's energy resources and to import increasing quantities of energy from Iran. Mustafa Kibaroglu (2009) states that Turkey's official stance toward Iran's nuclear program is clear. Turkey recognizes the right of Iran, which is a member of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), to develop nuclear technology, provided that it remains on a peaceful track and allows for the application of full scope safeguards inspections by the IAEA in such a way that would lend the utmost confidence to the international community about its intentions.

Turkey's outreach towards Iran has underlined how different its approach is compared to that of its Western partners. In August 2008, it welcomed Iranian President Mahmoud Ahmadinejad on an official visit. Turkish leaders effusively congratulated him on his controversial re-election in June 2009. Prior to an October 2009 visit to Tehran, Erdoğan asserted that he shared a common vision of the region with Iran and said of its president, "there is no doubt he is our friend ... we have had no difficulty at all"⁶. Prime Minister Erdoğan paid a visit to Tehran in October 2009 and held extensive talks with the Iranian leadership including Supreme Leader Ayatollah Ali Khamenei, President Ahmadinejad and Vice President Rahimi. The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) Economic Summit in November in Istanbul was another occasion where meetings with President Ahmadinejad and Foreign Minister Mottaki took place. Turkish Minister of Foreign Affairs Ahmet Davutoğlu also met his Iranian counterpart on many occasions during that year. Iran and Turkey have taken the opportunity provided by these high level meetings coupled with intensive exchanges of delegations at lower levels not only to explore possibilities for further developing their relationship but also to discuss a number of regional and international issues of common interest.

⁶ *Turkey and the Middle East: Ambitions and Constraints*, 2010, Istanbul/Brussels: International Crisis Group.

Iran is directly affected by the pace of events in the region. It has a stake in regional stability and is in need of stable markets in the surrounding geography. Iran has a vibrant society and looks for development and greater engagement. Iran is able to do more to regain the confidence of the international community, as well as the regional players, in the sincerity of its efforts for stability and increased regional security. Turkey advocates diplomatic and economic engagement of Iran rather than isolationist policies as a more effective way to address the challenges that the region is facing (Mercan 2010).

The increasing closeness between Iranian President Mahmoud Ahmadinejad and Erdogan, at a time when Tehran is widely seen as a pariah state because of its controversial nuclear program, was also cause for increasing concern for the Israeli government. While trying to play the role of the only open channel left between Iran and the West, by pursuing an almost tireless shuttle diplomacy with Tehran, Erdogan decided to stand by the Iranian President's side, calling him a 'friend' and insisting on the peaceful nature of the Iranian nuclear program. This defence was doubled by a strong accusation of hypocrisy directed towards Israel: the argument of the Turkish Prime Minister was that a state such as Israel, which has already developed a military nuclear program, should have no right to blame another country for trying to do the same. Erdogan also stressed on many occasions that Israel, unlike Iran, never signed the NPT.

The mounting closeness to an Iran which might be on the road to become a nuclear power surprised many, not only in Israel and in the United States but in Turkey as well. A number of domestic commentators argued that a nuclear Iran might be a potential threat also for Turkey: the Islamist orientation of the AKP should not be taken as the only explanation for this behaviour, which widened the distance between Turkey and much of the Western world (DÚrso 2010).

Turkey tried to use its high-profile relationships with both Iran and the U.S. to help broker the compromise that would defuse the crisis over Iran's nuclear program, most notably prior to Prime Minister Erdogan's visit to Washington in 2009. Neither Iran nor the U.S. was ready to let Turkey be the main mediator; Iran's Foreign Minister

Manouchehr Mottaki preferred to call Turkey an “important consultant ... which can help others understand Iran better”⁷.

As disturbing as each of these moves has been for the West, Turkey’s proactive engagement with President Mahmoud Ahmadinejad and his government in Tehran has caused the most serious concerns. A similar line of activism is evident in Turkey’s attempts to find an internationally acceptable solution to the dispute involving Iran and the Western alliance over the Iranian nuclear program. Turkey displayed an unusual degree of pro-activism during the course of 2010 in its quest to find a diplomatic solution to the problem. During this period, Turkey along with Brazil emerged as key countries pushing for an agreement that would replace the need for sanctions on Iran. Accordingly, Tehran was convinced by Turkey and Brazil to sign an agreement on a low-enriched nuclear fuel swap in May 2010. With the agreement signed by Turkish Foreign Minister Ahmet Davutoglu, Brazilian Foreign Minister Celso Amorim, and Iranian Foreign Minister Manouchehr Mottaki, Iran committed to send 1,200 kg of 3.5% enriched uranium to Turkey in exchange for 20% enriched uranium from Western countries. However, the Vienna Group, the EU, and the Obama Administration were sceptical of the Tehran Agreement and United Nations Security Council subsequently approved the fourth sanctions package on Iran. Turkey’s active rejection of the proposed sanctions on Iran at the United Nations Security Council in June 2010 marked the ultimate episode in this dramatic chain of events (Onis 2011). In May 2010, Turkish Prime Minister Recep Tayyip Erdogan made a visit to Iran together with the President of Brazil Lula Da Silva for an agreement on the import of enriched Uranium to Turkey. Erdogan expressed in a speech that Iran does not have any nuclear weapons and that it is rather surprising why the international community is so much anxious about such prospects while Israel possesses a stock of nuclear weapons. For global and regional peace, countries must be subject to equal treatment (Koni 2011).

The Iranian government finally agreed to accept a revised version of the IAEA’s draft nuclear package of autumn 2009 to avoid another Security Council resolution, and after deliberations with Turkish and Chinese government representatives. Washington

⁷ Ibid.

sees no point in another round of talks, but is willing to tolerate a modified approach between the IAEA and Iran, even if this leads only to a minimal consensus that could open some space for further diplomatic engagement. Indeed, Iranian diplomats and IAEA officials agree on what is seen as a face-saving formula, according to which Iran will deliver 800kg of LEU to Turkey in exchange for fuel rods for the Tehran Research Reactor from Argentina, to be delivered within six months. In addition, the Iranian government pledges to recommit to the rules of the Additional Protocol of the Non-Proliferation Treaty once the deal is actually implemented (Perthes 2010a). The low-enriched uranium (LEU) exchange deal (1,200 kg LEU in exchange for 120 kg of highly enriched uranium) that Turkey reached on May 17, 2010 together with Iran and Brazil complies completely with that commitment. It seems clear that Turkey will be a continuing interlocutor in nuclear negotiations with Iran in the coming future.

Erdogan's regular comments on Iran's right for peaceful nuclear energy have caused concern in the West over the ill effects of Iranian—Turkish rapprochement (Meral 2010). Insistence on reaching a diplomatic solution – which, although obtained also through Brazilian mediation, was not enough to dissipate Western concerns – might also be explained by two factors: increasing the regional stand of Ankara, especially in the Muslim world, as the only country which managed to face Western pressure against Iran and, more pragmatically, seeking a stronger energy partnership with Tehran in the ongoing attempt to turn Ankara into the energy hub of Europe (D'Urso 2010).

Working with the Lula government in Brazil, Ankara aided and abetted Iran's efforts to forestall UN sanctions in response to its long-standing nuclear defiance. Turkey and Brazil colluded with Iran to resurrect a nuclear fuel swap proposal originally hatched by the Obama Administration in the fall of 2009. Erdogan's administration even defended his decision by suggesting that a U.S. presidential letter, addressed to Brazil's leadership, authorized them to pursue the plan despite the international call for sanctions on Iran. However, the Obama letter warned Brazil about previous Iranian perfidy in conducting nuclear talks while ignoring such important issues as the necessity to expatriate all of the nuclear mass produced by the Iranian enrichment program, install IAEA controls, and verifiably shut down any potential military applications, including

enrichment. Thus, the letter was anything but a green light for Brazil, let alone the NATO ally, Turkey, to pursue a separate track in dealing with Iran. Furthermore, Ankara bluntly opposed the UN Security Council vote on sanctions despite support from such difficult partners as Russia and China (Cohen 2011).

However, it is clear that Turkey is adequately sensitive to the Iranian position on Tehran's right to enrich uranium for civilian purposes, even if the West perceives this as the first step toward weaponization. Turkey's attempt in 2010 to mediate the enrichment dispute between Iran and the P5+1 was a clear indication of the importance Turkey attaches to this issue, as well as to its relations with Iran. Although this attempt failed because of American opposition to the nuclear swap deal negotiated by Turkey and Brazil, it has had a positive impact in terms of Turkey's image in Iran. This image was further augmented by Turkey's vote in the UN Security Council on June 9, 2010, opposing the latest round of sanctions against Iran. This vote was partially a reaction to the P5+1's rejection of the uranium swap deal negotiated by Turkey and Brazil. However, in large part it reflected Ankara's desire not to alienate Iran, which it considers a very important neighbour and economic partner.

Turkey, for its part, recognizes Iran's aspirations for nuclear autonomy, especially to build an indigenous capacity to enrich uranium, although Ankara may be ambivalent about Tehran's strategy to achieve its goal. Moreover, the secular-Islamic divide that at one time was a major hindrance to the development of Turkish-Iranian relations is no longer relevant. Turkey has succeeded to a large extent in overcoming its Kemalist neurosis, and Iran has now reached a post-revolutionary phase in which national interest trumps ideological purity. Iran's nuclear policy is a point of contention between Ankara and Washington. Although Turkey, like the United States, does not want to see the emergence of a nuclear-armed Iran, Erdogan has been hesitant to criticise Iran publicly and has accused the West of applying a double standard by singling out Iran's nuclear programme for criticism while remaining silent about Israel's possession of nuclear weapons. Indeed, in recent speeches he has spent more time criticising Israel's nuclear policy than Iran's. He has also expressed strong reservations about imposing sanctions on Iran, calling for intensified diplomatic efforts to resolve the problem.

Turkey is dependent on Iran mainly for energy. Turkey sees Iran as an important “balancing supplier” for oil and gas in the face of unrest in the Caucasus and fickle Russian policies on energy, while Iran relies on Turkey for one of its key routes west. Energy development projects can take years to put into operation; hence, engagements with Iran today are important for Turkey and other nations in order to secure their long-term energy needs. None of the countries dealing with Iran on energy matters can afford to wait until the Iranian sanctions have run their course. Turkey hopes and believes that one day the international political situation with regard to Iran will change. And on that day, Turkey wants its companies operating in the energy field to be ready to accelerate their activities in that country (Babali 2010). Davutoglu is quite open about the fact that Turkey has interests in Iran that the United States and Europe do not have. “Our economy is growing,” Davutoglu said, “and Iran is the only land corridor for us to reach Asia. Iran is the second source of energy for Turkey.” Sanctions on Iran would hurt Turkey. But Davutoglu also insists that Turkey’s assessment of Iran’s intentions is not affected by its interests. Prime Minister Erdogan had dismissed fears that Iran wants to build a bomb as “gossip” (Benitez 2011). Iran is important not just as a valuable source of energy, but also because, if it’s nuclear ambitions were to be realised, it would be a serious threat to regional stability and conceivably to Turkey itself. Turkey’s neighbours like Iran and Syria have medium range missiles capable of reaching Turkish population centres. Turkey is the only major regional country which does not possess such missiles. Iran’s nuclear ambitions, however, are a source of serious concern for Turkey. Turkey does not see Iran as a threat, but is conscious that a nuclear-armed Iran could have a destabilizing impact on the Persian Gulf region and force Turkey to take countermeasures for its own security. A serious effort by Iran to develop a military nuclear capability could thus undercut its rapprochement with Turkey.

In sum the West Asia seems to be inexorably heading toward a Persian-Turkish future. The evidence that both Iran and Turkey have demonstrated the capacity to keep their bilateral relationship on an even keel, in spite of the fact that their objectives do not fully coincide on a number of issues, including relations with the United States and Iran’s nuclear program. Turkey has had to perform an intricate balancing act to keep its relationship with the United States intact while improving relations with Iran. It has

succeeded remarkably well so far. Iran has demonstrated its understanding of Turkey's strategic link with NATO and, therefore, with the United States, and has never made it an obstacle to the improvement of its own relations with Turkey. It also recognizes Turkey's aspiration to join the EU (although this prospect seems to be receding fast) and sees this as complementing its own desire to improve relations with the EU, thus dividing Europe from the United States on issues of vital concern to Tehran.

Chapter 2

Economic Relations between Iran and Turkey

Bilateral economic relations between Iran and Turkey have grown at a rapid pace during the past decade, and both economies now depend heavily on these relations. Iranian-Turkish relations are not only important to both these countries, but have assumed a geopolitical significance for Western powers and regional actors alike because of the impact that they might have on the success or failure of Western sanctions against Iran (Habibi 2012). The geopolitical positions of both the countries— Iran as an important oil and gas supplier and Turkey as an important energy-transfer route that brings oil and gas from the east and north to the west and south—put them at the centre of world politics (Fink 2006). This geopolitical situation provides ample opportunities for Iran and Turkey to become friendlier. Cooperation comes mainly in the form of energy arrangements, where Turkey looks to Iran's abundant oil and gas resources to supply its growing energy needs. The economic factor is for both countries a crucial reason for continuing a functioning relationship.

Iran is a potential source of markets with its large population and a source of cheap oil and gas for Turkey. Since Turkey's energy demand is increasing and Turkey imports ninety percent of its energy, Iran came into prominence as a close energy source to meet the energy problem. Thus, Iran is the second largest energy supplier to Turkey, after Russia (McCurdy 2010: 89). For Iran, Turkey offers the best way out of economic isolation and to develop gas cooperation with future possibilities to reach the European market which would raise Iran's strategic importance. Realisation of such gas cooperation would ultimately improve Iran's position as a global player. Turkey is dependent on Iran mainly for energy, while Iran relies on Turkey for one of its key routes to the West.

Iranian-Turkish Relations in Gas and Oil Sectors

Natural gas is the fastest growing primary energy source in Turkey. Lacking natural gas resources it imports almost all of its requirements by pipeline from Russia, Iran and Azerbaijan. In this regard, Iran and Turkey signed a natural gas contract in 1996 during the Turkish Welfare Party leader Erbakan's visit to Tehran (Robins 1997: 91). The agreement provided for the delivery of natural gas over a period of 23 years with exports of 4 bcm (billion cubic metres) in 2002 which was expected to rise to 10 bcm (the capacity of the pipeline) in 2007 (Moradi 2006: 181). Under this 23-year arrangement, Iran promised to supply Turkey with gas, mainly from the Kangan gas field in the south and the Khangiran gas field in the northeast. Iran also imports gas from Turkmenistan, and could send spare volumes to Turkey as well. The 46-inch 160-mile (260-km) line runs from Dogubeyazit, on the Iranian border, to Erzurum, Turkey. From Erzurum, the pipeline is to extend to Sivas, and then on to Ankara. Iranian gas used to supply the pipeline is to come from the non-associated Kangan fields as well as from associated sources around Ahwaz (Cordesman 2000). However, for various reasons, trade never reached this volume with the maximum being 6 bcm in 2007. However, both countries stressed their desire to increase volumes to the level stipulated in the contract. Iranian gas is used both for industry and for residential heating in eastern Anatolia (Jenkins 2007). The Iran-Turkey pipeline was to be completed in 1999. However, due to accusations made by both countries that the other had failed to complete its section of the pipeline on time, deliveries started only in 2001. According to the agreement, both countries were responsible for their respective parts of the pipeline, i.e. Turkey's share includes the segment of the 680-mile pipeline from the Iranian border, plus other delivery costs to the point of consumption. Iran's share relates to producing gas and its own pipeline costs, including its 170-mile section of the pipeline (Benliot 2001:144).

The agreement between Iran and Turkey in 1996 was from the very beginning a hugely "controversial" contract and the US openly expressed objections. US officials tried to convince the Turkish government not to continue with the project. However, the

Turkish policymakers were determined to diversify Turkey's gas supply and therefore went ahead with the contract. According to the 1995 American Iran Sanction Act (ISA), companies that make an "investment" of more than \$20 million within one year in Iranian energy sector will be liable to sanctions. No sanctions were imposed on Turkey, however, since each country was responsible for the construction of its section of the pipeline and therefore this could not be regarded as a Turkish investment in Iran. Furthermore, the US State Department did not impose ISA sanctions on the basis that Turkey would import gas from Turkmenistan that would transit through Iran. A framework agreement was signed by the Turkish President and the Turkmen President on October 29, 1998 for the implementation of the Trans-Caspian Turkmen-Turkey-Europe natural gas pipeline. According to the agreement 30 bcm/year of gas was to be transported to Europe, including 16 bcm/year of supplies to Turkey⁸.

Since the beginning of Iranian natural gas exports to Turkey, there have been disputes between the two sides about either the volume or the price of the gas. In 2002 Turkey halted Iranian gas imports because of, according to the Turkish side, unsatisfactory technical specifications of the gas. However, the real reason seemed more likely to be lack of gas demand in Turkey at that time, and the fact that Turkey wanted to renegotiate the price and the take-or-pay terms of the contract. Discussions about the quality and price of natural gas deliveries to Turkey continued throughout 2002-2003. Despite unsolved issues Tehran and Ankara were striving to establish better relations. The Turkish President Necdet Sezer's visit to Tehran in mid-June 2003 showed that the parties could sit and discuss their concerns (Aydin 2005).

The new AKP government was intent on re-negotiating earlier agreement, and finally a delegation was sent to Tehran in December 2003 for consultations on decreasing natural gas prices. Later Turkey declared that it had been successful in securing a lower price and a reduction in take or pay⁹. The renegotiated agreement provided for a 9% price reduction with that percentage increasing proportionately with the quantity of gas

⁸ BOTAS, *International Projects*, url: <http://www.botas.gov.tr/index.asp>.

⁹ "Iran Aims Large-Scale Natural Gas Exports-To Europe", *The Global Oil and Gas Industry Articles*, 24 August 2006, url: <http://www.oilgasarticles.com/articles/206/1/Natural-Gas-Trade-by-Iran--Potential-Customers/Page1.html>.

purchased. If Turkey purchases the entire annual contract quantity (ACQ), the reduction will be more than 12%. The take-or-pay level, which constitutes one of the most important contractual conditions, decreased from 87% to 70%. In other words, if the Turkish petroleum corporation BOTAS does not purchase up to 30% of the ACQ, it will not be obliged to pay for it.¹⁰The dispute over price continued during 2004 and the Turkish Energy Minister, Hilmi Guler stated that Turkey would seek international arbitration. The Iranian side responded by saying that the gas pricing dispute could not be resolved. As a result, the natural gas flow from Iran was cut off for four days during December 2004 because of “technical reasons”¹¹. The dispute continued during 2005 and Turkey once again halted deliveries from Iran for several days in mid-April.

In 2006, Iran cut off supplies to Turkey on January 19, due to cold weather in Tabriz, where temperatures fell as low as 12° Celsius below average. Turkey compensated by importing more from Gazprom through the Blue Stream pipeline. In September 2006 and August 2007, supplies were interrupted when the gas pipeline was hit by explosions three times on both sides of the border. These incidents were most likely caused by the PKK Kurdish separatist group. Turkey again compensated by increasing its imports from Gazprom through Blue Stream.

In late December 2007 and January 2008, Turkmenistan cut off gas deliveries to Iran which forced the latter to use its own gas for domestic demand and in turn led to an interruption in deliveries to Turkey. Turkmenistan claimed the interruption was due to technical problems and the need for emergency repairs. However, there has been speculation that the real reason was more due to a price dispute between Turkmenistan and Iran with the latter refusing to accept what Turkmenistan regarded as a market price (Wood 2008). The Iranian interruption of deliveries to Turkey coincided with particularly cold weather in January¹². The Iranian Interior Minister Mostafa Pour-Mohammadi reported that more than 2% of consumers had been cut off and that approximately 1.4 million end-users suffered some degree of disruption. The year 2009 did not see any

¹⁰ “Iran Resumes Gas Export to Turkey With 9% Price Discount”, *Middle East Economic Survey*, 2002, (46), p. 18-19.

¹¹ *Ibid.*

¹² “Deadly Weather Paralyzes Iran”, *Now Public: Crowd Powered Media*, 09 January 2009, url: <http://www.nowpublic.com/weather/deadly-weather-paralyzes-iran>

interruption in gas delivery from Iran to Turkey. However, BOTAS might have to pay Iran some \$2 billion of take-or-pay penalties for 2009 in addition to the \$704 million which it paid for gas it failed to take in 2008 (Altunsoy 2009).

Energy has been a major force behind the warming of Iranian–Turkish relations. Iran is the second-largest supplier of natural gas to Turkey (after Russia). In February 2007, under Prime Minister Erdogan, Iran and Turkey agreed to seal two new energy deals: one allowing the Turkish Petroleum Corporation to explore for oil and natural gas in Iran, and another for the transfer of gas from Turkmenistan to Turkey and on to Europe via a pipeline that passes through Iran.

On November 17, 2008, Iran and Turkey signed a Memorandum of Understanding (MoU) on natural gas production and export. The Iranian-Turkish cooperation plan, first announced in August 2007, included Turkish involvement in the development of the South Pars gas field and a proposed pipeline that would both deliver Iranian gas to Europe via Turkey, but also supply the Turkish market, i.e. increase exports via the new pipeline intended to deliver gas to Europe. The MoU also refers to Turkmen gas, transiting Iran and Turkey to Europe. TPAO (Turkish Petroleum Corporation) intends to produce up to 16 bcm/year of gas from South Pars, half for Turkish domestic use and half for delivery to Europe. However, the Iranian Oil Minister, Gholam-Hossein Nozari, after signing the MoU in 2008 referred to some 35 bcm/year of gas to Europe. He was also cited, saying that 50% of the gas is intended to be exported to Turkey for the Turkish market, although whether he was referring to 50% of the 35 bcm, or additional volumes, was not clear¹³. Furthermore, different sources give different suggestions as to which pipelines are intended to transport gas from Iran to Europe. The MoU clearly says that a large part of the gas will be transported from Iran to Europe via Turkey, but there has been speculation as to whether Iran would choose to supply Nabucco or the Trans-Adriatic Pipeline (TAP)¹⁴, or the Persian Pipeline (Graeber 2009). According to the MoU, TPAO would develop Phases 22, 23 and 24 of South Pars and participate in the construction of the 1,850km IGAT-9 gas trunk line from Assaluyeh to

¹³ “Iran, Turkey Sign Gas MoU”, *SHANA*, 18 November 2008, url: <http://www.shana.ir/136184-en.html>

¹⁴ url: <http://www.trans-adriatic-pipeline.com/>

Bazargan, close to the Iranian-Turkish border. Turkey's former minister of Energy, Hilmi Guler, stated that there had been no negotiation on pricing.

Turkish Energy Ministry officials announced that Turkey would not seek international financing for South Pars, but would fund the project entirely from its own resources. Investment has been estimated at up to \$5 billion for each phase, which would mean a total investment of \$15 billion for the three phases 22, 23, 24, not including pipeline costs. However negotiations are being held that would give Turkey the right to develop phases 20 and 21, where the gas is of better quality. This would imply that the total investment would be at least \$ 12 billion, including the building of the pipeline. According to the agreement, 50% of the gas from phases 23 and 24 will be sold to Turkey¹⁵. The upstream agreement between Iran and TPAO is based on a "buy-back" contract, whose purpose is to prevent foreign control over Iran's resources. Buy-back contracts are formulated in such a way that a foreign company develops an oil or gas resource and is repaid from sales revenues, but has no share in the project after being repaid. The National Iranian Oil Company is thereafter responsible for operation and management. The Turkish parties have said that they want to set up a joint company, so as to be able to exercise influence over the cost and construction of both the pipeline as well as the transfer procedure¹⁶.

TPAO was intended to start development work in the South Pars field in November 2009, but in October the Iranian Oil Minister Masoud Mirkazemi and the Turkish Energy and Natural Resources Minister Taner Yildiz signed a three month extension of the MoU¹⁷. Iran's Vice President, Mohammad Reza Rahimi has considered the establishment of a joint working group to study the possibilities of substituting the agreed fields in the South Pars region allocated to Turkey with fields containing better quality gas. Yildiz noted that the transfer of property rights of oil and natural gas deposits

¹⁵ Ibid.

¹⁶ "Iran, Turkey Plan to set up Gas Company", *Fars News Agency*, 26 December 2008, url: <http://english.farsnews.com/newstext.php?nn=8710061001>.

¹⁷ "Iran, Turkey Ink Gas MOU", *Tehran Times*, 29 October 2009, url: http://www.tehrantimes.com/index_View.asp?code=206684.

is not a matter of discussion, as set out in their constitution. Of course, additional conditions and the prices will be discussed later¹⁸.

The price for the gas delivered has been the subject of disputes between the countries. Following arbitration proceedings, in February 2009 the International Chamber of Commerce Court (ICC) ordered an immediate 18% price reduction¹⁹. Turkey and BOTAS decided to take the case to arbitration after Tehran rejected Turkey's call for price cuts in March 2004. BOTAS announced that it will immediately adjust its payments to the National Iranian Gas Export Company (NIGEC) according to the ICC decision. Approval by the Supreme Court of each country is necessary for the decision to be put into effect. The Turkish Supreme Court will certainly approve the ICC's decision. However, given the Tehran Supreme Court's previous rulings, it was not very likely that they would accept the arbitration decision²⁰. Furthermore, Turkish officials claimed that Iran's tough buy-back condition prevents the two countries from finalising the contract, since Turkey does not feel that it has any control over the price of the gas that would be developed and sold to Iran. The National Iranian Oil Company (NIOC) has introduced elements of production sharing agreements into the buyback contracts in an attempt to attract foreign investors, but the inclusion of fixed rates of return and capital expenditure suggest this will not be successful.

In addition, the means by which the 50% of the gas volume in the MoU intended to be delivered to Europe was not yet clear. Different routes were being suggested and discussed, but in the planning stage itself they face great difficulties that need to be resolved. Turkey clearly favours the Nabucco project, whereas Iran has declared willingness to participate in the project but is equally interested in other routes, in particular the Persian Pipeline. This pipeline would connect the South Pars field with the European market, transiting Turkey. It would transport gas through the Iran Gas Trunkline 9 (IGAT-9) through Turkey and further to Greece and Italy. In Italy, the pipeline would be split into a northern branch that will run through Switzerland, Austria

¹⁸ "Turkey, Iran Sign Strategic Deal To Carry Gas To Europe", *Today's Zaman*, 30 October 2009, url: <http://todayszaman.com/tz-web/news-191472-turkey-iran-sign-strategic-deal-to-carry-gas-to-europe.html>.

¹⁹ "Botas Wins Iran Gas Price Ruling", *Middle East Economic Survey*, 09 March 2009, (10), p. 20.

²⁰ Ibid.

and Germany, while the southern branch will supply France and Spain²¹. Another option would be for Iran to participate in the Trans-Adriatic Pipeline (TAP). The Tabriz-Erzurum gas pipeline connection from Iran into Turkey is also of considerable interest to the EU, as this connects with the Turkish gas network, soon to be expanded and then linked with that of Greece and thence into the rest of the EU either via Bulgaria and the Balkans or via Italy. Iran's own pipeline network connects with Turkmenistan, whose exports Russia has sought to monopolise. As such, Iranian gas exports to Europe are of much interest to the latter, which is keen to develop alternative energy sources to Russia. There are also possibilities for major European investments in Iranian offshore gas deposits in the Gulf, which would be shipped to market by LNG tankers.

Iran is struggling to develop its gas infrastructure, which is partly due to the economic sanctions that make it difficult for foreign companies to invest. IGAT-9 is a pipeline that has been planned to transport Iranian gas both to Turkey and Europe. To be able to construct this pipeline, Iran is seeking the participation of foreign firms in its IGAT-9 scheme in a bid to secure partial funding for the project due to its very high cost, which is estimated at \$8 billion due to difficult mountainous terrain (Jones 2008).

A pattern can be discerned by looking at the gas cooperation between the two countries. In principle, both countries want to develop large-scale natural gas cooperation, but are unwilling to compromise on the terms of commercial contracts. On October 24, 2009, Iran was planning further arbitration proceedings against Turkey at the International Chamber of Commerce (ICC) Commission in relation to the take-or-pay clause in the gas contract²². A few days later on October 30, 2009, as discussed earlier, a large Turkish delegation, including the Turkish Energy and Natural Resources Minister Taner Yildiz and the Turkish Prime Minister Recep Tayyip Erdogan visited Tehran, and both sides agreed to extend the MoU by three months.

Even though developing the relationship in the gas sector between Iran and Turkey faces many obstacles, Turkey seems very keen to pursue and finalise this

²¹ "Iran Plans to Build Pipelines to Export Gas to Europe", *Fars News Agency*, 20 July 2008, url: <http://english.farsnews.com/newstext.php?nn=8704301242>.

²² "Iran Plans to File 'Gas Complaint' Against Turkey", *Press TV*, 24 October 2009, url: <http://www.presstv.ir/detail.aspx?id=109487§ionid=351020103>.

contract. This can to a large extent be explained by the new Turkish foreign policy i.e. zero-problem policy towards its neighbours and its desire to develop stronger relations with them. However, it was also due to Turkish economic interests in Iran. Furthermore, the announcement of the MoU came at a time when the US Administration was seeking to increase Iran's international isolation by tougher sanctions (Jenkins 2007). In assessing gas cooperation between Iran and Turkey, it is obvious that Turkey, both in relation to the MoU and the 1996 gas contract, prioritised cooperation with Iran over its historically strong loyalty to the US. It is notable that while most European and North American companies have withdrawn from the Iranian market, and specifically the energy market, Turkey seems to have strengthened its ties with Iran both in the energy sector and trade in general.

Turkey has been purchasing Iranian oil and gas to fuel its booming growth, with 12 percent of its energy supplies coming from the Islamic Republic (Vira 2010). Turkey's oil imports reached 7.8 million tons in 2008 and slumped down to 3.2 million tons in 2009. According to Energy Market Regulatory Body, or EPDK, Turkey's total import of oil from Iran reached 5.3 billion tons by the end of 2010²³. It averaged 196,000 bpd in 2011. Turkey, which has sometimes sought to mediate between Iran and the Western countries, initially did not pledge to reduce its oil buys from Iran in response to U.S. sanctions on Iran's Central Bank. However, Turkish officials and press reports in late March 2012 indicated that Turkey would cut its buys from Iran by 10% - 20% (Katzman 2012). In 2009 alone, Ankara imported 5.1 billion cubic meters of natural gas from Iran, a 35 percent increase over the year before²⁴. The growth in the purchase of Iranian natural gas seems likely to continue. In February of 2010, Turkey announced it was prepared to link, via pipeline, its north-eastern port city of Trabzon with the Iranian port city of

²³ "Iranian Firms Entering World Markets via Turkey", *Payvand Iran News, Moj News*, 21 April 2011, url: www.payvand.com/news/11/apr/1202.html.

²⁴ "Energy Gas Exports to Turkey Rise by 35 Percent", *SHANA*, 2 February 2010, url: <http://www.shana.ir/151669-en.html>.

Bandar Abbas²⁵. From March 20 to May 5 the Islamic Republic increased its gas exports to Turkey by 98 percent compared to the same period last year²⁶.

This relationship, strengthened by energy, goes beyond imports and exports between the two states; Iran and Turkey rely on each other's territory for access to vital markets. Turkey is one of the major gateways to Europe through which energy flows. Iran seeks to expand its presence in European oil markets by utilizing Turkey's energy-transferring capabilities. Specifically, Iran, Turkey and other European countries such as Germany have been discussing constructing an oil pipeline that would deliver Iranian oil to Italy through Turkey, known as the Nabucco project. If this project was to move forward, Iran would gain access to European oil markets while Turkey would more firmly assert its position as the main energy transit hub of the West Asian region. Iran has recently announced that, in order to fulfil a large gas contract to Switzerland, it may use Turkish pipelines to reach the continent (Wellman 2010). This relationship goes in the reverse direction as well: gas from Turkmenistan bound for Turkey flows through Iran. This link is vital in maintaining Turkey's energy security and allows Ankara to distance itself from more expensive Russian suppliers (Pannier 2010).

These gas transfers create nearly \$2 billion in trade a year and form another vital economic link between the two countries²⁷. As with non-energy trade, this relationship is growing at a rapid rate. In addition to Turkey's increased gas purchases there have been reports in Iran that Turkey has been granted the rights to ship half of the natural gas extracted from the Islamic Republic for sale to European customers.

This economic relationship expands beyond exports and imports. Turkey is not only a client of Iran's but an investor as well, evidenced by numerous recent cases of Turkish involvement in projects in Iran. Turkey has recently been in discussions with Iran

²⁵ "Turkey Ready to Increase Energy Cooperation with Iran", *Fars News Agency*, 3 February 2010, url: <http://english.farsnews.com/newstext.php?nn=8811141053>.

²⁶ "Iran's Gas Exports to Turkey Sees 98% Growth", *MENAFN*, 3 May 2010, url: https://www.menafn.com/qn_news_story_s.asp?StoryId=1093328094&src=MOEN.

²⁷ "Gas Transfer to Europe Key in Turkey-Iran Relations", *Today's Zaman*, 4 February 2010, url: <http://www.todayzaman.com/tz-web/news-200505-gas-transfer-to-europe-key-in-turkey-iran-relations.html>.

over a \$5.5 billion investment in the South Pars gas field²⁸. The Turkish energy company ABS has signed a memorandum of understanding with Tehran on the financing of the development of South Pars phases 17 and 18. Turkey has also signed onto a \$2 billion project to build an oil refinery in northern Iran. This joint venture seeks to lay the foundations for a project that would bring Iranian gas to Europe through Turkish energy companies²⁹. Turkey has also expressed interest in investing in “green” energy projects in Iran, including several wind farms, in cooperation with a number of Chinese firms. Iran invests reciprocally in Turkey. Iran is currently engaged in several power projects in Turkey (Daly 2007).

The Iran-Turkish economic relationship has not proceeded without problems. Since November 2009, there have been calls in Iran for Turkey’s natural gas contract to be cancelled. In addition to this, according to the IMF, Iranian-Turkish trade fell to nearly half of what it was the previous year, although Iranian and Turkish officials cite a figure that does not show any decline from 2008. Furthermore, in April of 2010, a major deal with Turkish state run oil company TPAO collapsed as the Turkish firm failed to decide on proceeding with the project quickly enough for Iranian authorities³⁰.

These incidents, however, have not caused any significant damage to the relationship, because the rapid growth of economic links between the two countries has demonstrated the political will of the leadership in Tehran and Ankara to increase ties for mutual profit. Ankara seeks to become a regional economic superpower by becoming an energy hub for Europe (Champion 2010). To do this, it needs Iranian assistance.

Iran has a unique geopolitical meaning for Turkey. Iran, as a Caspian country, can allow Turkmenistan’s inclusion within the European energy grid without the necessity to resolve the Caspian’s legal status. And in fact, existing pipelines from Turkmenistan to Iran, and from Iran to Turkey, already allow this. Companies from these countries are

²⁸ “Iran, Turkey Near \$5.5 Billion Gas Deal”, *Press TV*, 24 March 2010, url: <http://www.presstv.ir/detail.aspx?id=121561§ionid=351020103>.

²⁹ “Turkey Invests in Iran to Build Oil Refinery”, *Press TV*, 1 November 2009, url: <http://www.presstv.ir/detail.aspx?id=110140§ionid=351020103>.

³⁰ “Domestic Consortium to Replace Turkey in SP Projects”, *Mehr News Agency*, 18 April 2010, url: <http://www.mehrnews.com/en/NewsDetail.aspx?NewsID=1066364>.

also aware of the distinctive neighbourhood that these countries share. For example, Som Petrol (a Turkish energy company) has been attempting to get involved in a 1.3 billion dollar deal between Iran and Turkey, which involves building 660 kilometres of a second gas pipeline in addition to the existing one. The company, which has been operating in Turkmenistan for a while, is aware of the emerging opportunities which can unite Turkmenistan, Iran and Turkey³¹. In essence, Turkey does not want to forsake any energy opportunities offered by Iran. Otherwise it may become more dependent on Russia, as Iran's exclusion will also impede Turkmenistan's inclusion within the Western energy grid (Bilgin 2011).

This economic relationship is not one-sided, however. By enlisting the aid of Turkey, Tehran transforms its main economic rival in the region into an ally. Tehran has, in the past several years, attempted to consolidate its position at the centre of a region which stretches from Central Asia to Turkey. One way it seeks to do this is through the construction of a massive interconnected power grid that runs from Afghanistan to Lebanon, supplying much of the West Asia with electricity. By enlisting Turkey's aid on this project, Tehran seeks to make its neighbours "increasingly interdependent with Tehran and the Iranian economy" (Kagan 2008: 63). By maintaining good relations with Iran, these border states of the Islamic Republic are able to receive the energy they need. Iran and Turkey have also agreed to increase cooperation in electricity generation. In this context, they plan to construct natural gas power stations in Eastern Anatolia, where power shortages take a heavy toll on the local economy, especially during the long winter months. The latter investment is supposed to be spearheaded by the two countries' private sectors, so that the sanctions on Iran would be inapplicable.

Because of the developing Iranian-Turkish cooperation in regards to energy generation, the Islamic Republic's regional position is strengthened by becoming a top supplier of energy in the region with competitors either made into allies or lacking the needed infrastructure to supply the region. By increasing economic ties with Iran and supporting the Islamic Republic politically, Turkey gains an ally in its quest for energy

³¹ "Iran Signs \$1.3 Billion Turkey Pipeline Deal," *Gulf Daily News*, 24 July 2010, url: <http://www.gulf-daily-news.com/NewsDetails.aspx?storyid=282966>.

supremacy in Europe. As the economic and political ties between the two countries deepen, Turkey would continue to impede efforts to isolate Iran and dismiss the threat posed by Iran's nuclear ambitions (Pupkin 2010).

There is no doubt that Iranian-Turkish energy cooperation has angered previous US administrations because it undercuts American efforts to isolate the Islamic Republic over its defiance of sanctions seeking suspension of its uranium enrichment program. Nonetheless, Erdoğan has repeatedly stressed that Turkey's cooperation with Iran is intended only to diversify Turkish energy supplies. It would be "out of the question to stop imports from either country [Russia or Iran]", especially as Turkey's energy needs grow by almost 5% per year (Jenkins 2007; Babali 2010).

Non-Energy Trade

Economic cooperation between Iran-Turkey is not confined to gas or oil; in 2000, cross-border trade reached nearly \$1 billion, a figure that increased to \$4 billion in 2005 (Schliefer, 2006). In 2008, cross-border trade between the two states passed \$10 billion annually; Turkey became Iran's 5th largest trading partner that year.³² According to the IMF, some Turkish officials including state minister Cevdet Yilmaz, and some Iranian news sources, trade fell to \$5.63 billion in 2009 due to a slowdown in the global economy³³. Despite these reports, both Tehran and several government officials in Ankara including Prime Minister Recep Erdogan maintain a figure of over \$10 billion and have stated a goal to triple this figure by 2015³⁴.

Iranian and Turkish cooperation on economic matters has increased broader ties between the two countries and provided a major boon for the Iranian economy.

³² "Iran: Facts and Figures", *BBC News*, 2 July 2009, url: http://news.bbc.co.uk/2/hi/middle_east/8060167.stm.

³³ "Iran, Turkey Discuss Joint Industrial Estate", *Tehran Times*, 1 March, 2010, url: http://old.tehrantimes.com/Index_view.asp?code=215131, see also "Turkey, Iran Aim to Boost Trade Cooperation", *People's Daily Online*, 3 February 2010, url: <http://english.peopledaily.com.cn/90001/90777/90854/6887272.html>.

³⁴ "Iran, Turkey Plan to Triple Trade Volume To \$30 Bn", *Press TV*, 23 March 2010, url: <http://www.presstv.ir/detail.aspx?id=121491§ionid=351020102>.

According to Iranian and Turkish sources, since the beginning of 2009, cross-border trade has continued its upward trend. According to Iranian media reports, non-energy trade between the two nations climbed to \$2.7 billion in 2009. Iran exports industrial products – such as cathodes, polymers, propylene – and consumer goods to Turkey while Turkey exports textiles, machinery, steel, and chemicals to Iran. This trade represents for Iran an 11 percent increase over the same period from the year before in non-energy exports to Turkey, making Turkey the sixth largest consumer of Iran’s non-oil goods³⁵.

This trade has drawn the Islamic Republic and Turkey closer together. Iran seeks to use Turkey as a tool to help it attain its own regional economic ambitions. Turkey likely believes it can only achieve its aspirations to become a regional economic superpower with Iran’s help. According to Turkish Prime Minister the economic relations between two countries would be boosted with a fourth border to be opened in Dillucu in northeast of Turkey and a fifth crossing border in Dillucu in north-eastern Turkey without giving a date for opening. A Turkish state-owned fertilizer company has bought Iran’s biggest fertilizer production complex, Razi Petrochemical Company, for US \$681million from Iran’s privatisation administration. Furthermore, there has been discussion between Iranian and Turkish officials on opening Turkish banks in Iran (McCurdy 2010: 91).

In recent years, Iran's direct investment in Turkey has increased remarkably and a large number of Iranian companies has gotten license to make investment in the neighbouring country. According to a report by Turkey's Ministry of Foreign Affairs, Iran's investment in Turkey reached \$110 million in 2010. Moreover, certain Turkish companies have announced readiness to make investment in Iran's Tourism sector as well as to establish trade centre. Iranian firms in Turkey reached 1,470 by the end of 2010. The figure for the years between 1954 and 2002 was only 319. Starting from 2002, the year that Turkey’s ruling Justice and Development Party, or AKP, came into power, every year nearly a hundred new Iranian firms started to operate on Turkish soil. Iranian firms’ interest in Turkey even continued during the global recession and 139 new firms were registered in Turkey in 2008.

³⁵ “Iran Boosts Non-Oil Exports to Neighbors”, *Fars News Agency*, 18 May 2010, url: <http://english.farsnews.com/newstext.php?nn=8902281253>.

According to figures, 167 Iranian firms started to operate in the country in 2009 before a record-breaking sum of 284 in 2010. The total capital of top 74 Iranian companies out of 167 that were registered in Turkey in 2009 was between \$50,000 and \$200,000. The capital of only seven Iranian companies that registered in the country was above \$500,000. In 2010, the capital of 284 new Iranian companies in the country summed up \$9.83 million. It was “considerably” easier for Turkish businessmen to work with Iranian firms as almost one in every three speaks Azeri, a dialect similar to Turkish, said the vice chairman. “Turkey could penetrate eastern markets through Iran while Iran penetrates western markets through Turkey” (Aydin 2005: 21-43).

Since 2000, Iran-Turkey trade balance in terms of non-oil exports has been always in favour of Turkey. In 2000, Iran's non-oil exports to Turkey reached \$165,458,882 while in the same year; Turkey exported \$233,199,198 of its products to Iran. Therefore, trade balance reached \$67,740,316 in favour of Turkey. In 2009, Iran's exports to Turkey were valued at \$589,045,235. In the same year Turkey's exports to Iran reached \$2,014,346,502. The trade balance reached \$1,425,301,267 in favour of Turkey (Aydin 2005: 21-43).

The Turkish Undersecretary of Foreign Trade Kursad Tuzmen visited Iran with 120 businessmen in May 2000. His meetings with Iranian officials covered various issues including the establishment of a Turkish-Iranian Business Committee, the cracking down on the illegal fuel oil trade that resulted in annual tax losses of \$1.5 billion, and the proposition of the Iranian authorities to turn the Economic Cooperation Organization (ECO) into a common market. The Turkish-Iranian Business Council was established on November 6, 2001, and its first meeting took place in Tehran during Turkish President Necdet Sezer's visit in June 2002. The Council held its second meeting in Istanbul in June 2003 and the "Iranian week" event was organized at that time. In October 2003, the State Minister Kursad Tuzmen visited Tehran with 300 businessmen, who managed to sign \$200 million worth of contracts with their Iranian counterparts. Iran promised to reduce all the customs and taxes on Turkish goods to around 4 percent within five years, beginning in 2004. The two sides also agreed to set up new border trade centres (Aydin 2005: 21-43).

Since 2002, Iran and Turkey's economic relationship has expanded even beyond the major gas and pipeline deals. In 2006, bilateral trade between the two countries reached \$6.7 billion, an increase of 52.5 percent over 2005 and more than five times the level of \$1.2 billion in 2002. In summer 2007, Turkish Foreign Trade Minister Kursad Tuzmen announced that Turkey would sign preferential trade agreements with eighteen Islamic countries, including Iran and Pakistan. He said that tariff barriers between the countries would be reduced in stages as part of an attempt to boost trade among the ten members of the ECO, which includes Turkey, Iran, Pakistan, Afghanistan, and the six Central Asian republics. In addition to further antagonizing Washington, any attempt to grant preferential trade status to Iran could create problems for Turkey in its relations with the EU, which is Turkey's main export market. Under the terms of Turkey's 1995 Customs Union Agreement with the EU all of Turkey's tariff barriers with third parties must be harmonized with those of the EU. Turkey's pipeline deal with Iran is also at odds with Washington's preference for isolating Iran.

ECO has carried out a number of other projects to improve links. Preparation of Railway and Road Maps, identification of constraints on the custom border crossing points and common tariff policy are some of them. ECO Members have launched several transportation routes that connect them through a network of railways. In 2009, a railway route that runs from Islamabad through Tehran to Istanbul was completed. A container train is running fortnightly from Istanbul to Almaty through Iran. An international passenger train was also started from Almaty to Tehran. However regular train service could not operate due to some technical problems and high transit charges/visa fees by some of the member states (Tahir 2004). Iran and Turkey along with Azerbaijan have held discussions on building a joint railway through the three countries in order to enhance relations, trade and travel³⁶.

Efforts to extend and integrate the ECO rail network have continued, with the first journeys of both passenger and goods trains along the route from Almaty via Tashkent, Ashgabat and Tehran to Istanbul taking place in 2002. This rail link was developed after the United States' 1997 sanctions preventing the construction of international oil and

³⁶ "Iran, Azerbaijan, Turkey to build joint railway," *BBC Monitoring Caucasus*, 27 March 2008.

natural gas pipeline projects that pass through Iranian territory from the Caspian region. Iran has also strongly supported the construction of the Turkmenistan-Iran-Turkey-Europe gas pipeline project, and signed oil swap agreements with both Turkmenistan and Kazakhstan (Efegil 2003).

Iran's infrastructure in the transportation sector is the central axis of the East-West route. The highways which link Iran to Turkey in the West and Afghanistan in the East, and Azerbaijan and Turkmenistan on both sides of Caspian, are known as "RCD (Regional Cooperation for Development) Roads." These national highways along with Iranian railroads, give Iran the capability of playing a major role in the transit of goods, products, and people to or from Greater Central Asia states.

Iranians annually smoke 60 billion cigarettes, a major part of which is supplied by imports. Iran has imported 6,961 tons of cigarettes valued at \$81 million in the first quarter of the current year. Turkey is among the major cigarettes exporters to Iran in 2009. Turkey has the largest cigarette output of any country in West Asia, with production of about 150 billion pieces annually. Most of Turkey's exports of about 14 billion cigarettes annually go to customers in West Asian countries, especially Iran and Iraq. Transit traders in Turkey also transport cigarettes from Europe on their way to West Asia markets. A decline for the transit trade through the Gulf for cigarettes on their way to Iran had added to the importance of movements of cigarettes from Europe to Iran through Turkey (Parker 2006).

Iran exported \$736 million worth of foodstuffs in 2007 and \$1 billion (~600,000 tonnes) in 2010. Soft drinks, mineral water, biscuit, chocolate, confection, edible oil, dairies, conserved foods and fruits, jam and jelly, macaroni, fruit juice and yeast were among the main exports to Turkey. Turkey exports products such as steel, iron, mainly machinery, motor vehicles, iron and steel products, boilers, electric devices, tobacco, textile products, fridges, washing machines, air conditioners and automotive products, as well as forestry products³⁷. Turkey also exports gold, precious metals, pearls and coins to Iran. Turkey re-exports alcohol and tobacco to other countries in the region such as

³⁷ "Turkish Textile Companies Hit Worst Amidst Devaluation of Iranian Rial", *Today's Zaman*, 24 June 2012, url: http://www.todayszaman.com/newsDetail_getNewsById.action?newsId=284451.

Iran. Turkey has traditionally been an important supplier of live sheep, lamb, and mutton to the West Asia, especially Iran and Iraq.

Beyond non-energy trade, there have been many other signs of increased economic cooperation since January of 2010. In February of 2010, the Central Bank of Iran approved the establishment and operation of a Turkish-owned bank in Bandar Abbas (Pupkin 2010). In that same month, Iran signed a customs memorandum of understanding with Turkey that opened up the Bazergan, Khoy, Saro, and Maku border points for trade. This agreement has also mandated the revival of the joint border markets in Kuzrosh and Salmas³⁸. Several days later, a second round of talks produced agreements about the creation of a joint industrial town on the border of the two nations, a project that appears to be moving forward³⁹. Finally, Turkey was one of just twelve nations with which Iran signed preferential and free trade agreements, highlighting the Islamic Republic's desire to further improve trade relations⁴⁰.

Furthermore, Iran relies on Turkey to provide it with access to advanced European fibre optics networks through telecommunications cables that run through Turkey. Projects like these have deepened Iranian and Turkish ties (Champion 2010). Turkey has continued to do business with the Islamic Republic despite repeated calls to join international sanctions efforts targeting Iran.⁴¹ Ankara has refused to engage in economically isolating the Tehran regime. Turkey voted against the June 2010 United Nations Security Council (UNSC) resolution imposing additional sanctions on Iran, one of three countries on the UNSC that voted against the resolution or abstained from voting⁴². Further, in February of 2010, the chairman of the Turkish Parliament's Foreign Relations Commission, Murat Mercan, stated that Turkey wished to "not only to explore

³⁸ "Tehran, Ankara Sign Customs Cooperation MOU", *Mehr News Agency*, 21 February 2010.

³⁹ "Iran, Turkey Discuss Joint Industrial Estate", *Mehr News Agency*, 28 February 2010, url: http://old.tehrantimes.com/Index_view.asp?code=215131.

⁴⁰ These twelve nations are Kyrgyzstan, Bosnia and Herzegovina, Uzbekistan, Cuba, Venezuela, Pakistan, Sri Lanka, Bangladesh, Tunisia, Syria, Turkey, and Indonesia, "Iran Signs 12 Trade Agreements", *Mehr News Agency*, 24 February 2010.

⁴¹ "Turkey Continues to Resist Sanctions against Iran", *Political Punch ABC News*, 8 December 2009, url: <http://blogs.abcnews.com/politicalpunch/2009/12/turkey-continues-to-resist-sanctions-against-iran-.html>.

⁴² <http://www.un.org/News/Press/docs/2010/sc9948.doc.htm>.

possibilities for further developing our relationship [with Iran] but also to discuss a number of regional and international issues of common interest” (Mercan 2010).

Finally, there is the notable point that Turkey maintains a visa-free regime with Iran, which means a lot for the Iranian population and for the West as a whole in terms of facilitating Iran’s contact with Europe. Currently, around 450,000 Iranians cross into Turkey per year for tourism, business and educational purposes. Many of those crossing into Turkey come from the Iranian-Turkish border regions. In addition, Iranian and Turkish civil society organisations and movements increasingly cooperate and undertake joint activities.

In many ways, the Iranian and Turkish economies are complementary. Iran is a gateway for Turkish exports to the East while Turkey is a transit country for Iranian goods to the West. Every year more than 90,000 Turkish trucks enter Iran carrying products and servicing Turkish businesses in Central Asia. Over one million Iranian citizens visit Turkey, annually. The Eurasian dimension occupies an important place in Turkish foreign policy. Mercan (2010) states that developing our relations and cooperation with the regional countries, linking Europe and Asia through energy and transportation corridors, and creating new dynamics for regional cooperation figure among the main objectives of our Eurasian vision. In this framework, our neighbour Iran holds a prominent place among our Eurasian partners.

Chapter 3

Socio-Cultural Aspects of Iran-Turkey Relations

Over the centuries, political and ideological rivalries have been related to the cultural divides between Iran and Turkey. From the sixteenth to the twentieth century, Shi'a Safavids and Qajars in Iran and Sunni Ottomans competed for the leadership of the Muslim world. Pan-Turkist movements in the early twentieth century were a nightmare for Iranians, while the Pan-Islamism of the Young Turks received mixed reactions among the Iranian elite. Ottoman Sultan Abdul Hamid II's efforts to arouse the Shi'a clergy (Mujahedin) in Iraq against the Iranian regime and his aspiration to unite the Muslim world under Ottoman rule were not welcomed by Iran's rulers. After constitutional revolutions in Iran (1905) and Turkey (1908), the two countries took different paths in their regime choices. The Turkish Republic tried unsuccessfully to influence Reza Shah Pahlavi to establish republican rule in Iran. The founder of modern Turkey, Kemal Ataturk, articulated his disappointment that the Shah chose dynasty instead of a republic in 1925.

The two countries maintained rather friendly relations under Shah's regime, although they presented two different models to the Muslim world. While Iran pursued modernization under an authoritarian monarch, Turkey modernized its economy and social life and established a multi-party democracy after 1946. During World War II, Iran was occupied by the Allies, while Turkey managed to stay neutral. After the War, Turkey joined the Western alliance, and Iran maintained a balance between Western and Eastern blocs until the late 1960s. During the 1970s, Shah Muhammad Reza Pahlavi pursued a pro-American foreign policy, which came to an abrupt end with the Islamic Revolution. Iran has founded a state based on the Shi'a interpretation of Islam, which has become the basis and the differentiating feature of this state. Turkey, on the other hand, has founded a

secular state that considered, and still considers, secularism to be an indispensable feature of its political system. Iran's breaking its ties with the Western world and NATO exacerbated the ideological divide between the two countries, given Turkey's position in NATO. Moreover, Turkey has chosen to define itself within the West and Western culture. Meanwhile, Iran views the West as the source of evil. Because Iran perceives itself as part of the Islamic world, it considers Turkey's identification with Western culture antagonistic. Turkey's secular elite suspected the Iranian revolutionaries' aspirations to promote similar Islamist movements in the region. Iran, on the other hand, blamed Turkey for harbouring Iranian refugees, whose number was estimated at 600,000 to 1 million. These were allegedly members of the Mujahedin-el-Khalq, a dissident group that opposed the mullah regime, as well as other pro-shah armed groups in Turkey.

Thus, Iran and Turkey found themselves once again on opposite sides of a political dispute during the last two decades of the twentieth century, a period in which the military control of the Turkish polity was at its peak, exacerbating the ideological conflict with Iran. In their regional competition, Iran considered itself the champion of Islamism, while Turkey presented itself as a successful example of secularism and democracy.

Shi'a-Sunni Divide

Iran and Turkey both championed the leadership of a major sect of Islam during the period of the Ottoman and Safavid empires. A competition for leadership of the Muslim world was one of the determining factors in their relations, generating a series of diplomatic competitions and military conflicts beginning in the sixteenth century.

In both countries, Islam is strongly embedded in the fabric of the society and constitutes a societal building block as an indispensable and inseparable part of the two cultures. Moreover, Islam cannot be reduced to just a matter of faith; rather, it has multifunctional social and cultural roles in both societies. It served as the "socializing agent," source of identity, mediator between state and society, and a means of protest

against injustices. Therefore, neither in much more Westernized and modernized Turkey nor in Iran was religion totally eliminated. For this reason, Islam in Iran “was the only force within the civil society that the Shah had not managed to crush and it was thus able to provide the organization and ideology that all revolutions need” (Ayubi 1991: 148).

Likewise, except among the secularized elites, Islam has never been absent from the social and cultural lives of most Turks. Although the state banned all mystical religious orders and closed their lodges in 1925, Sufi orders, which had been enormously powerful political and social forces under the Ottoman regime, have continued to play an important role in society and politics during the Republican era.

In spite of vigorous secularization processes in Iran and Turkey, Islam continued to have a vital and dynamic role within each society. For historical reasons, Islam is such a deeply integrated part of Iranian and Turkish culture and has such a major role in both societies’ lives that its influence did not weaken even after religion became subordinate to the state and was pushed into the private sphere of people’s lives (Karasipahi 2009).

After the first half of the 1980s, Iranian-Turkish relations were marred by difficulties related to ideological differences. Iran, as the self-proclaimed world leader of Islam, repeatedly protested the secularist policies and Kemalist establishment in Turkey, including the headscarf ban in Turkish universities. Remarks by high-level Iranian officials caused protests from various actors in Turkey, including the Social-Democratic Opposition Party (SHP). For example, in January 1987, SHP chairman Erdal Inonu criticized Iranian officials for intervening in the domestic affairs of Turkey. The period of 1988-89 was a time of strained diplomatic relations and the recalling of the two countries’ ambassadors.

This period witnessed the exacerbation of ideological rivalries between the two countries. After the collapse of USSR, Iran realized the importance of spreading its influence in the post-Soviet space, especially in the newly independent Muslim Turkic states of Central Asia. Iran’s approach to the Central Asian Turkic republics included promoting Islamic ideology, supporting Islamist movements and developing some economic relations through energy trade. This shifted the focus of Iran-Turkey competition

from south to north. Turkey, as a NATO member and European Union aspirant, certainly found the new developments more beneficial for itself. Despite early fears that the end of the Cold War would diminish Turkey's strategic position in the region, Ankara quickly realized that there were new opportunities in the competition for influence. Turkey presented Central Asia with the so-called "Turkish model," emphasizing ethnic Turkic ties, secularism, integration into Western economic and political institutions, and increased trade and cultural ties. Turkey's success in the region was mixed. It did not appear to be the main influence in the regional rivalry; however, the pessimistic prediction that Turkey would become irrelevant and lose all ground to Russia and Iran did not come true, either (Hunter 2001). Turkey was successful in improving its relations, especially in Azerbaijan and Georgia, and has shown a significant presence in Turkmenistan, Kazakhstan and Kyrgyzstan.

In the early 1990s, Turkey experienced the political murders of several journalists, opinion leaders, and other public figures, causing a huge stir in the country. These intellectuals were exclusively secularists and leftists who opposed Islamic political movements and Iran's policies in the region. The suspects in these assassinations had allegedly been trained in Iran. For example, on February 4, 1993, Minister of Internal Affairs Ismet Sezgin announced that the suspects of two high-profile assassinations were trained at a military base "located between Tehran and Qom" in Iran. The assassination of well-known journalist Ugur Mumcu in January 1993, which caused the largest public protests of its kind, was also allegedly connected to the Iranian state. Tehran repeatedly denied any connection to these assassinations and to date, connections between the Iranian government and the political assassinations of secular thinkers in Turkey have not been proven.

Iran was vilified by Turkish secularist and mainstream media because it allegedly supported Islamist movements and even the Kurdish Hezbollah that was operating in Turkey. An important example of Iran's becoming a locus of domestic political conflict in Turkey was a crisis that involved Iran's ambassador to Ankara, Mohammed Bagheri. He was asked to leave Turkey in 1997 after a speech in which he supported the Islamist movements in Turkey. He also promoted the establishment of an Islamist system in

Turkey and openly criticized its secularism. In retaliation, Iran expelled the Turkish ambassador to Tehran the same year.

The next crisis involved a female Islamist member of the Turkish parliament, Merve Kavakci. Kavakci attended a parliamentary session wearing a headscarf, which caused uproar in secular circles. When the secularists protested against her, and she was not allowed to be sworn in, Islamist circles in Turkey were outraged. The Kavakci affair continued for several months and became a focus of attention for the international press, including Iran's. The protests against Kavakci were severely criticized by the Iranian media, and officials such as Foreign Minister Kamal Kharazi openly criticized secularism in Turkey. Iranian students in Tehran demonstrated for the freedom of Turkish women to wear the headscarf. During this period, the two countries' media engaged in a "war of bombast." Prime Minister Ecevit blamed Iran for trying to export its Islamic regime and continuing to support the PKK. Finally, the Turkish government's crackdown on an Islamist terrorist organization, the Kurdish Hezbollah, further worsened relations between the two countries. Turkish officials claimed that leaders of Hezbollah received political and military training from Iranian security and intelligence forces, worked as spies for the Iranian government and were involved in political killings in Turkey during the 1990s (Olson 2000: 876).

Justice and Development Party (AKP) governments have continued to rule Turkey since 2002, changing the course of Turkey's foreign policy, as well as its relations with Iran. The interests of the two countries overlapped to a great extent in this period, largely due to the American-led invasion of Iraq. Both the governments and the public in Iran and Turkey were strongly opposed to the invasion of Iraq. Turkey went against its long-term U.S. ally in March 2003, when parliament did not endorse joining the war. For both Iran and Turkey, the American invasion meant being less able to exert influence over Iraq and domestic clients such as the Kurdish and Shi'a groups. In addition, due to their own domestic Kurdish populations, Iran and Turkey have been wary of the disintegration of Iraq and the rise of an independent Kurdistan. Islamism has also contributed to the rapprochement between the two countries (Altunisik 2009).

In the post-2005 period, a growing disappointment with the course of the EU-membership negotiations led Ankara to further develop its relations with West Asian states. The negotiations have been effectively blocked by the Cyprus issue and Franco-German opposition to Turkey. This led the AKP's more conservative Islamist wing to increase its influence in foreign affairs. Particularly after Prime Minister Erdogan's former adviser, Professor Ahmet Davutoglu, was appointed minister of foreign affairs, the Turkish foreign-policy focus on Muslim nations in the West Asia gained new momentum. Turkey not only improved its relations with Iran and Syria in various areas; it disagreed with Israel and the United States on issues such as Israel's military operations in Lebanon and Gaza. Since 2007, Turkey has been supportive of Iran's nuclear program as long as it is used for peaceful purposes (Ozcan 2010).

Alevis of Turkey

Iranian conservative columnists used to criticize Turkey for being a Sunni dictatorship that did not represent the other "50 percent of Turkey's population," meaning the Alevis and the Kurds. Conservative media close to the office of the Supreme Leader argued that Shiite Alevis, who consists of "27 percent" of the population, crave for Ankara to move closer to Tehran and Damascus, while Turkey's Kurds are angry at the "brutality" of the Turkish army. Pointing to Turkey's fault lines, they added that its people yearn for the implementation of Islamic law, but that the AKP has only provided them with a "veneer of Islamism" (Tabaar 2011). 'Alevi' is a blanket term for a large number of different Shi'a communities, whose actual beliefs and ritual practices differ. In the eastern province of Kars there are communities speaking Azerbaijani Turkish and whose Alevism differs little from the 'orthodox' Twelver Shi'ism of modern Iran. The Arabic speaking Alevi communities of southern Turkey (especially Hatay and Adana) are the extension of Syria's Alawi (Nusayri) community and have no historical ties with the other Alevi groups, their numbers are small and their role in Turkey has been negligible. The important Alevi groups are the Turkish and Kurdish speakers (the latter still to be

divided into speakers of Kurdish proper and of related Zaza); both appear to be the descendants of rebellious tribal groups that were religiously affiliated.

Azeri Turks of Iran

Iran and Turkey both countries are multi-ethnic in character and include similar ethnic groups, such as Azeri and Kurds. Iran's Azeri population is estimated to constitute more than 25 percent of the population, while about 15 percent of the population of Turkey is Kurdish⁴³. Iran was ruled by minority Turkic dynasties from the early sixteenth to the twentieth century, and even after the establishment of Persian control, Iran has maintained caution about potential irredentism from the Azeri minority in the north. In Turkey, after the collapse of the Ottoman Empire, Kurds became the largest minority; they revolted against the central government at various times in the 1920s, 1930s and 1980s. Iran's minorities also include Kurds on the western border, as well as Arabs, Gilaki, Mazandarani, Baloch, Turkmen and some Christians. The Ottoman Empire claimed that Iran helped its Armenian population to revolt during the late nineteenth and early twentieth centuries.⁶ In addition; the empire always feared Iran's influence on groups such as Shi'a, Alevi or Qizilibash in Turkey.

During the nineteenth century, nationalism also was a major problem between the two countries. Pan-Turkism has always been a source of worry for Iran, due to the large number of Azeri and other Turkic peoples within the country. For example, the Young Turk movement's pan-Turkism in the early twentieth century was a major source of confrontation between the two countries. Similarly, when the Soviet Union dissolved during the 1990s, Iran's policy makers feared separatist movements among the country's Azeri population. Each country has been suspicious of the others meddling with its minorities and promotion of its religion or nationality in the region.

Among the Azerbaijani Turks of north-western Iran – who, if one counts those who have migrated to Tehran and elsewhere, only the Shahsevan in Azerbaijan are tribal-

⁴³ CIA World Factbook, url: <https://www.cia.gov/library/publications/the-world-factbook/index.html>.

nomadic. Some pre-nineteenth-century Azerbaijanis had feelings of Turkish cultural identity, and there were poets who wrote in what is now called Azerbaijani (although this was intelligible to Turks elsewhere) (Keddie 1995: 131).

There are two streams of opinion concerning the origin of Iranian Turks. The first maintain that they are the descendants of the Turks who either migrated to Iran in the 7th and 11th centuries (A.D.) or invaded parts of Iran at various stages. The second claims that they are original inhabitants of Iran on whom the invaders have imposed their languages throughout centuries of occupation. The Azeris of Iran (also called Turks) live mainly in the north west of Iran in the Eastern and Western Azerbaijan and Ardebil provinces (capitals Tabriz, Urumiyeh and Ardebil respectively). Other Azeris are mostly scattered throughout many region of Iran such as the Zanjan province up to Qazvin, in and around Hamedan, in Tehran, around Qom and Saveh, Khorasan province. Some of the central and southern ethnic groups, the Qashqaie for example, are Turkish speaking but are not Azeri.

The Turkish language spoken in Iran is associated with the language spoken in the Caucasus, but it has undergone different developments in several regions. The dialect spoken in both the Azerbaijan province in Iran and in the Republic of Azerbaijan is Oghuz, which is the mother tongue of the Iranian Turks. The Oghuz dialect however has two accent groups, the northern spoken in the Azerbaijan Republic and the southern in Iran. The language, culture and customs differences among Azeri are significant. Although the Turks are thought to be the largest non-Farsi speaking ethnic group in Iran (24%), they cannot be considered as a homogeneous entity, however, virtually all Azeri are Shi'a Muslims (Yavarian 2005: 7).

Iranian population's balance sheet is that over half of its population is ethnically Persian, with Azeri Turks (approximately 25 percent) Kurds (estimated between 8 percent and 10 percent) and a mix of Qasqais, Boir Ahmadis, Turcomans, Afshar, Bakhtiari, Baluchis, Arabs and Lures forming the rest (Maloney 2002: 93). About a third of Iran's population, close to 25 million Iranians, speak Turkish as a mother tongue, while being fluent in Persian, Iran's official language. The Turkish-speaking population of Iran, while

concentrated in Azerbaijan, is present in large numbers across many of the country's north-eastern and western provinces. They constitute the heart of the Persian-Turkish realm as they are Turkish and Persian in their roots, and Iranian in their nationality. Simply put, there is no country with which Iranians feel as much cultural affinity.

Iran has been working to keep Azerbaijan weak and under pressure, hoping this will solve Iran's Azeri minority question. A large number of Azeri live in north-western Iran; in fact, there are more ethnic Azeri in Iran than in Azerbaijan. The number of Azeri people in Iran is more than twice their number in Azerbaijan and they control seventy-five percent of the markets of Tehran. Throughout the last two decades, Syria, Iraq, and Iran have had their own reasons for supporting PKK activities. In the case of Iran, the motive is concern about the growing Turkish influence in the West Asian, most especially in Azerbaijan, where a rise in Azeri nationalism could threaten Iran's territorial integrity.

The Iranian regime has increased its decades-old pressure on the South Azerbaijani Turkish population after Turkey adopted an unequivocally critical stance on President Bashar al-Assad's deadly offensive in Syria, a member of the newly founded International South Azerbaijani Turks' National Council has said. Azerbaijani-speaking Turks in Iran, who define themselves as South Azerbaijani Turks, highlighted the fact that Iran is continuing its decades-old oppression on Turks with full force, depriving them of important cultural rights, during a press meeting at the Azerbaijani Cultural Association in Ankara on Friday.

Furthermore, on September 22, 2012, the council will hold a public rally in Taksim Square in Istanbul, under the title "Solidarity with South Azerbaijani Turks." A similar rally is also planned for Baku on September 27. Having no right to press and education in their mother tongue, the Azerbaijani speaking population has taught their children Turkish in their houses and at some Turkish associations. "But recently, Iran has started to run a campaign against Turkish teachers, arresting them. This is inextricably linked to an increasing anti-Turkish stance in Iran due to Turkey's very clear negative

stance regarding the Syrian administration,” Hosrov Emiri, a member of the council has said (Donat 2012).

There are a total of 35 million Azeri Turks living in Iran, which has a population of 79 million, said Hadi Musevi, but this fact is covered up by the Iranian administration and Azeri Turks have always been suppressed in the Islamic Republic of Iran. “Some 200,000 Armenians enjoys comprehensive cultural rights in Iran as opposed to Turks. Members of the council also requested more support from Turkey. “The existence of South Azerbaijanis is not very well-known in Turkey. However, 35 million is a significant number and could have a lot of potential. Turkey should realize that potential, which is right next door” (Donat 2012), said Zaur Bayramli, another council member noted. Addressing the speculations that have appeared in Iran-linked media claiming that the movement organized by South Azerbaijani Turks is a joint US and Turkish plot to divide Iran, Mehmethanoglu highlighted that their movement is purely civil oriented and free of links with any state.

Claiming that they are closer to Ankara and Baku than they are to Tehran, Mehmethanoglu maintained that the Turkish population aspires for independence in the long term, reviving the Azerbaijan People’s Government which was formed in 1945 and ended in 1946 under the leadership of Sayyed Jafar Pishevari, taking Tabriz as its capital (Donat 2012).

Tourism

Turkey is the only country with clear western characteristics that Iranians may visit without a visa. The abolition of visa requirements contributed to increased numbers of visits by Iranians belonging to the opposition who were travelling via Turkey to visit other European capitals. At the same time, increased business activity between the two countries added to the influence of Turkish neo-liberalism on the Iranian lower middle class and to the adoption of new values and mentalities that often run counter to the values supported by the regime in Tehran. Thus the dynamics developed through

economic integration of these regions in the global market via Turkey are characterised by far-reaching social references. President Ahmadinejad of Iran had prohibited direct flights from Tehran to the well-known tourist area of Antalya in Turkey, because as he claimed, the values promoted by the Turkish tourist resort were not compatible with the values of the Islamic revolution. Furthermore, the President of the Chamber of Commerce and Industry of Iran stressed in a meeting in Turkey that he wholeheartedly supported visits by Iranians to Turkey, but direct flights to Antalya and Bodrum were not favoured because of the “topless women on the beach”.

By far the biggest numbers of tourists to Turkey from the West Asia are Iranians, – 1.38 million in 2009 – often seeking relaxation on the country’s free-wheeling Mediterranean Riviera. In so doing, they are exposed to a Muslim society at peace with the world, economically advanced and where Islamic traditions coexist with Western patterns of consumption, commerce and secular institutions. This makes it likely that Turkey is influencing Iran rather than vice versa, especially given that about one quarter of Iranians speak Azeri Turkish, and Turkish satellite television shows are seen all over the country.⁴⁴ During the recent years, number of Iranian tourists visiting Turkey has increased remarkably. In 2009, above 1,383,261,000 Iranians travelled to Turkey, while the figure in 2010 reached 1,885,097,000 showing 36 percent growth. Currently Turkish Airlines has direct flights to the Iranian cities of Tehran, Tabriz, Mashhad and Shiraz.

Television

Turkey is the “soft power” giant of the West Asia, exporting pop culture and serious ideas and attracting visitors, including one and a half million Iranians a year, to gape at the Turkish miracle. Turkey is changing its soft-power approach to the West Asian world it is enabling Iran’s expanding television penetration, as Iran develops Turkish-language programming, to be watched in Turkey, in addition to programs in Arabic and Farsi. Second, Al-Jazeera is launching a Turkish-language service, to be

⁴⁴ *Turkey and the Middle East: Ambitions and Constraints*, 2010, Istanbul/Brussels: International Crisis Group.

directed by the authors of a sympathetic biography of the Foreign Minister Ahmet Davutoglu, titled “Hoca” [Teacher] (Salem 2011).

In a survey, a full 78% of respondents in the Iran and Arab world report that they have watched Turkish soap operas. Indeed these TV programs have taken the region by storm, with Turkish TV stars becoming pop idols among young and old, men and women. The impact of watching hours of these Turkish soap operas cannot be underestimated as they have the effect of creating attachment, understanding, and affection for Turkish identity, culture, and values among wide regional publics. Like Egyptian TV and cinema created a prominent cultural place for Egypt in previous decades, Turkish television has made similar inroads in Arab (and Iranian) popular culture. This has been complemented by a wave of tourism to Turkey in which Iranians and Arabs from various classes and walks of life have visited Turkey and become familiar and attached to its towns and cities, history and monuments, culture and people. Turkey is identified in the survey as the most popular tourist destination (Salem 2011). Turkish television is launching another notorious season in the Valley of the Wolves series. While “Valley of the Wolves: Iraq” depicted brutal and grotesque Americans and an Israeli organ-harvesting doctor, “Valley of the Wolves: Palestine” will hail a Turkish intelligence officer who is shipped to Israel to kill an Israeli military officer. One wonders if this is an opening salvo designed to prepare the Turkish public opinion for Turkish involvement in and support of Hamas and Hezbollah terrorist operations against Israel (Cohen 2011).

Nawruz Celebration

Iranian festivals and celebrations usually revolve around the natural movement of celestial elements. The most important festival is the New Year celebration or Nawruz. The word in Persian literally means “new day” and it marks the first day of spring, and thus it has come to indicate both the changing of seasons from winter to spring and the beginning of a new cycle of life. Major cultures of the region, i.e., Sumerians, Babylonians, and Akaddians celebrate it in one form or another. Many countries other

than Iran celebrate this day, e.g., Afghanistan, Albania, Azerbaijan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan. Minorities such as Baha'is, Ismailies, and the Kurds also mark it as their new year. The origin of Nawruz is unknown, but Persian mythology traces it to the mythical King Jamshid, who supposedly defeated all Iranian real foes and imagined demons (divs), established an orderly and prosperous life for his people, and declared the beginning of spring the Iranian New Year. Historically, most Iranian customs and traditions actually took shape during the civilized era of the Achaemenid Dynasty (550-333 BC). Their rule extended to Macedonia in the West and India to the East, covering the whole region of Central Asia, the West Asia, and North Africa. It was a time of multiculturalism, tolerance, and civility. The original numbering of the solar calendar has changed, and presently it is based on the beginning of the Muslim Calendar, which is the Prophet's migration from Mecca to Medina in 621.

Kurds in Iran and Turkey

Turkey's biggest worry following the Gulf War was PKK terrorism, which peaked in the 1992-95 period. By using the vacuum created by the United States and its allies north of the thirty-sixth parallel in Iraq, the PKK operated freely and conducted its largest attacks on Turkey. Ankara attempted to end Iranian and Syrian support for the PKK through diplomatic efforts, but these did not prove effective. Against Turkish-Azeri cooperation on energy transportation, Iran used the PKK card to destabilize the region, particularly its oil pipelines. PKK fighters were able to freely cross the Iraqi, Iranian and Syrian borders, making it very difficult for the Turkish armed forces to pursue them. Turkish incursions into northern Iraq, and occasionally Iranian territory, were condemned by the Iranian government. During the pursuit of PKK members, the Turkish forces carried out bombings at the Turkey-Iran border, which caused protests by Iran. In July 1996, the activities of PKK guerrillas who crossed the Iranian border and attacked Turkish military posts led to a serious crisis between the two countries that could have turned into an armed conflict.

Turkey, on the other hand, attempted to obtain support from Syria and Iran in its fight against the PKK. Exploiting concerns that an independent Kurdistan could cause Iraq to disintegrate, Turkey initiated three-party talks with Iran and Syria to observe the situation in Iraq. These meetings reassured the three countries of their joint interest in the territorial unity of Iraq. During these meetings, Turkey also warned Iran about PKK activities in the region. However, full cooperation with Iran against the PKK was never achieved. On the contrary, Iran and Turkey engaged in a proxy war in Northern Iraq during this period. During the civil war between two principal Kurdish groups in Northern Iraq, Iran supported Jela Talabani's PUK and the PKK, while Turkey supported Massoud Barzani's KDP against the other two. Turkey's incursions into Iraq, with 35,000 troops in 1995 and 50,000 in 1997 were condemned by Tehran. Iranian officials argued Turkey's invasions were not only a violation of international law, but the sovereign rights and territorial integrity of the Muslim Iraqi nation. When Turkey accused Iran of supplying bases, transportation, medicine, hospitals and uniforms, Iran denied the allegations and blamed them on the Turkish military, Israel and the United States (Gunter 1998).

The Kurdish and Islamist questions continued to challenge Iranian-Turkish relations in the late 1990s and early 2000s. In fact, this period witnessed the worst of all crises in Turkish-Iranian relations since the revolution in 1979. In February 1997, the Turkish Armed Forces (TAF) pressured Islamist Prime Minister Erbakan to sign a National Security Council document aimed at fighting against "Islamist reactionary movements" operating in Turkey.

The expulsion of PKK leader Abdullah Ocalan from Syria in 1998 and his capture by Turkey in 1999 triggered a series of region wide Kurdish demonstrations and unrest. All these events led Iranian policy makers to realize the PKK's influence on the Kurds in Iran. Fearing a general Kurdish movement in the region and a separatist one on its own soil, Iran decreased its support for the PKK significantly. Tehran became even more concerned after the 9/11 attacks and the possibility of an American invasion of Iraq because such an invasion, if carried out in cooperation with Turkey, would increase Turkey's control over Northern Iraq and diminish Iran's influence over regional politics.

In addition, Iran realized that, as a result of 9/11, cooperation between Turkey and Israel and their relations with the United States had intensified. Also, increased military cooperation and Israel's growing military presence in Turkey reinforced worries in Tehran that this alliance could be used against Iran. Taking all these factors into account, Iran decided to suspend relations with the PKK until regional developments, such as a possible U.S.-led invasion of Iraq, became clearer. The eighth joint security meeting of the Turkey-Iran Commission on Security Cooperation, held in October 2001, resulted in assurances from Iran that it would prevent the PKK from launching attacks into Turkey. Turkey also promised to cease political support for the National Liberation Movement of South Azerbaijan, an organization operating in the state of Azerbaijan. Iran's domestic political struggle between reformist President Khatami and conservatives also contributed to Tehran's willingness to decrease tensions with its neighbours (Olson 2002).

According to Public Relations, Information and International Centre of Iranian Ministry of Culture, Seyyed Mohammad Hoseini speaking in luncheon given on his honour by Turkish Minister of Culture while referring to naming 2013 by Turkey as Year of Iran and 2014 as the Year of Turkey by Iran said in addition to sisterhood of 15 Iranian and Turkish towns and cities during the 2 coming years various activities will be carried out in two countries to promote cultural and tourist attractions of the opposite side. Dr. Hoseini said we expect the Iranian cultural week in addition to Ankara also to be held in other Turkish towns and cities including Istanbul. He said we are going to hold Turkish cultural week in Tehran, Isfahan, Shiraz and Tabriz. He also called for expansion of Farsi language teaching centres in Turkey. Turkish Minister of Culture expressed his government's willingness to expand cultural ties with Iran⁴⁵.

⁴⁵ Ministry of Culture and Islamic Guidance (2012), "15 Iranian and Turkish cities to become sisters", url: <http://www.farhang.gov.ir/newsdetail-40349-en.html>.

Conclusion

Iran's relations with Turkey have gone through many stages and many ups and downs. Both countries tried to improve their relations as they understood that they are beneficial for each of them. They both tried to balance their bilateral relations with the requirement to deal with complex regional matters. Many issues created problems in their relationship for sometime but they never became obstacles in the improvement of their overall relations. The details of the trajectory of the bilateral relationship have been studied in the preceding chapters. Political, economic and socio-cultural aspects of Iran-Turkey relations have been looked into in specific chapters.

The political dimensions of the relations between Iran and Turkey involve ideological as well as issue-based problems. Ideologically, the political establishments in Iran and Turkey were in stark contrast because they were Islamic and secular respectively. In the immediate aftermath of the Iranian Revolution, Iran always tried to promote its notion of Islamic values to other countries. Turkey considered this as directed towards its secular establishment and it warned Iran not to use radical Islam against its secular regime.

There were several incidents where Turkey protested Iran's involvement in agitating Turkey's secular establishment. These issues involved the Bagheri crisis, the incident of Merve Kavakci wearing headscarf in parliament, the assassinations of prominent Turkish professors and journalists and Iran's alleged linkage with Turkish Hizbullah.

The Kurdish issue is of great importance for Iran-Turkey relations. At first, the Kurdish problem was a bone of contention between both countries but after the fall of Saddam Hussein's regime in Iraq, it became an issue of convergence. Both countries feared the disintegration of Iraq and emergence of an independent Kurdistan, as both countries have a large number of Kurdish populations in their respective lands. The

cooperation in dealing with the Kurdish issue is a significant aspect of their political relations.

Iran was always sceptical about Turkey's relations with the United States and Israel as it considered them as a threat to its security. Turkey's close linkage in strategic terms with both the US and Israel and Turkey's regional assertions in such a background did not go well with Iran. The competition between Iran and Turkey in Central Asia and alleged interference of Turkey in the Azerbaijan region of Iran were also issues of concern.

Turkey's policy of improving relations with the neighbouring countries under the AKP regime opened more ways of positively engaging with Iran. The nuclear program of Iran remained an important international and regional issue. Turkey, along with the US and EU, has been opposed to Iran acquiring nuclear weapon capability, but it did not consider nuclear development of Iran for civilian purposes a major problem. Therefore, Turkey tried to mediate between Iran and the West on this major issue. Even though it has not been successful in the endeavour, it supports Iran against the isolation policy of the West.

The economic relations between Iran and Turkey have evolved into a major sphere of mutual benefit. The gas and oil sector accounts for a lion's share of their economic linkage. Oil and gas trade between the two countries enabled them to sign contracts and made many high level contacts possible. Iran is the second largest energy supplier to Turkey. Both the countries have signed a natural gas contract in 1996. According to the contract, Iran would supply natural gas to Turkey over the period of 23 years. The United States was very much against this agreement, but Turkey was adamant on diversifying its natural gas supply. No sanctions were imposed on Turkey on account of its association with Iran as it was an ally of the US. This agreement went through many difficult periods. The gas supply started much later than the scheduled date. Later on, there were many disputes on the quality and price of the natural gas. At times, Iran cut off the supplies and Turkey also failed to take the deliveries. In spite of all these issues, energy remains the main source behind the improvement of the Iran-Turkey

relations. Both the countries signed a Memorandum of Understanding on natural gas production and export via Turkey to Europe. It included Turkish involvement in the development of the South Pars gas field and a proposed pipeline that would both deliver Iranian gas to Europe via Turkey and supply gas to the Turkish market.

Both Iran and Turkey rely on each other's territory for access to vital markets. Iran seeks to expand its presence in European market via Turkey while Turkey wants to become the main energy transit hub of the West Asian region with the help of Iran. This relationship goes beyond import and export as both the countries are also doing investments in the other country. A large number of Iranian companies has gotten license to make investment in neighbouring Turkey.

The socio-cultural aspects of Iran-Turkey relations are significant given the complexities of historical and cultural milieu such an interaction. Majority of the population of Iran and Turkey belong to two different sects of Islam. After the Islamic Revolution, Iran tried to export its Revolution while Turkey pursued the secularist path and was against any kind of Iranian interference in its domestic affairs. After the disintegration of Soviet Union, both countries entered into a competition in presenting the best model for the newly formed Central Asian States.

The multi-ethnic social composition of both nations is an important aspect in their relationship. There is large number of Kurds in both countries and there are Azeris in Iran who speak the Turkish language. Iranians are by far the largest number of tourists to Turkey from the region and there are no visa requirements. Iranians like to watch Turkish soap operas and Turkish TV stars are very famous among many Iranians. Iran's most important festival Nawruz is also celebrated in Turkey.

It is evident that the period of antagonism in Iran-Turkey relations has come to an end. Both the countries are making efforts to minimize the effects of problem areas of the past. Iran and Turkey are not considered national security threats to each other. The history of their bilateral relations show that whenever Iran and Turkey have come closer together, they have become more successful because of their geopolitical linkage. Iran does not look at Turkey's special relationship with the West as a threat, but as an

instrument to reduce its isolation and protect its interests. Iran welcomed Turkey's mediation, along with Brazil's, on the nuclear issue in 2010, even though that was not fruitful.

Turkey no longer views Iran as a direct security threat; it rather views it as a regional partner who is under pressure from the international community due to the nuclear issue and the sanctions and which is very important for furthering Turkish interests. Iran has also increasingly adopted pragmatism by keeping away from its former ideological stance against Turkey. In addition, bilateral Iranian-Turkish relations are strong in terms of energy trade. The Iranian market continues to offer great opportunities for Turkey's exporters. There is no doubt that free trade between Iran and Turkey can be beneficial to both sides, contributing to the mutual, simultaneous flourishing of the two nations because their economies are complementary in character.

Both the Iranian and the Turkish political leaders consider their bilateral relations as having a bearing on regional peace and security. Both countries have mutual interests in the case of Kurdistan, and they seem ready to cooperate in addressing it. Both the countries have overlapping interests in Iraq that sometimes converge and sometimes diverge from one another. Both Iran and Turkey, despite their support for different factions within Iraq, have a vested interest in the unity of that country, in large part to prevent the emergence of a Kurdish state. Both countries are also leading powers in the Islamic world and they stick on to their particular views of the world, but they have many common arenas of interaction where calculations of interest bind them together.

Iran has demonstrated its understanding of Turkey's strategic link with NATO and, therefore, with the United States, and has never made it an obstacle to the improvement of its own relations with Turkey. It also recognizes Turkey's aspiration to join the EU. Moreover, the Islamic-secular divide that at one time was a major hindrance to the development of Iranian-Turkish relations is no longer that relevant. Both countries have realised the significance of pragmatism in their bilateral relations.

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