

**IBN HALDUN UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
DEPARTMENT OF POLITICAL SCIENCE AND  
INTERNATIONAL RELATIONS**

**MASTER THESIS**

**TURKISH DEFENCE DIPLOMACY DURING THE  
RUSSIAN-UKRAINIAN WAR AND THE WAR  
IMPLICATIONS ON TÜRKİYE**

**MONA HÜSEYİN**

**THESIS SUPERVISOR  
PROF. ERIK RINGMAR**

**İSTANBUL, 2023**

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**by**

**MONA HÜSEYİN**

**A thesis submitted to the School of Graduate Studies in partial  
fulfillment of the requirements for the degree of Master of Political  
Science and International Relations**

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APPROVAL PAGE

This is to certify that we have read this thesis and that, in our opinion, it is fully adequate, in scope and quality, as a thesis for the degree of Master of Political Science and International Relations.

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This is to confirm that this thesis complies with all the standards set by the School of Graduate Studies of Ibn Haldun University.

Date of Submission

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## ACADEMIC HONESTY ATTESTATION

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

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## ÖZ

# RUSYA-UKRAYNA SAVAŞINDA TÜRK SAVUNMA DİPLOMASİSİ VE SAVAŞIN TÜRKİYE ÜZERİNDEKİ ETKİLERİ

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Rusya'nın Ukrayna'yı işgal etmesi, dünyayı yeni bir belirsizlik dalgasıyla baş başa bırakmıştır. Bu çatışma, ekonomik ve bölgesel istikrar açısından önemli etkilere neden oldu. Enflasyon, dış ticaret, cari işlemler, yabancı yatırım, ekonomik büyüme ve gayri safi yurtiçi hasıla gibi ekonomik göstergeler farklı düzeylerde ciddi düzeyde etkilendi. Savaşın başlangıcından bugüne kadar NATO ve Avrupa Birliği olmak üzere uluslararası kurumların önderlik ettiği Batı dünyası, Rusya ile ilişkileri kesme yönünde net ve acil bir karar almıştır. Dünya siyasetinin en hassas bölgesinin merkezinde yer alan ve NATO üyesi olan Türkiye, NATO'nun yaklaşımını benimsemeyerek nötr kalmıştır. Bu politika, bölgesel güvenlik çıkarlarıyla örtüştüğü ve çatışma sırasında Türkiye'yi gerçek bir müttefikten mahrum bıraktığı için NATO adına bir zorluk olarak görülmektedir. Bu tez; tarihsel işbirliklerine, NATO üyeliği ve ittifakının önemine rağmen Türkiye'nin Ukrayna-Rusya krizinde neden NATO ve Avrupa'dan farklı bir yaklaşım benimsediği sorusunu cevaplamayı amaçlamaktadır. Türkiye'nin, Karadeniz bölgesindeki diplomatik nüfuzunu ve ekonomik ilişkilerini korumak amacıyla Ukrayna ihtilafı sırasında son dönemde geliştirdiği diplomatik ve savunma yeteneklerini aktif bir arabulucu olarak kullandığını savunmaktayım. Türkiye ile dünyanın geri kalanı arasındaki bölgesel gerginliklerin yarattığı kaçınılmaz sonuçların yanı sıra Türkiye'nin karşı karşıya olduğu terör saldırıları, Türkiye'nin güneyinde yaşanan 6 Şubat depremi ve dövizdeki değer kaybı gibi iç zorluklar karşısında hükümet, dengeleyici rolünü başarıyla sürdürmeyi başarmıştır.

Batılı ülkelerle karşılıklı bağımlılığın dengelenmesini, komşu ülkeler ve batılı olmayan devletlerle savunma diplomasisi hedeflerinin uygulanmasını içeren bu yeni yaklaşım, Türkiye'nin dış politikasını yeniden şekillendirerek bölgesel güç olma yönündeki jeopolitik arzusu, güvenliği ve askeri gelişmeleri ile ekonomik ihtiyaçlarını dengelemesini kolaylaştırmıştır. Yeni yaklaşım, yoğun askeri gelişmelerde, ikili ve çok taraflı işbirliklerinde ve bu tezde öne çıkan Türkiye'nin Ukrayna Savaşı'na yönelik tarafsızlık ve arabuluculuk eyleminde görülebilmektedir.

**Anahtar Kelimeler:** Çatışma, Ekonomik Bağımsızlık, Rusya, Savunma Diplomasisi, Türkiye Dış Politikası, Ukrayna Savaşı,



## ABSTRACT

### TURKISH DEFENCE DIPLOMACY DURING THE RUSSIAN-UKRAINIAN WAR AND THE WAR IMPLICATIONS ON TÜRKİYE

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The Russian invasion of Ukraine has offered the world another wave of uncertainty. The Conflict has a significant impact on economic and regional stability. Economic indicators worldwide, such as inflation, foreign trade, current account, foreign investment, economic growth, and gross domestic product, have been severely affected to different extents. Since the beginning of the War, the Western world, led by international institutions, mainly NATO and the European Union, has made a clear and immediate decision to cut relations with Russia. Türkiye, as a NATO member located right at the centre of the most sensitive region of world politics, has not followed the NATO path and stayed neutral. This Policy has been considered a challenge for NATO as it conflates with its security regional interests and leaves Türkiye with no ally during the Conflict. This thesis seeks to answer the question: Despite their historical cooperation and the importance of NATO membership and alliance, why did Türkiye choose a different position from NATO and Europe on the Ukrainian-Russian Crisis? I argue that Türkiye has used its recently developed diplomatic and defence capabilities during the Ukrainian Conflict by standing as an active mediator to preserve its diplomatic influence and Economic relations in the Black Sea region. Despite the unavoidable results that resulted from the regional tensions between Türkiye and the rest of the world, in addition to the internal challenges that Türkiye has been dealing with, such as the terrorist attacks, the crushing 6 February earthquake in southern Türkiye and the currency

depreciating, the government has managed to maintain its balancing role successfully. The new approach, which includes balancing interdependence with Western Countries and implementing Defence Diplomacy objectives with neighbouring countries and non-western states, has reshaped Turkish Foreign Policy and facilitated its way of balancing its geopolitical aspiration of becoming a regional power, security and military developments as well as its economic needs. The new approach can be seen in intense military developments, engagement in bilateral and multilateral collaborations, and, most notably, for this thesis, the Turkish action of neutrality and mediation against the Ukrainian War.

**Keywords:** Conflict, Defence Diplomacy, Economic Interdependence, Russia, the Ukrainian War, Turkish Foreign Policy.

## DEDICATION

To my lovely family, for your unwavering support, encouragement, and endless sacrifices.



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## LIST OF SYMBOLS AND ABBREVIATIONS

AKP	Justice and Development Party
BRICS	An Acronym for five Regional Economies: Brazil, Russia, India, China, and South Africa
BSEC	The Black Sea Economic Cooperation
PKK	Kurdistan Worker's Party
PYD	Democratic Union Party
NATO	The North Atlantic Treaty Organization
TFP	Turkish Foreign Policy



# CHAPTER I

## INTRODUCTION

### 1.1. Background

By declaring War on Ukraine on 24 February 2022, Russia has offered the world another wave of uncertainty while many countries are still recovering from the COVID-19 Crisis. A year and a half have passed, and Western countries have already suffered from energy prices and changes in the global supply chain of food and raw materials imported from Russia and Ukraine. The world economy as a whole has witnessed slower growth and higher inflation. One of the countries that was profoundly affected by the Russian invasion was Türkiye, a regional heavyweight with relatively good connections with Russia and Ukraine. The new event created opportunities for Türkiye to expand its presence in the region economically and politically while posing new challenges and risks. The Western World responded immediately after the Russian military invasion of the Ukrainian War and decided to declare punishment on Russia by imposing Sanctions and cutting relations. Türkiye has not followed the same path. It has been adapting the strategy it started in 2014 of balancing relations with Russia and Ukraine. Being a NATO member, the Turkish action was found provocative to NATO members. For Türkiye, it was an optimal and rational decision, considering the nature of the relationship between Türkiye and Ukraine and Russia, the mutual interests it has with them, and their location and backgrounds. For Turkish Policymakers, there is no contradiction between their cooperation with Russia and their relationship with NATO. This thesis seeks to answer the question: Why did Türkiye choose or take a different position from NATO regarding the Ukrainian Crisis?

In this research, I used a mixed approach during the study. It involves statistical analysis of data that supports my argument, as well as contextual analysis of certain geopolitical and historical events. Data and statistics I focused on, such as tourism

arrivals, foreign direct investment, and exports, are extracted from governmental agencies of tourism ministries and foreign affairs. I refer to previous economic studies in Türkiye as well as news and reports on the developments of the Ukrainian War.

This thesis consists of seven chapters. The first chapter is devoted to the introduction part and the theoretical framework that has been applied to this study. The second chapter is the summary of the literature review I found on this topic, which helped to understand and trace the relationship between Türkiye, Russia, and Ukraine, the complexity that causes Conflicts regionally and on the international stage in addition to finding the gap in studies on the Turkish role and the application of Defence Diplomacy. In the third chapter, I start with a background of the nature of Turkish-Ukrainian relations and Turkish-Russian relations, their political and economic cooperation, and aspects of rivalry in the case of Turkish-Russian relations. The fourth chapter begins with a historical background of Turkish relations with Western powers and Türkiye's position during the First and Second World Wars and the Cold War during and after NATO membership. In the second section of this chapter, I explain Turkish Foreign Policy since the beginning of the invasion, including policies and the diplomatic efforts made by the Turkish government. In this chapter, particularly in the first section, I only focus on particular policies and events in order to understand the dynamics that resulted in Türkiye behaviour of insisting on keeping close ties with Russia while also showing support and providing military and humanitarian assistance to Ukraine as being an essential partner for Türkiye in the black sea region.

The fifth chapter is devoted to an essential part of the study: Turkish defence Diplomacy and defence industry developments in the context of the Ukrainian War. Defence Diplomacy was a crucial tool Türkiye used to enhance its position as a mediator and powerful regional actor. Through its mediator position, Türkiye has been able to negotiate and solve global issues such as the grain agreement and the prisoner swap. Investing in the defence industry is essential in order to strengthen nations' security and plays an important role in managing the capacity of the state defence Diplomacy's practice. I conceptualize Defence Diplomacy and assess its relevance to the Turkish case and to what extent Türkiye has been inserting Defence

Diplomacy objectives into its Foreign Policy. For a better understanding of Turkish Defence Diplomacy, I Highlight the most prominent example of using Defence Diplomacy in Africa. In the sixth chapter, I briefly explore the economic consequences of the Ukrainian War on Türkiye, such as its impacts on trade, tourism, and immigrants. I argue that despite the challenges Türkiye's Economy is dealing with, such as hyperinflation and the rise in the exchange rate, balancing relations with the two participants of the Conflict was an optimal decision. The Turkish economy has gained more than it could lose if it followed Western behaviour against Russia. Türkiye has been able to maintain trade flows with Russia and Ukraine after refusing to impose economic and political sanctions on Russia. I mention some economic indicators like current account, foreign direct investment, currency depreciation, and changes to their values before and after the Ukrainian War. I justify my Hypothesis that the Turkish economy has benefited or preserved by Türkiye's Policy of balancing relations with Russia and Ukraine by examining the actual deterrents that cause the changes in these indicators, which have been analyzed in recent studies and have been tested on the Turkish market and economy. However, some consequences are unavoidable in today's interconnected and globalized Economies. The thesis is finalized with the conclusion part. In this part, findings with respect to the question are summarized.

## **1.2. Theoretical Framework**

This study uses liberalism, resource dependency theory, and Defence Diplomacy theory to explain the rationale behind Türkiye's decision to be a mediator in the Ukraine Crisis and what drives Türkiye to avoid attacking Russia aggressively.

Turkish Foreign Policy has been studied and analyzed through realist, idealist, conservative, liberalist, and constructive perspectives. Throughout the years, researchers have adopted different approaches to political schools of thought depending on the argument they want to defend and the pattern Turkish Foreign Policy had at that time. Turkish Foreign Policy from constructivism, the favourite perspective among scholars, who study Turkish Policy, especially in the early years of AKP in power, emphasizes the importance of identity in shaping international order. They argue that state behaviour on the international stage is

influenced by social factors and norms (Şahin, 2020). Constructivism failed to explain many aspects of TFP. If the Muslim identity and notion of Ummah is a core element of TFP, how to explain Turkish rapprochement with Israel, China, and Russia?

While from a realist perspective, Turkish Foreign Policy would prioritize the pursuit of security and national interests. This approach would involve balancing power dynamics in the region, maximizing starting advantages, and safeguarding territorial integrity. The realist perspective would lead to a focus on hard power strategies to ensure the country's dominance. This approach might explain Turkish Foreign Policy in regard to its developments in Syria and Libya to some extent. Keyman (2017) has referred to the Turkish approach after Davutoglu's era as "moral realist" due to the combination of hard power-based military assertiveness and humanitarian norms within Foreign Policy. However, this approach has not given adequate explanations for the Turkish response to the Ukrainian-Russian Conflict and its activities in the Black Sea region in general. Although idealism, liberalism, and realism share common elements, such as a focus on cooperation and balancing relations, I find liberalism relatable and more flexible to my argument due to its emphasis on the importance of economic interdependence, the balance between interests and values and the ability to balance relations and engage in the Ukrainian War to the extent that cannot harm Türkiye, overlap with its own interests and compromise one of its relations and partnerships on the international or regional level. Liberalism has evolved as a theory of government. It encompasses economic, social, and international theory. Its central goal is the well-being of individuals. In order to achieve this goal, liberal philosophy operates on the assumption of modernity and that history is discontinuous. In the context of international relations, liberalism emphasizes cooperation, international institutions, and Diplomacy as methods of Conflict prevention and management. It prioritizes maintaining peaceful relations with neighbouring countries, engages in multilateral efforts to address global challenges, and negotiates peace agreements during Conflicts. Economic interdependence is considered central to the liberal approach, seeking to enhance regional stability and contribute to a more interconnected world (Uzuner, 2014).

From a liberal perspective, dependence is not necessarily the reason for Conflict. Instead, under certain circumstances, it can promote peace and cooperation (Yermekbayev, A. 2020). Liberal theorists assert that economic interdependence is crucial among states as they can reduce the possibility of War and Conflict and sustain peace and security through free trade. Institutions such as economic and military unions can play a positive role in increasing cooperation between countries in various fields (Sıradağ,2018: Burchill,2005). Liberalism generally considers economic interdependence to be a beneficial and positive phenomenon through open markets, free trade, peace, and cooperation. For liberalists, it promotes economic development and alleviates poverty. The problem with liberalism is that it can be too optimistic regarding stability and cooperation in international relations. In the real world of politics, cooperation may result in loss, and potential losers tend to fight back (Nolt,2015). The liberal perspective can explain the normalization of relations between Russia and Türkiye after the second half of the 1990s. Each country had its reasons to enrich its ties with the other. Starting from the change of the balance of power for Russia after the Asian Financial Crisis in 1997-1998, to overcome the economic crisis, Moscow sought new economic partners when Ankara did not consider Moscow a threat militarily or politically anymore. For Türkiye, its inability to get the EU membership, Justice and Development coming to power in 2002 with their new goal of building friendly relations with neighbouring countries. Moreover, geopolitical threats such as terrorism and the increase of US influence in the region after 2003 concern both states (Yermekbayev et al., 2020).

After applying liberalism to the approach I follow in this thesis, I argue that Resource Dependency Theory is an important tool that can explain and provide justifications for states on how a state acts during Conflicts, while economic interdependence is a core part of its relationship with one side or the two sides of the Conflict/ War. Resource Dependency Theory is initially an organizational theory that examines how organizations are influenced by external resource dependencies, how they function accordingly, and how these dependencies shape their power dynamics, decision-making processes, and their behaviour with other organizations. The resource dependence argument states that an organization/country becomes

Dependent on (mostly more robust) countries that control critical resources in the environment. Such dependence becomes a constraint that controls the limited resource country towards other parties or entities in the environment (Johnson, 1996). Since its main scope revolves around power dynamics, the theory is closely correlated with International relations and how a country's dependency influences its political, economic, and strategic behaviour domestically and on the international stage. In an attempt to maximize the country's autonomy, leaders and Policymakers use different strategies to reduce this dependence and try to enhance the asymmetrical exchange of resources and power relations (Davis & Adam Cobb, 2010). In our context, the Resource Dependency Theory can explain the nature of Turkish-Russian relations. Türkiye's reliance on economic cooperation with Russia and Russia's political support of critical threats for Türkiye, such as the PKK Agenda and Russian control over energy, can be one of the reasons Türkiye chose to maintain Russian relations despite the Russian invasion of Ukraine. The theory focuses on three factors: the exchange or the flow of resources, the constraining effects, and the efforts done by leaders to manage dependence. The asymmetrical flow of power and resources helps us understand why less powerful actors pursue activities and actions that seek to minimize the effects of this power differential (Emerson, 1962). In the real world, Exchange relationships are usually multidimensional, and so are the external constraints. When the less influential actor leaders or Policymakers try to manage the external dependencies, there are often three principles they follow: firstly, they want to ensure the survival of the country (sovereignty and territorial integrity), reduce the effects of external constraints, and to maximize the autonomy (Johnson, 1996).

Türkiye's defence industry developments and defence diplomacy implementation in its Foreign Policy can be considered as core steps to Wards minimizing the effects of the power differential and increasing the state's autonomy. Defence Diplomacy theory refers to the use of military cooperation along with diplomatic engagement as tools to advance a country's security and defence interests. It is a relatively new term whose roots are strongly associated with the need for a new political language describing the cooperation of international organizations and states after the end of the Cold War. The diplomatic approach using defence has given the states a golden chance to Evaluate the roles of the armed forces from a broader perception beyond

their defensive, offensive, and deterrent roles (Muthanna, 2011). The tasks of Defence Diplomacy are numerous, ranging from promoting multilateral and bilateral cooperation in the field of military relations, security, and defence, supporting partners in developing their capacity to engage in military operations and reforming the security sector, military counselling for international needs, organizing visits, ships, aircraft, and other military equipment in friendly states and providing logistic assistance in humanitarian operations and crisis caused by natural phenomena and catastrophes (Drab, L. 2018). In the Turkish new approaches to adapting defence Diplomacy, many of these tasks and instruments have been used by Türkiye towards their international partners, which I will elaborate on in the following chapters.



## CHAPTER II

### LITERATURE REVIEW

There are several studies on the detrimental consequences of the War to participants and also third-party states and neighbouring countries which are indirectly impacted by the tension (Hang et al., 2021). Kang and Meernik (2005) explained the two schools of thought on the effects of the War. The War renewal school of thought sees War as an opportunity for improving efficiency in the economy by advancing human capital, bringing technological innovation, and reducing the power of special interests. Meanwhile, the War Ruin school of thought focuses more on the detrimental effects resulting from the War.

On the subject of the impact of Wars and Conflict on the economic growth in developing countries, many studies focus on the effects of civil Wars and ethnic Wars on the economy. Comparative analysis was conducted in Africa, Asia, and Latin America. The studies stated that civil Wars have a negative effect on economic growth. It shows a relatively faster economic recovery in Africa Murdoch (J., & Sandler, 2002) (Bandara et al., 1997). Few studies focused on the impacts of Wars on neighbouring countries; however, the measurement of economic growth was limited to GDP per capita. (Sesay, 2004) also confirms the negative effects on the host countries and the economies in the neighbourhood, which is the arrival of thousands of refugees fleeing from the War in their home countries. It can cause the fast spread of infectious diseases. Wars frighten foreign investors in the Conflict region. These factors might be proven in different circumstances, but I argue that these factors might not be applicable in Türkiye during the Ukrainian War. Firstly, there is no firm evidence of the negative or direct effect of refugees on economic growth. On the contrary, many pieces of research confirmed the positive effect of refugees on production and the economy as a whole, specifically in Türkiye (Altındag et al., 2018) (Tanrıku, 2021). In today's world, states cannot and

Do not exist in isolation in a world of increasing demand for globalization (Sesay, 2004). Therefore, Wars cannot be considered the only factor for the spread of infections.

The impact of the Russian invasion of Ukraine has been a concern of several scholars and researchers. In the early months after the invasion, studies and reports were concentrated on the potential costs as a result of the increase in oil prices and the surge in defence expenditures in the Conflict zone (Khudaykulova et al., 2022). Darvas and Martins (2022) discuss the impact of the crisis on international trade and the rise in energy prices due to the Conflict. Many articles and reports were dedicated to studying the economic and political impacts of the War on Europe and the United States, especially after the sanction imposed on Russia, and how this changed the global supply chain, escalated inflation, and caused a rise in the energy prices (Khudaykulova et al., 2022) (Ngoc et al., 2022) (Mbah & Wasum, 2022) (Guénette et al., 2022) (Ozili, 2022) (Guenette t al., 2022) (Liadze et al., 2022) (Alexander et al., 2023), The impacts of Western sanctions on Russia's foreign trade (Simola, 2022), and The impacts on the global tourism sector (Pandey & Kumar, 2023). Between predicting the future and analyzing the actual and recent statistics of the economic situation in the UK, Canada, USA, and Europe, I found a slight emphasis on the Turkish role, its behaviour towards geopolitical tensions, and the consequences on the country. (Sezgin,2022) (Adar, 2022) write on the future of Turkish-EU relations after the tension in terms of increasing economic and political cooperation. SezgiN (2022) analyze the possible impacts of War on Türkiye's trade; they conclude that a global rise in food and energy prices could exacerbate Türkiye's budget deficit, and agricultural exports with Russia and Ukraine would be affected negatively.

Regarding the Turkish role in the Russian-Ukrainian War, Ali (2022) explores the diplomatic role Türkiye played during the Conflict, including providing combat drones to Ukraine. Kaddorah (2022) questions the role of neutrality Türkiye played during the Second World War, the first Russian-Ukrainian Crisis in 2014 and in 2022. According to Kaddorah, Türkiye had never been in a neutral position. He described the Turkish position as more pragmatic. I argue that Türkiye's seeking to play an active role in the Conflict by condemning the Russian attacks and negotiating

for peace agreements proved Türkiye's willingness to be described as a mediator. Western media has described Türkiye's role as neutral as a sign of disapproval and accusation of Türkiye for not imposing sanctions against Russia. While in the context of Turkish Foreign Policy and theorizing modern Turkish Foreign Policy, many studies were focused on analyzing the driving forces behind the shifts and transformations of the Turkish approach. Most of these driving forces that researchers focus on are identity-based or security-based. A little attention was paid to the economic factors that shaped the TFP. Kutlay (2011), Stergiou & Kollias (2022), and Kirişçi (2009) explain the political economy aspects of Turkish Foreign Policy. They trace the emergence of Türkiye as a "trading state". The dominant view in the literature is tempted to explain TFP in accordance with government changes Kılınç (2006) Özkan, (2014) Keymen (2016). Şahin (2020) describes the problem with this approach as failing to explain the changes in foreign Policy in the second decade of the AKP government, and it assumes that Türkiye is immune or indifferent to international or environmental pressures.

Many studies were found on public Diplomacy and the transformation of government policies from hard power to soft power (Oğuzlu, 2007) (Kalin, 2011) (Altunişik, 2008) (ras & Mohammed, 2019). There is little academic evidence of the new Turkish applications of defence Diplomacy. Academic studies on modern Turkish Foreign Policy usually falsify Turkish international activities and label them as soft power tools instead of referring to defence Diplomacy as a new concept. Although both concepts are related to international relations and the exercise of influence by states, their scope and tools are different. Soft power is the ability to achieve what you want through attraction or persuasion instead of coercion. Soft power is a broader concept compared to defence Diplomacy. It involves using non-military tools as it covers several fields beyond the use of defence means. Soft power and its platform: Public Diplomacy relies on intangible assets such as culture, education, media, social and non-governmental organizations, and the appeal of the country's political system. Public Diplomacy is a strategic communication tool whose activities are conducted with two main frameworks: state-to-public or public-to-public, whereas defence Diplomacy's only framework is state-to-state. The ability to persuade and credibility are the main elements of soft power that provide legitimacy to the use of power (Kalin, 2011). The use of power as an option for soft power is

what differentiates it from Defence Diplomacy, which avoids coercion by all means. Defence Diplomacy focuses specifically on the military and Diplomacy capabilities to ensure security and enhance the state's role on the international level through Cooperation and Crisis Management (Muthanna, 2011). Another type of Diplomacy that I find associated with Turkish foreign Policy is Rhythmic (proactive) Diplomacy. Aktaş (2010) explains how the AKP government applied sustained proactivism principles into its Diplomacy in an attempt to open up new areas where Turkish contacts were limited before and during the Cold War and achieve a more active role in international organizations.



## CHAPTER III

### TURKISH RELATIONS WITH UKRAINE AND RUSSIA

#### 3.1. Turkish-Ukrainian Relations

Turkish-Ukrainian relations have been defined by the long chronology of historical, cultural, and geographic contact and have been influenced by newly established social networks and state-level collaborations (Kryvenko et al., 2015). Türkiye has been a good friend of Ukraine for many years. The diplomatic relations between the two countries were initially established in the 1990s when Türkiye was one of the first countries to declare the recognition of sovereign Ukraine. However, back in the 16th and seventeenth centuries, due to the Ottoman extension into the northern Black Sea littoral and Eastern Europe, there were prolonged encounters between Ottomans and Ukrainians, which included military and political cooperation (Özdal & Demydova, 2011). Turkish-Ukrainian bilateral relations emerged after the breakup of the Soviet Union. The retrenchment of the Soviet power was a turning point for the black sea region that reshaped the geopolitics there. From that moment, there were three significant actors: Russia, Ukraine, and Türkiye. For Ukraine, friendship with Türkiye became a convenient geopolitical alternative to its isolation in the early years after independence. It was important for Türkiye to maintain its relations with Ukraine for another geopolitical aim: the preservation of the post-soviet status quo and the fear of the revival of the Russian Empire in the black sea region (Sezer, 1996). Crimea might be the most critical element in Ukrainian-Turkish relations due to the unique cultural and historical ties between Crimean Tatars and Turks. This element seemed to have a unifying impact on the two states as Türkiye has been supportive of the Ukrainian right to claim sovereignty over Crimea and rejected Russian Allegations of its right to Crimea annexation (Özdal & Demydova, 2011). With the establishment of the High-Level Strategic Council in 2011, Turkish-Ukrainian relations upgraded to the status of strategic partnership. Both countries support each other in international organizations such as the Organization of Security

and Cooperation in Europe, the Council of Europe, the United Nations and regional organizations such as the Black Sea Economic Cooperation (BSEC) and the Black Sea Naval Force (Özdal & Demydova, 2011).

Over the years, both countries have signed bilateral agreements, engaged in high-level visits, and cooperated on various political issues. A passport-free regime between Ukraine and Türkiye was imposed in June 2017 as a further step to strengthen humanitarian and economic ties. Ukraine is one of Türkiye's important trading partners, as their trade relations have been steadily growing. In 2021, trade volume reached \$7.13bn from \$4.8bn in 2019. During the last 26 years, Turkish exports to Ukraine have increased at a rate of 11% annually (Republic of Türkiye Ministry of Foreign Affairs, 2023). During President Erdoğan's visit to Kyiv before the War, both presidents signed an agreement to jointly produce Turkish armed drones in Ukraine and a free trade agreement that brought bilateral relations to a new level (Altunışık, 2022).

### **3.2. Turkish-Russian Relations**

Unlike the Ukrainian-Turkish relationship, the relationship between Russia and Türkiye has a more extended history that witnessed radical vacillations of Conflict and cooperation. Up to 1917, the Ottoman Empire's territorial integrity and its future as an independent state were gravely threatened by the resurgent Russia. By that time, of course, the state had to give up on some demands and focus on others. For example, the old Eastern question about the future of the Balkans was not on the Turkish government's agenda during and after the Cold War (Hale, W. 2012). Being close to a strong nation like the Soviet Union geographically had been a constant challenge to the Empire. The Ottoman Empire and Russia have been historic rivals as they fought against each other 12 times between the 18th and 20th centuries (Devlen, 2014). Nevertheless, there were occasional collaborations between them. The Soviet Union provided military and financial support to the independence movement led by Mustafa Kemal in Anatolia before the establishment of the Republic and another financial aid with a loan of \$8m after the declaration of independence in 1923 (Masumova et al., 2018). The 1990s were the beginning of strong cooperation

between the two economies. Russia was rich in energy resources, and Türkiye had a comparative advantage in construction projects and consumer goods. The partnership was institutionalized by the treaty of friendship, cooperation, and neighbourliness, which President Turgut Ozal signed with Russia in March 1991, and the Black Sea Economic Cooperation Project (BSEC) in 1992. However, The two countries involvement in the Azerbaijani-Armenian Conflict over Nagorno Karabagh in May 1992 was a few steps to War becoming a War between them (Kutlay & Öniş, 2021)(Cheterian, 2023). only a decade later, the secretary general of Türkiye's National Security Council, former general Tunçer Kılınç, proposed a collaboration with Iran and Russia in the face of Hostility from the European Union member states in 2002 (Aktürk, 2019). They emerged as geopolitical partners, yet also as competitors in several Conflicts in the caucuses, North Africa, and the Middle East. The two powers managed to engage militarily on opposite sides in Syria, Libya, and Karabakh<sup>1</sup> While signing trade agreements and proposing economic and industrial collaborations. Think tanks describe this kind of relationship as 'Conflictual cooperation' or 'co-opetition' whereby two powers are competitors and sometimes enemies, but also partners. Despite their different strategic interests in the regions, they both have the same threat, which is usually the reason behind their military or political cooperation (Cheterian, 2023).

The downing of the Russian SU-24 bomber in November 2015 by the Turkish air forces in Syria was a contemporary end for the two states' diplomatic and economic relations. Turkish officials insisted that they had warned the Russian plane that it had veered into Turkish airspace, while the Russians claimed that the jet was hit when it

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<sup>1</sup> In 2014, Türkiye started an intervention in Libya to support the Misrata Islamists and the Government of National Accord (GNA) against their rivals (Haftar's Libyan Arab National Army). Türkiye provided Economic and reconstruction assistance as well as military support to the GNA, such as military trainers, advisers, and equipment, and has deployed Turkish Troops to Libya. In 2019, Türkiye and The GNA signed a maritime agreement that granted Türkiye access to a portion of the eastern Mediterranean. On the other side, Russia supports the Libyan National Army (LNA) led by General Khalifa Haftar. Russia has economic and geopolitics interests in Libya, including potential access to energy resources, and has supplied the LNA with heavy military equipment, including armoured vehicles, aircraft, and advanced air defence systems. Different roles were played by Türkiye and Russia in the Nagorno-Karabagh conflict between Azerbaijan and Armenia in 2020. Türkiye maintained closed political ties with Azerbaijan, engaged diplomatically to support Azerbaijan's position, and expressed solidarity with its territorial claims. Also, it provided military and humanitarian assistance and cooperation as the Turkish Drones played a significant role during the escalation of the Conflict. Russia did not publicly choose a side During the 44 days of the War. Russia has a security treaty with Armenia and intervened at the end of the Conflict to strengthen its military presence in the area (Cheterian, 2023).

was over Syrian territory (Goren, 2018). In regards to the PKK fight with The Turkish Regime, Russia increased its support to the PYD as an aggressive response to Türkiye. The fighter jet incident has revealed the fragility of the economic ties and the relations between the two countries in the face of their political agreements (Masumova, 2018). Putin imposed crippling sanctions on Türkiye. Russia immediately boycotted Turkish agricultural products, stopped tourism and all charter flights, cancelled visa-free travel for Turkish citizens, cancelled the license of Turkish tour operators, and discontinued cooperation between Russian universities and Türkiye. The consequences were harsh on the Turkish economy. Trade between the two countries dropped from \$31bn to \$8bn from 2015 to the first half of 2016 (Uslu & Akay, 2019) (Cheterian, 2023). After seven months after the incident, Türkiye decided to take a step to normalize its relations with Russia. Two missives were dispatched that articulated Türkiye's disappointment over the incident. This initiative was undertaken after the prime minister made a statement talking about his desire to normalize relations with regional actors, "more friends and fewer foes" (Özertem, 2017). One of the consequences of the Turkish-Russian rapprochement was the launching of Operation Euphrates Shield by Türkiye against ISIS in Syria in August 2016. Although Russia did not join the operation, it did not prevent it from taking place (Aktürk, 2019). The rapprochement resulted in expanding the economic cooperation. The assassination of the Russian ambassador in Türkiye in December 2016 has not managed to ruin their friendship again (Goren, 2018).

Turkish-Russian relations shed light on one unique theme in the global political economy. Growing economic interdependence can exist with continued geopolitical rivalry and political Conflict. An important strategy that emerges in order to avoid negative spillover effects is the tendency to compartmentalize geopolitical rivalries and economic issues (Öniş & Yılmaz, 2016). The opposing positions of Russia and Türkiye in the context of the Syrian Crisis show that although these Conflicts exist, they do not conflate or undermine Economic relations (Ibragimov, 2018). Economic and trade relations are the driving force behind the relations between the two countries. Both countries play significant roles in regional and global economic balances. Russia is the sixth largest economy in the world, while Türkiye's rank is 19<sup>th</sup>. Russia has been an important strategic and economic partner to Türkiye. The critical phase of bilateral economic relations began in 2009 when the high-level

Russian-Turkish Cooperation Council was established (Masumova et al., 2018). In 2021, Türkiye's exports to Russia were worth \$5.93bn. The main products were food, textiles, home appliances, and motor vehicles, while the Russian Exports were \$20.1Bn. The main products were refined petroleum, Crude petroleum, Wheat, metals, and metal products. Investment is an important dimension of the growing interdependence between Türkiye and Russia. Türkiye's construction firms have increased substantially in the Russian market to more than \$39 billion worth between 1972-2012 (Öniş & Yılmaz, 2016).

By looking at the increasing volume of Energy imports, we can easily understand how energy security and Diplomacy emerge as critical elements in the relations between Türkiye and Russia and their foreign Policy (Yermekbayev et al., 2020). Russia is Türkiye's number one source of natural gas, despite the progressive dependence from more than %50 in 2017 to %30 in recent years. They have collaborated on major projects such as the TurkStream natural gas pipeline, which transports Russian gas to Europe and bypasses Ukraine through Türkiye. Türkiye also aims to add nuclear power to its energy resources in order to meet its energy demand and decrease adverse environmental effects. It collaborated with the Russian Federation to build the first Turkish nuclear plan, the Akkuyu nuclear plant (NPP), in the southern Anatolian Coast, which is aimed to be commissioned in 2023. Putin has transferred \$5 billion to Türkiye towards the construction (Cagaptay, 2023). Some scholars argue that the asymmetrical nature of Russian-Turkish economic relations is a highlight of the Turkish dependence on Russia. Looking from a broader perspective, we can find that

Economic ties with Türkiye are critical for Russia as well. Russia is also dependent on the export revenue of Turkish purchasing. Türkiye's replacement of Egyptian grains with Russian grains has made Russia the top exporter of grains (Aktürk, Ş. 2019).

## CHAPTER IV

### TÜRKİYE AND THE WEST

#### 4.1. Historical Background

The Ottoman Empire and the Turkish Republic later were consistently hesitant towards their foreign policies and their perception toward the West camp. During World War I (1914-1918), the Ottoman Empire decided to align with the central powers. The Young Turks, who governed the Empire at the time, believed that joining the War alongside Germany, Austria-Hungary, and Bulgaria would help strengthen the Empire's Position and safeguard its territorial integrity (Hale, W. 2012). Within the destructive ruins in the wake of the First World War, the defeat of the Empire and the emergence of the Republic in 1923 changed Turkish Foreign Policy for the first time. While the new state was focusing on conducting Westernization agendas in internal reforms, Mustafa Kemal implemented the Policy of neutrality and sought to establish friendly relations with Western powers and the international community as a part of the modernization of the state and to enrich national sovereignty. Türkiye maintained this Policy and avoided direct involvement during World War II (1939-1945) to avoid the War's devastating consequences (Aydin, M. 2000) (Hale, W. 2012). Although Türkiye did not involve the military in combat operations, by signing the treaty of friendship and mutual assistance with Britain and becoming effectively aligned with the Allies, it became under the pressure of providing crucial logistical support to the Allies, which included providing transportation and supplies, participating in intelligence sharing, and allowing the use of its airbases (Hale, W. 2012). Under the Cold War International System, Türkiye's sphere to manoeuvre strategically on an international level was still constrained. The Cold War Bipolar system forced states like Türkiye to place themselves within one of the two rival power poles, the Soviet Union and the United States, instead of pursuing a core position using its geostrategic location. Türkiye determined its position with the West in order to secure itself from the potential danger of the dominant power polarization and kept its relations with other actors,

such as Middle Eastern countries, at the minimum level. Eventually, Turkish Foreign Policy was in harmony with Western expectations (Aktaş, 2010). During the Cold War, and despite following the same path balancing relations with the United States and the Soviet Union, membership to the OECD in 1948, the Council of Europe in 1949, and NATO in 1952 made Türkiye believe that its relations with the Western bloc are getting solidified. The Western power, mainly the United States at that time, could be a reliable actor in regard to Türkiye's international threat, in other words, the Soviet Union.

At the beginning of the membership, Türkiye's vulnerability to a potential Soviet Union attack and its insistence on getting a formal security guarantee from the United States made NATO members question Türkiye's fit and its value to the alliance (Goren, 2018). Türkiye was classified as an important element during the Iranian Crisis in 1946 and as a "cushion" that would absorb the initial Soviet blow and deter its advances (Leffler, 1985). During that time, both Türkiye and the United States had the same concerns about the Soviet Union's influence in the black sea region and the spread of communism among its neighbouring countries (Aydin, M. 2000). As a member of NATO, Türkiye received economic and military aid from the United States. In order to minimize security threats and maintain cautious and friendly relations with its neighbours, Turkish Foreign Policy prioritized NATO membership over involvement in the Middle East (Goren, 2018).

The end of the Cold War and the decline of the Soviet Union signified vital transformations. The bipolar balance of power system collapsed and left behind an ambiguity regarding the future of the power system and the new characteristics of the international order (Aktaş, 2010). The Soviet Union was not a territorial neighbour anymore as its influence over neighbours such as Syria and Bulgaria had waned. Türkiye found it a chance and more space to engage with its neighbour countries which it had cultural ties with and to revise its past Conflicts through a different perspective (Şahin, 2020). It was in 1999 when Türkiye was heavily interested in increasing cooperation with Russia when the latter showed its good intentions by refusing PKK leader Abdullah Öcalan's request for political asylum in Moscow, despite Duma's approval (Aktürk, 2019). Both countries feel the threat of the US policies in the region, which conflates with their state interests and regional

ambitions and, most importantly, threatens the state autonomy. It was the US invasion of Iraq that Türkiye changed its Foreign Policy perception Toward Russia and The West. When the Turkish Parliament refused US access to Iraq through the Turkish lands, for the United States, Türkiye was no longer an ally but a rival in the region. The escalation of the terrorist attacks committed by the PKK that started in July 2015, followed by the coup attempt by the Gulenists in 2016, were the motives for Türkiye to seek closer relations with Russia. Especially when The United States became unreliable in the context of Türkiye's fight against the PKK and has explicitly shown support to them. The failed coup attempt was a negative turning point in the American-Turkish relations. The United States, despite Türkiye's request for extradition, has been hosting Fetullah Gulen and many other leaders of the movement below him, along with cooperating with the Kurdish Democratic Union Party (PYD), ignoring Türkiye's criticism and concerns (Soylu, 2016).

The government's orientation to Ward the East started gradually with the beginning of the multiparty period and the rise of political Islam in Türkiye in the 1990s until it became evident after the 2002 elections when the Justice and Development Party AKP reached power (Bilgin, 2008)<sup>2</sup>. What distinguished Foreign Policy under the government of AKP from previous governments, especially in the second decade in power, was their desire to improve relations and increase engagement with Eastern countries and the Muslim world and the new identification of Türkiye within the World Union of Muslim Countries (Bilgin, 2008). The AKP leaders did not make radical breaks to the Foreign policy structure as the Turgut Ozal government started the economic reform plans and international initiatives in the 1980s, such as the establishment of the Black Sea Economic Cooperation and the enlargement of the Regional interdependence (aktas, 2010). The new government's goal was to put Türkiye in a different place on the international stage. It was the drive to launch multiple projects, such as developing military industry and equipment, energy production and pipelines, and transportation infrastructure, and expanding diplomatic networks and bilateral cooperation (Pierini, 2020). Turkish Foreign Policy during that time was highly influenced by liberalist ideas. The logic of interdependence

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<sup>2</sup> Since the Welfare Party held power in 1996 and 1997, followed by AKP in 2002, scholars started to call this era the era of political Islam due to their foreign Policytransformations of activating the role of Türkiye among Muslim Countries.

constituted the driving motive of the state's Foreign Policy. Türkiye pursued a proactive regional integration strategy based on cultural linkages and economic cooperation, such as signing free trade agreements and introducing visa-free travel with neighbours and Middle East countries (Kutlay & Öniş, 2021). This approach was followed or enriched by the implementation of Ahmet Davudoglu's Foreign Policy agenda, which is called strategic depth. It emphasizes the importance of the Ottoman legacy in the Middle East region, and the geography of Türkiye makes it involved in all geopolitical developments in the region. The doctrine states that by being in the centre, Türkiye should take responsibility and activate its role instead of being channelled by other power centres. Consequently, Türkiye engaged more with the East and the Balkans rather than the West and Europe (Şahin, 2020). Even some leaders from the opposition parties found the shifts in Foreign Policy in the 2000s to be a healthy change. Umit Yardim from Future Party (Gelecek partisi) considers the adoption of a less Western-centric perspective of the world has allowed Turkish Diplomacy to foster a better understanding of its capacity and the region, especially the Balkans, the Caucasus, and the Middle East (Coşkun & Ülgen, 2022) Although The Arab Spring, Conflicts emerged in Syria, Iraq and political instability in many other Arab Countries like Egypt, Libya, and Tunisia challenged the desire of becoming the leader of the Islamic world. And resulted in key developments and shifts in Foreign Policies, such as the change of Türkiye's role in Syria, Qatar, and Türkiye alignment and the blockade that Saudi Arabia, Egypt, Iran, and the United Arab Emirates imposed on Qatar in 2017 (Bakir, 2019).

Turkish Foreign Policy has been developing new perspectives with new policies throughout different international events. Türkiye's perception of the West as an alliance has changed as it shows that Europe and the USA's willingness to Help Türkiye with their own challenges has not corresponded with Türkiye's willingness to collaborate with them. Even when dealing with internal threats, the support that Türkiye received was minimal. During Türkiye's fight against the PKK in the 1990s, some NATO member states, including Germany, refused to sell arms to Türkiye. After the arms sales were approved, military technology transfers were very limited and rare (Aktürk, Ş. 2019). President Joe Biden's recognition of the so-called "Armenian genocide" of 1915 during the Ottoman Rule is another example of the Western Perception of Türkiye (Kaddorah, 2022). The absence of concrete military

agreements and domestic military deployments by NATO in the 1990s concerned Türkiye's Policymakers and consequently pushed them to replace their exclusive orientations to Ward NATO with more engaging policies in the Middle East and neighbouring countries to make progress on the Kurdish agenda, the economic expansion goals, and to enhance Turkish strategic interests (Goren, 2018).

In the journey of finding an alternative security plan rather than the one the West has for Türkiye to deal with its own threats, the need emerged to seek greater autonomy and decrease security dependence on NATO. Building a strong domestic defence industry was an essential part of the AKP government agenda, which required increasing alignment with China and Russia for trading goods and technology. Controversially, despite supporting opposite sides in Syria, Türkiye managed to purchase the S-400 missile defence system from Russia despite all the pressures from the United States (Altunışık, 2022). The response of the US was the suspension of the delivery of F-35 jet equipment to Türkiye (Browne, 2019). Türkiye has considered Russia to be an alternative source of military technology transfers and hardware. It is usually the case when the US and Europe seem unwilling to supply. The Turkish energy exploration in the eastern Mediterranean, expanding military cooperation with Russia, Turkish regional ambitions, and the situation in Syria were interpreted as another confrontation against NATO by Ankara. The longstanding dispute between Türkiye and Cyprus over the divided island's status and the Turkish military presence in Northern Cyprus create an extra burden on the Turkish-NATO relationship. The divergence between NATO and Türkiye's interests in the region and definitions of threats has been growing through the years (Goren, 2018). The fragility of the relations between Türkiye and its Western partners, which has been observed through several international incidents, has raised some questions: Have the perceptions of the actors to Ward each other changed? Do they still value their partnership as an important one? Is Türkiye seeking absolute and strategic autonomy and replacing its old approach of interdependence? While there might be frequent yet temporary tensions between Türkiye and NATO, the United States and Europe, Some facts cannot be changed. Türkiye's geographical location at the crossroads of Europe, the Balkans, the Middle East, and Asia, while sharing borders with strategic importance such as Iraq, Iran, and Syria, have made it a vital contributor to NATO's security efforts to maintain stability and given it a significant role in NATO's defence

strategy in the region. Türkiye has committed to NATO interests and contributed resources and troops to various NATO missions and operations, including in the Balkans, the Aegean Sea, and Afghanistan. As a NATO member, Türkiye benefits from the principle of collective defence stated in Article 5 of the NATO treaty. The article states that an armed attack against one NATO member is considered an attack against all the alliance members, and they will take the required actions to restore security. Over the years, the relationship between NATO and Türkiye, like any international relationship, has evolved due to a combination of factors, including Turkish domestic dynamics, geopolitical circumstances, and global political changes. Under these factors, Türkiye had to make changes to its Foreign Policy approach, which might have taken a different path from NATO at certain points, similar to its current stance during the Ukrainian War.

#### **4.2. Turkish Foreign Policy During the Ukrainian War**

The Crisis and developments in Ukraine have once again brought the shores of the Black Sea and the debates on Turkish-Russian relations in the context of the Russian-Ukrainian Crisis into the limelight. In a major escalation of the Russian-Ukrainian Conflict in 2014, which resulted in the annexation of Crimea by Russia.<sup>3</sup>

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<sup>3</sup> The causes of the recent invasion that led to the emerging War on the Ukrainian lands by the Russian military can be traced to 2014. It was a period of intense political unrest and Conflict, particularly in the Crimean Peninsula and the Eastern regions of the country. The Crisis began in November 2013 when protests erupted in Kyiv after President Viktor Yanukovich's decision to abandon plans for closer integration with the European Union and moving forward, strengthening ties with Russia. The protests, known as the Euromaidan Movement, were driven by widespread public discontent with economic struggles, corruption, and mainly a desire for closer European Integration. Dozens of protesters were killed after the violent clashes in demonstrations between protesters and security forces, which fueled public anger. The president was subsequently impeached by the Parliament. Later, it was found that in the midst of the political vacuum, unmarked armed forces revealed to be Russian soldiers started occupying Crimea in February 2014. They took control of government buildings, military installations, and key infrastructure. The occupation was followed by a controversial referendum in March 2014, which was deemed illegal by Ukraine and the international community. The voting resulted in Russia's annexation of Crimea and secession from Ukraine (Charap & Darden, 2014). The Crisis escalated further when pro-Russian separatists declared independence in Luhansk and Donetsk. The Ukrainian Conflict in 2014 had significant geopolitical implications. The world has witnessed similar implications, such as the strained relations between Russia and the West, followed by economic sanctions imposed by the European Union and the United States, displacement of Ukrainian civilians, and the death of thousands. It is worth noting that Crimea has only been an independent state for less than forty years (Bebier, A. 2015).

Russia's Seizure of Crimea was the first time that a European state annexed the territory of another since World War II (Masters, 2022). Russia invaded parts of Ukraine on 22 February 2022. The invasion has resulted in thousands of deaths from both countries and the displacement of more than eight million Ukrainians. Europe is facing the largest refugee crisis since World War II (UNHCR, 2022).

While the West was expecting Türkiye to follow their agenda in the context of the Ukrainian Conflict, Türkiye did not. Türkiye has continued its strategy since 2014, which is to avoid opposing Russia in regard to the Ukrainian Agenda (Devlen, 2014). Türkiye, as I explained in this chapter, had almost the same factors in 2014 that shaped its strategy again in 2022. The mutual interests of both countries have forced Türkiye to be vigilant. It was not the first or the second time for Türkiye to take a mediator role or to stay neutral during a global Conflict. In fact, some scholars argue that Türkiye has mastered this role, which was very predictable for Türkiye. During World War I, II, and the Cold War, the Ottoman Empire and later the Republic had ensured having an ally and strategic partner from the Western Power and avoiding opposing the United States and NATO. Even during the escalation of these international Conflicts, Türkiye always tried and managed to avoid confronting or opposing the Western mainstream for security reasons. The new pattern in Turkish Foreign Policy that was witnessed in the Ukrainian Crisis particularly is taking a different path away from NATO and Europe and sacrificing their partnership in such a critical situation. Scholars and media claim that Turkish policymakers are framing the country as an active mediator, while the reality is that Türkiye is cooperating with Russia along with the old narrative of substituting international cooperation with unilateral moves and confrontational statements (Pierini, 2020). This can be doubtful for two reasons; first, Türkiye's diplomatic efforts and initiatives, supplying Ukraine with drones and Humanitarian assistance, are not actions a War ally would do or Russia would allow to happen. Second, regardless of how the Conflict ends and whether Türkiye will have to engage militarily, the nature of the Turkish-Russian relationship becomes clear to Turkish policymakers. Russia proved to be a strong partner that they can cooperate with on many, yet particular, agendas.

However, this relationship is not immune to Crisis and cannot be traded with Turkish interests with NATO and Europe.

States consider a broad range of factors before declaring their position in the Conflict; economic factors remain a strong motive behind their decision and the degree of involvement (Aydin, 2008). According to the resource dependency theory mechanism, economic interdependence in the form of bilateral trade agreements is a primary factor in understanding whether an ongoing Conflict will be joined by third-party countries and on which side it will be joined, meaning that countries that are interdependent with the Conflict participant have a solid incentive to engage in the Conflict by supporting their trade partners. Aydin (2008) argues that Conflicts offer additional opportunity costs to trading states in terms of losing or reducing trade cooperation, which leads them to be eager to maintain peaceful relations with each other. Keep in mind that there will be externalities and uncontrollable or unfavourable outcomes whether states engage in Conflict or not. Third parties that are interdependent with Conflict participants fear the externalities that result from the Conflict, such as lost or reduced trade flows and unstable markets; therefore, they try keeping peaceful relations with their trade partners in order to rescue their economic stake. Nevertheless, when they are interdependent with both sides, like in the case of Türkiye, the state abstains from joining or supporting either side and tends to balance relations with both sides (A. Aydin, 2008). The strength of the economic ties with the dire state (in our case, Russia) is what makes the balancing movement by Türkiye successful (Papayoanou, 1999). Russia has been frequently recognized as a vital contender of the international liberal order, Eastern neighbourhood, and EU policies (Düzgit & Noutcheva, 2022). It might be the weak allegations that Russia stands for another reason states are undoubtedly condemning the Ukrainian invasion.

Due to its developed close ties with both Warring parties over the years, Türkiye had to make a unique decision not to follow the Western camp and cut relations with Russia. Balancing relationships with both countries was crucial and included diplomatic mediation between Moscow and Kyiv, security cooperation with Ukraine, and energy cooperation with Russia. It might seem that, by following this approach, Türkiye has managed to avoid spillovers from the Conflict as much as possible. To maintain the balance in relations with the two opponents without losing their confidence in Türkiye, Türkiye has adopted a Policy of non-interference in Ukraine's internal affairs and maintained positive neutrality. The real challenge for Türkiye is the ability to maintain its relations without endangering its geostrategic policies and

interests in the region, especially after its decision to operate away from the political polarization instigated against Russia.

Türkiye has been considered Russia's strategic partner but not an ally. It is imperative for Türkiye to maintain its image as a state that prioritizes state territorial integrity and sovereignty, and that would have been questionable if Türkiye had engaged in the Conflict on the Russian side and supported their military occupation in Ukraine. Like the majority of the international community, Türkiye has publicly condemned violating Ukrainian sovereignty, criticized the military operations in Ukraine, and called for the respect of international law. Under the Montreux Convention, which guarantees Türkiye's control over the straits that connect the Mediterranean and the Black Sea and has the authority to limit the passage of warships during wartime, Ankara has asked Russia not to send its warships (Acer, 2023), Türkiye was one of the first countries to provide Ukraine with large quantities of drones and weapons and has provided humanitarian assistance of medical supplies and other necessary aid to alleviate the suffering of the affected population (Bisht, 2022). The diplomatic efforts of Türkiye cannot be ignored. With the escalating level of Conflict between Russia and Ukraine, Türkiye has made several attempts to negotiate a peace agreement to end the War. It has participated in various international forums and worked with other countries to promote dialogue between the involved parties and to find a diplomatic solution. On 10 March 2022, the foreign ministers of both countries met at Antalya Diplomacy Forum for indirect talks. Furthermore, on 29 March 2022, delegations from both sides came to Istanbul (Altunışık, 2022).

In September 2022, Türkiye managed to broker a prisoner exchange deal between the two countries that ended with the freeing of 270 captives (Malsin, 2022). Türkiye's control over the Bosphorus also gives it strategic importance, as being the sole maritime gateway to the Black Sea enriched their position in the grain agreement, which was another diplomatic achievement by Türkiye. One of the immediate advantages of balancing power between the two sides was the Turkish capability to solve the problem of Ukrainian grain trapping. By taking the lead in protecting it and cooperating with the UN, Türkiye negotiated the export of grain and food supplies again after being interrupted. Ukrainian grain safely makes its way through a Russian

blockade of Ukraine's Black Sea ports to help reduce high food prices and the risk of a global hunger Crisis (Maynes & Kakissis, 2023). Moreover, Ukrainian officials are expanding other exports thanks to Türkiye. On 22 July 2022, the agreement resulted in the launching of a grain coordination centre in Istanbul (Demirhan, 2022).

Türkiye's diplomatic response to the Russian invasion has provoked the Western camp, mainly NATO, especially when both are experiencing a mutual Crisis of confidence. The War has increased Türkiye's strategic importance for NATO. It might provide Türkiye an opportunity to repair its strained relations with some NATO members, especially the United States. Türkiye is aiming to use the Ukrainian Crisis to advance its own interests of Ankara's condition for the admission of Finland and Sweden to NATO membership on their commitment to counterterrorism with Türkiye (Altunışık, 2022). Türkiye's early consequences of balancing power with Russia were witnessed on 11 May 2022, when Türkiye announced after consultation with Russia that Turkish airspace closed to both civilian and military planes carrying soldiers from Russia to Syria (Reuters, 2022). In addition to the president's announcement of starting another military intervention in northern Syria in accordance with the 2019 plan of establishing a 30km deep buffer zone across the borders (Aydıntaşbaş, 2022).

Aside from the importance of Russian economic relations, maintaining stability in the Black Sea region concerns the Turkish authority. That explains Türkiye's approach to Conflict in the region, which is driven by its interest in maintaining overall security. Türkiye seeks to avoid getting directly involved in Conflicts and prevent the tension expansion into the Balkans. Regional countries, which include Bulgaria, Romania, Georgia, Russia, and Ukraine, are among the most important partners in the economic and political fields, as well as security and defence (Kaddorah, 2022). In the context of the regional Conflict, studies have assessed the securitization practices the Türkiye share with the neighbouring states using the Regional Security Complex Theory (Yavuz, 2001) (Barrinha, 2014) (Erkeç, 2022). Türkiye is viewed as an insulator as it seeks to maintain its own distinct foreign policy objectives and strategic autonomy through regional instability, which hinders Türkiye from achieving more visible international status (Barrinha, 2014). Considering its role as a mediator in the Russian-Ukrainian Conflict and as a transit

country between Europe and Asia for people and trade flows, Türkiye could be seen more as a buffer state after serving as a territorial buffer zone, maintaining its security interests while navigating between the competing participants and promoting dialogue. Türkiye supports multilateral frameworks and diplomatic efforts to address challenges and regional Conflicts. It has participated in various initiatives seeking Conflict resolution and cooperation.

Looking back to the Turkish relation with NATO and the West as a whole, it seems that, by developing its defence and diplomatic capabilities and having a more influential role due to the cooperation and economic ties Türkiye has been building with its partners and neighbouring countries in the last ten years, Türkiye has managed to play and sustain the mediator role and score some diplomatic goals as I elaborate earlier, act less coercive while keeping its relatively strong position and maintained its economic and trade flows with Russia and Ukraine.

## CHAPTER V

### DEFENCE DIPLOMACY DEVELOPMENTS INTÜRKİYE

The area of Diplomacy is expanding. From being strictly associated with political issues, contemporary Diplomacy has recently focused on the problems of economic, trade, scientific, and military contacts (Drab, 2018). Historically, militaries were associated with achieving national interests and objectives in international relations through the use of force. In the 18<sup>th</sup> and 19<sup>th</sup> centuries, the coercive use of the military and navy by colonial powers led to the emergence of the term Gunboat Diplomacy, which means the pursuit of foreign policies along with displays of military power, constituting or implying a threat of warfare (Muthanna, 2011). Subsequently, the use of defence and military channels to facilitate political dialogue has become widespread throughout the world and beyond democratic countries, with the same goal of cooperation and diplomatic goals (Matsuda, 2006)(Charillon et al., 2020). In today's interconnected world, it has become much harder and more expensive for countries to get involved in Wars just to support other countries with which they have good relations and mutual interests. Nations are no longer using the strategy of gunboat Diplomacy; instead, they have replaced it with soft power policies in order to maintain their diplomatic and political objectives. The use of Peaceful Diplomacy becomes the first resort in developing international relations as it seeks maximum national advantage without causing resentment and using force (Muthanna, 2011). Defence Diplomacy emerged as a perfect solution and an effective Crisis prevention instrument where national security, democracy, and trade agendas are not contradicted, and their goals can be achieved within the exact scope of actions (winger, 2014). It became an effective geopolitical tool that many nations, such as the United States, China, India, France, and recently Türkiye, adapted as an important mission of their military doctrine and an essential component of their national strategy. Defence Diplomacy or military Diplomacy is the nonviolent use of military forces through several activities to serve a country's objectives during either peace or War times (charillon, Balzacq, & Ramel, 2020). It is a relatively new term. Moreover, just like other new terms in human studies (i.e., unconventional warfare

and terrorism), it lacks consensus over its definition. Researchers from France, Spain, the United Kingdom, Indonesia, South Africa, and other countries try to define defence Diplomacy by reflecting the specific conditions or the security situation of their countries, and these definitions, which consider only the national needs, do not cover all the aspects of the term and tend to mix it with soft power and defence communications (Drab, 2018). In this paper, I adopt the mainstream definition as it focuses on the aims or objectives defence Diplomacy tries to achieve, which can be listed as introducing transparency into defence relations, reinforcing perceptions of common interests, changing the mindset of partners, facilitating Conflict prevention and building trust, and introducing and expanding cooperation in other areas (Muthanna, 2011). These objectives partly coincide with the liberal idea of security and peace through dialogue (Charillon et al., 2020). It was in the 1990s when the term started to gain prominence during the failure of communism in Eastern Europe and the end of the Cold War. Western European governments feared that the large, unreformed Soviet armies would be a unique challenge in the transition to democracy. This fear pushed Western countries to mobilize their defence establishments to help reconstruct the armies of former Warsaw Pact countries through military activities such as educational programs, officer exchanges, and programs like NATO's partnerships for peace to help embed democratic norms of civil-military relations. These efforts showed the military capacity as a tool of statecraft aside from its capacity for violence (winger, 2014). Assisting friendly and neighbouring countries in developing their defence capability helps to create a climate of trust and convergence of interests, as well as a shield against further global challenges.

On the other hand, we see that not all nonviolent defence actions' objectives are peacekeeping and democracy building. China also has relied on defence diplomacy to construct close ties with foreign governments but not to maintain peace in the region. China sought to secure extraction rights to natural resources and to gain access to foreign markets (Storey, 2012) (winger, 2014). Subsequently, the use of defence and military channels to facilitate diplomatic and political dialogue became widespread. There are two facets of defence diplomacy, according to Tan Singh: transformative and pragmatic. The transformative form seeks to change and work on the existing conditions to preserve both regional integration and peaceful

coexistence, while pragmatic defence diplomacy seeks to maintain the existing conditions (Tan & Singh, 2012).

Defence Diplomacy as a concept faces some obstacles that cause the lack of attention it receives and merits. It is partially because of the conceptual ambiguity that leads to the wrong classification of defence diplomacy policies. Some states tend to correspond it to military strategy rather than diplomatic bodies. Another challenge is the lack of integration with defence and Foreign Policy due to the underestimation of its role and capabilities (Muthanna, 2011).

Türkiye, as a third party in the current situation in the Ukrainian War, has utilized its defence capabilities and its existing good relations with both Russia and Ukraine to engage in the War with minimum compensations while balancing its foreign relations with all parties involved through defence Diplomacy objectives such as supplying Ukraine with military equipment and humanitarian assistance, negotiating a peace agreement between Russia and Ukraine through formal visits and maintaining dialogues between the participants.

Opening up to Africa gives a significant example of the evolution of the Turkish practice of defence Diplomacy. The intensification of diplomatic and economic relations with Africa started in the early 2000s with a new “Strategy Development of Economics and Relationships with Africa” project that the Turkish government launched in 2003 to serve the main objective of reshaping and expanding Türkiye’s influence and diplomatic and political role on regional and global scene (Habiyaremye & Oğuzlu, 2014). Türkiye has been competing with China and expanding its influence in Africa as a security partner of African countries through the field of the defence industry. Africa was interested in this new partnership and welcomed Turkish presence and initiatives to enrich diplomatic ties as it considers Türkiye, as a Muslim ally, is a more reliable partner than Western countries due to the cultural ties between the continent and Türkiye, shared religion, and, most notably, the lack of imperial history (Kaya & Warner, 2012). More than 14 states have signed agreements on cooperation in the defence industry with Türkiye, and exports of defence equipment are dramatically rising (Yazici & Erdogan, 2021). Nigeria, Türkiye's top trading partner, has determined to deepen its cooperation and

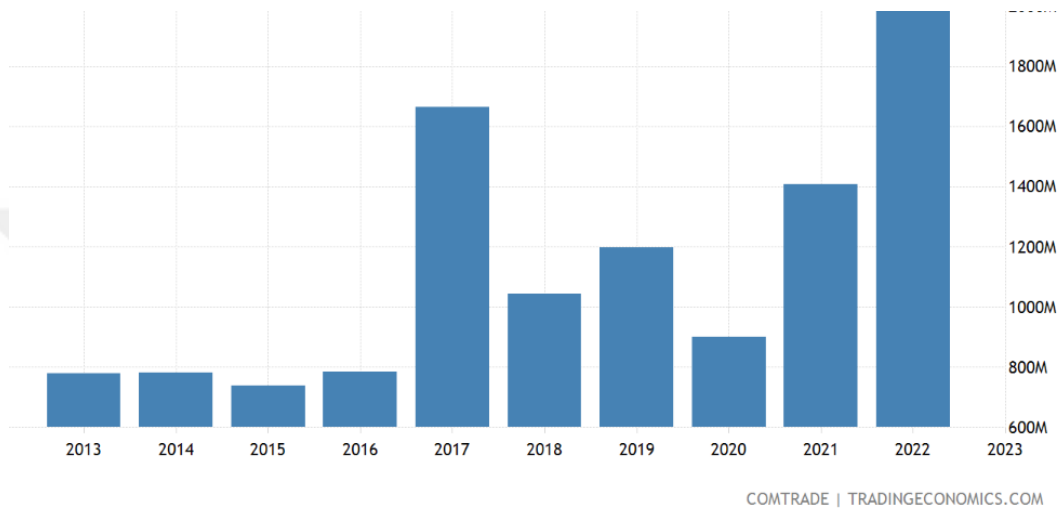
partnership with Türkiye and has shown the desire to expand its defence imports from Türkiye, including Bayraktar TB2 combat drones (SABAH, 2021). The participation of ministers from several African countries in the 15<sup>th</sup> International Defence Industry Fair held in 2021 in Istanbul has shown the growing demand for Turkish defence products from African countries. After the new developments of cooperating with Africa, Türkiye has managed to send political signals of its capability as a global player to use new military technology and ideology at the service of its geopolitical and economic goals.

In order to rely on defence diplomacy, the state has to have a strong, dependent defence system. One of the most important defence tools that Türkiye has mastered in the last few years is the defence industry. Since the 2000s, the Turkish defence industry has shifted from a procurement model, which is largely dependent on Russian and foreign imports, to more self-reliant models with a development foundation, strong research, and a growing number of exports. Defence projects' volume reached \$60 billion from \$5.5 billion in 2002, while aviation and defence exports exceeded \$3 billion in 2019 from \$248 million in 2002 (İ. Demir, 2020). Türkiye managed to reduce dependence on foreign technology in the defence industry to %30 from %70. The number of national firms operating in the defence industry increased from 56 to 1500 (Kutlay & Öniş, 2021). Despite the potential expansion, the industry faces growing challenges like the depreciation of local currency, brain drain, and dependence on foreign supplies. The need for new markets and massive investment while securing it is a big challenge. In normal cases, this could be simply accomplished by opening the sector to foreign investment. Giving the industry's connection with national security puts a limit on this decision. To overcome this, Türkiye established a partnership with Qatar to help secure funding to develop the Turkish defence industry, a small yet rich country that Ankara does not consider a threat. And has strong ties with (Bakir, 2021). President of Defence Industries Isamel Demir stated that the defence industry is not an isolated technical area; it influences relations with other countries. Despite being a closed area, the strength of the defence industry directly affects the country's position on the negotiation table (Aslan, 2021). Heavy investment in Turkish defence is usually framed by media in the West as a core step towards achieving strategic autonomy, while it can be simply a bargaining strategy for enriching Türkiye's relations with its partners and creating more valuable agreements and collaborations.

Military Conflicts have had a substantial impact on regional and global Economies. The shifts and changes that happened in the global supply chain were fruitful from the Turkish perspective. One of the sectors that bloomed in 2022 was the Turkish defence industry. For the first time, annual defence and aerospace exports have surpassed \$4 billion. It was not a surprise outcome or a chance that Türkiye exploited. Ankara's defence modernization strategic plans from 2012 to 2021 boosted national industries' involvement in ambitious projects (kasapoglu, 2022). Türkiye's military posture has been changed radically in the East Mediterranean and the Balkans due to drone use and production (Pierini, 2020). Turkish drones, Baykar's Bayraktar TB-2 in particular, have marked a footprint in the Russian Ukrainian War. It seemed to assist the sinking of the Russian missile cruiser Moskva through distraction or by providing the location of the vessel (AA, 2022). Surely, it didn't stop the Russian advance nor end the War, but it showed the world that military assets delivered to Ukraine could provide the required assistance. Most importantly, it transferred Türkiye to become an arms exporter. Unmanned aerial vehicles or Combat drones are the primary advanced technology used by states in fighting terrorism and in combat zones (Khalilzada, 2022). Top drone maker Baykar has exported its drones to more than twenty countries. It played a role in improving ties with Turk states such as Azerbaijan, Turkmenistan, Kazakhstan, and Kyrgyzstan. And build new ties with other countries such as Saudi Arabia, Tunisia, and Poland (kasapoglu, 2022). Besides its economic importance for nations, the defence industry is an important driver of its diplomatic outreach. The new developments have strengthened Türkiye's international influence both politically and economically. Through meditating for peace and brokering for the trade agreement, Türkiye has gained political ground and shown the Western powers that Ankara can be a trustworthy international station for consulting and treaty-making. It has also shown that Türkiye's true priority is national integrity and security.

A vibrant military and defence relationship can improve the influence of the state and decision-makers. This influence can be achieved through defence equipment transfers like aids and sales, administrative, operational, and training facilities, etc. Intellectual and equipment dependency through personnel exchanges and exports ensure foreign access and influence in a country and increase its concerns during decision-making. And even if there are no prominent defence exports, investing in

the defence industry is a real advantage. Supporting a country's national defence with imported defence systems and equipment has many risks and limitations because the terms of defence trade agreements between countries can be easily voided whenever there are political tensions between partners (K. Demir et al., 2016). Countries with large militaries and local production of defence equipment decrease countries' vulnerability during Conflict situations.



**Figure 5.1. Exports of Aircraft and Drones in Türkiye**

(Source: tradingecnomics.com)

Due to its rising status on the international scene as an emerging regional power, Türkiye has been characterized together with Brazil, Indonesia, and India as a "global swing state" regarding its ability to affect the outcome of the global game of Influence between China and The West. The developments in the defence industry have enabled Türkiye to take numerous foreign Policy initiatives and act strongly on a fast-changing political scene (Fontaine & Kliman, 2013) (Habiyaemye & Oğuzlu, 2014).

## CHAPTER VI

### THE WAR IMPACTS

#### 6.1. The War Impacts on the Turkish Economy

Military Conflicts have a significant impact on the global and regional Economies. Wars and Conflicts do not only affect their participants; they have broader economic externalities and implications that also hurt third parties of nations and neighbouring countries. In today's world, states are more concerned with the political and economic stability of their partners and always working on strategies to protect their own interests. Since the beginning of the War, and before any actual changes or results could happen, international organizations, state agencies, and Policymakers all around the world started to anticipate the geopolitical risks and economic consequences. How the War would affect the regional and international economies, labour capacity, livelihoods and resources, trade systems, global supply chain, increase inflation, and volatile exchange rate (Khudaykulova et al., H& Khudaykulov 2022). According to IMF statistics, the global inflation rate has risen to 8.7 in 2022 from 4.6 in 2021. The volume of goods and services of both imports and exports decreased by %5 in 2021 due to the disruption of the supply chain caused by the War, which led to a decline in the current account balance. The War triggered a massive shock to the world economy, especially to the food and energy markets. Commodity prices rose sharply, particularly for commodities that Russia and Ukraine are key exporters of (see appendix B) (World Bank Outlook, 2022). However, the economic effects of the War were asymmetric in different areas of the world. The most affected area was emerging and developing Europe, mainly Eastern European countries, which was expected due to being close to the Conflict zone. Russia was a key energy supplier to Europe, and both Ukraine and Russia played a vital role in European imports of food and agricultural products before the Russian invasion of Ukraine (IMF, 2023). Despite all the efforts to cut off Russian energy, the European Union later in 2022 has made an exception regarding the sanctions on energy imports.

The 27-nation bloc imported 19.2 billion cubic meters of Russian liquefied natural gas, which is 35% higher than it was in 2021 (Erkul, 2023). The trade balance was a great issue in 2022 as several big economies, like China, have set records regarding trade balance this year. Being major energy importers, the trade balance of the United States, Türkiye, India, South Korea, and Japan has deteriorated. Since 1999, the United States reached its largest trade deficit in March 2022 due to an increase in imports, while China recorded its highest trade surplus in July 2022 due to an increase in exports. On the other hand, we see that Russia has increased its Trade surplus in 2022. Despite the rise in demand for Russian mineral fuels, the surplus was an immediate result of the collapse of Russian imports due to the sanctions and the rise of energy prices (Darvas & Martins, 2022). The Russian trade surplus is proof that Trade surplus is not impossible to achieve, and it is not a strong indicator to measure the health of an economy. Türkiye and Russia have achieved a strong trade flow of imports and exports between each other. For Türkiye, the importance of trade activities between Türkiye and Russia could not be compromised for a political statement. The economy in Türkiye was not ready to return to the 2015 sanctions that Russia had imposed. The intersection of domestic needs and internal politics with geopolitical tensions and interests is where the state's foreign policies come from. There are other regions that have not been affected substantially, such as Middle Eastern countries and both advanced and emerging countries in Asia (IMF, 2023). However, it is hard to say that the War and the international response to it were the only drivers of the global inflation and energy price increase when the pressure existed before the War, as global commodity prices started to increase dramatically earlier in 2021. The immediate economic and political sanctions on Russia imposed by the Western world added additional pressure to both sides, Russia and Europe. The sanctions included cutting off strategic goods to Russia, such as high-tech goods and components. The supply shock of certain essential products, such as Ukrainian grain, and the changing of trade routes due to the War's new circumstances have caused a global rise in the inflation rate. Europe's energy import dependence and highly open economy made it one of the most affected areas in the world. It is expected that rising energy prices will slow the economic growth of countries in the long run (World Bank Outlook, 2022).

Energy as an intermediate input adds an extra burden on the production process, especially after global inflation. To preserve Russian energy influence in Europe, Russia has offered to build a new gas pipeline in Türkiye that could supply Europe with Russian fuel as an alternative to Nord Stream's pipelines in the Baltic Sea. This project makes Türkiye a new supply and trade centre (Soldatkin & Kobzeva, 2022).

According to the Ministry of Foreign Affairs, Türkiye's demand for energy has been increasing dramatically in the past two decades in OECD countries. It ranks second to China in the increase in natural gas and electricity in the world. To meet its energy demand, Türkiye has a 74% import dependency; almost half of the imports come from Russia. By refusing to follow the European sanctions, Türkiye had access to Russian energy and is not facing the same level of price increases seen elsewhere in Europe. However, in order to mitigate this dependency and strengthen its energy supply security, Türkiye aims to diversify its routes of supply. Türkiye carried out several important crude oil and natural gas pipelines such as the South Caucasus Natural Gas Pipeline (SCP), the Trans Anatolian Natural Gas Pipeline (TANAP), Baku-Tbilisi- Ceyhan Crude Oil Pipeline (BTC), Baku-Tbilisi-Erzurum Natural Gas Pipeline (BTE), Türkiye-Greece Natural Gas Interconnector (ITG) (Republic of Türkiye Ministry of Energy and Natural Resources, 2023). Additionally, Ankara signed a memorandum of understanding with the Libyan government regarding gas and oil exploration in the Eastern Mediterranean on October 3 2022 (Sabah, 2022). Its location between energy-rich and energy-seeker/poor nations gives it strategic importance as a transit point to become a regional energy hub. Türkiye also aims to develop renewable energy resources; it has ranked 5<sup>th</sup> in Europe and 12<sup>th</sup> in the world in terms of installed capacity in renewable energy (Republic of Türkiye Ministry of Foreign Affairs, 2023)

**Table 6.1. Foreign Trade in Türkiye**

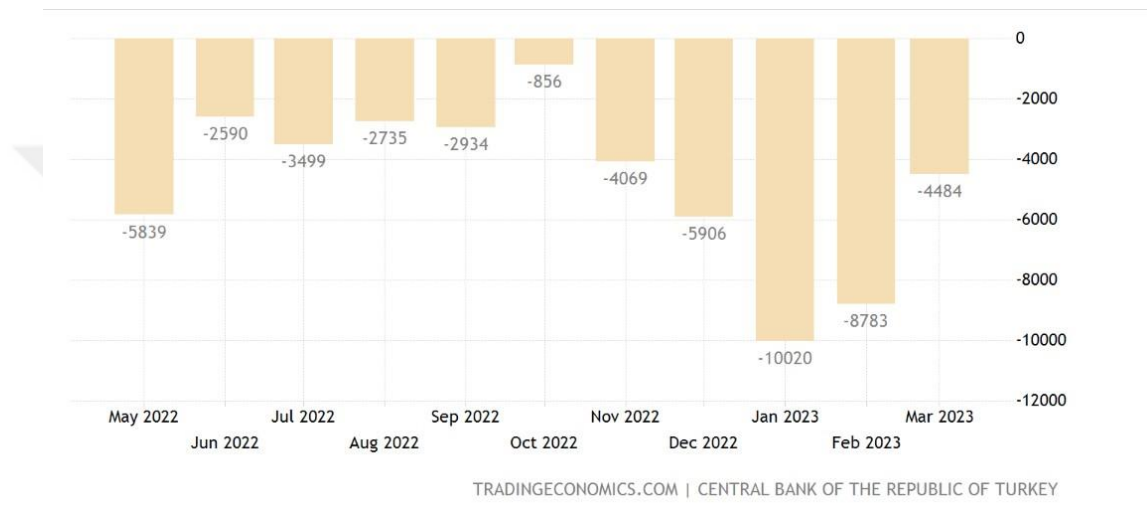
Foreign trade by years, 2013-2022 (general trade system)							
							(Değer: Bin ABD \$ / Value: Thousand US \$)
				İhracatın			
				Dış ticaret denges i	Dış ticaret hacmi	ithalatı	
İhracat				İthalat			
Exports				Imports			
				Balanc e of	Volum e of	orani	
				foreign trade	foreign trade	Proportion of	
Değer		Değişim	Değer		Değer	Değer	imports covered
Yılla r	Value	Change	Value	Change	Value	Value	by exports
Years		(%)		(%)			(%)
2013	161 480 915		260 822 803		-99 341 888	422 303 718	61.9
2014	166 504 862	3.1	251 142 429	-3.7	-84 637 567	417 647 291	66.3
2015	150 982 114	-9.3	213 619 211	-14.9	-62 637 098	364 601 325	70.7
2016	149 246 999	-1.1	202 189 242	-5.4	-52 942 243	351 436 241	73.8
2017	164 494 619	10.2	238 715 128	18.1	-74 220 509	403 209 747	68.9
2018	177 168 756	7.7	231 152 483	-3.2	-53 983 726	408 321 239	76.6
2019	180 832 722	2.1	210 345 203	-9.0	-29 512 481	391 177 924	86.0
2020	169 637 755	-6.2	219 516 807	4.4	-49 879 052	389 154 562	77.3
2021	225 214 458	32.8	271 425 553	23.6	-46 211 095	496 640 011	83.0
2022 (r)	254 191 555	12.9	363 710 578	34.0	-109 519 023	617 902 134	69.9

(Source: <https://data.tuik.gov.tr/>)

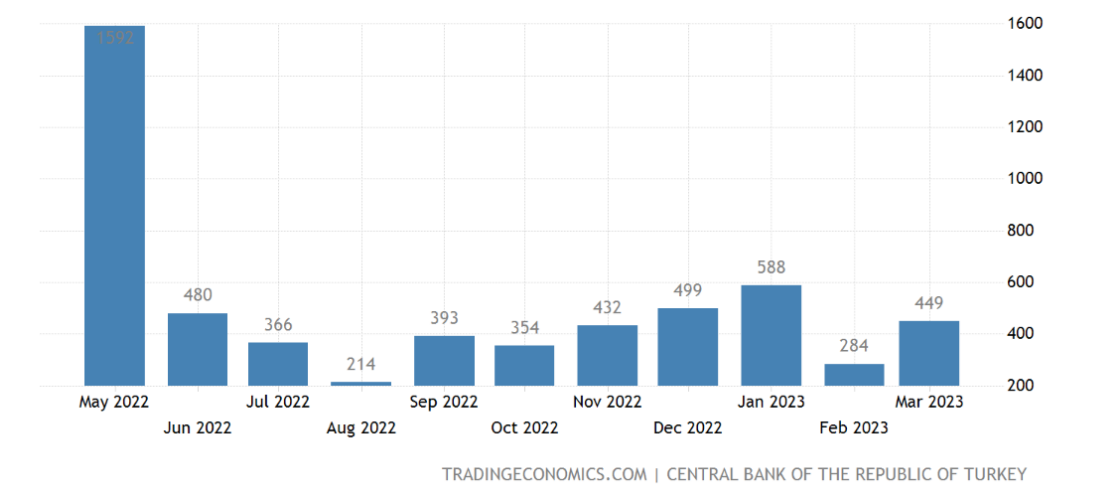
Türkiye's foreign trade data in table 3.1 shows an increase in trade activities in 2022. Exports have increased by 12.9% from 2021 to 2022. The high record in exports did not help the trade balance as the imports also increased by 34%. The rise in the trade deficit and the current account was due to some crucial factors. Türkiye's heavy dependence on imported energy resources and raw materials is the main factor. Furthermore, Türkiye is a large consumer market with diverse demands whose domestic production cannot always cover its demand. On the other hand, its exports hit a record \$254 billion in 2022 (TIM, 2022). The change in the supply chain and the uncertainty of the trade flows have affected global demand, production, and, thus, exports. Another important contributor to the current account deficit is economic growth. The interesting relation between economic growth and trade balance or current account, in general, is one of the core dynamic macroeconomic problems both developing and developed countries try to solve. The current account deficit is a country's trade where the value of imports exceeds the value of exports. Türkiye, like many developing countries, uses imported inputs excessively in their production process to increase economic growth (Durmuş, 2019). As a result, the state faces deterioration in the current account balance. Therefore, any desire for economic growth in Türkiye is usually linked to the need to import intermediate and capital goods. Competitiveness emerges as another issue. While the Turkish export structure is dominated by sectors such as textile, apparel, and automotive, it is hard to compete with lower-cost countries such as China and Bangladesh when imported inputs are costly, especially when the Turkish lira is experiencing currency depreciation and inflationary pressures in recent years, which can make imports more expensive.

Foreign direct investment is also linked to the current account. Scholars suggest that in order to maintain foreign direct investment, the government should solve the current account deficit. Foreign direct and indirect investments play a crucial role regarding economic growth and development in Türkiye as being an important resource for foreign currency inflows to the market and profits of technology transfers. Many researchers investigated the factors that influence foreign investment in the Turkish economy, such as market size, tax income, size of the industry, and telecommunications. In Zengin, Yüksel, and Kartal's (2018) study on the factors affecting FDI, they investigated the association between current accounts and foreign

direct investment. They concluded that the current account deficit- among other factors- increases fragility in the economy, which is considered a sign of a potential economic Crisis. Such risk is not preferable by investors. Therefore, in order to keep foreign direct investment, the ratio of the current account deficit to GDP should not be higher than %3.57 (ZengiN et al., 2018). after understanding the necessity of energy imports for production, the 3.5-4 % current account to GDP has been accepted by market participants as a threshold for a sustainable current account deficit<sup>4</sup>(C. et al., 2016).



**Figure 6.1. Current Accounts in Türkiye**



**Figure 6.2. Foreign Direct Investment in Türkiye**

<sup>4</sup> The increase in energy imports is the cause of the continuous Current Account Deficit, as it was generally accepted to be one of the reasons for the crises in 1994 and 2001. The Current Account deficit to GDP ratio should not exceed a specific critical threshold (3.5-4)% in order not to harm economic growth (C. et al., 2016).

Since the start of 2023, the current account deficit has narrowed to \$ 4.48 billion in March after it reached \$10 billion in January due to the increase in total imports. The data between May 2022 and March 2023 shows fluctuating values of foreign direct investment while it reached its highest point in May 2022. It seems that despite the empirical studies, Türkiye can maintain foreign direct investment even with fluctuations, as the country is still an attractive destination for foreign investors. Türkiye's strategic geographical location, with its large domestic market and markets in the Middle East and Central Asia, provides access to a vast consumer base due to the possibility of promoting joint projects (Karsova & Mishchenko, 2021). Having a well-developed infrastructure, skilled and dynamic labour force, and diverse natural resources, including minerals and renewable energy resources, along with relatively high business confidence, contribute to attracting foreign investors. It is worth noting that besides the economic factors, Foreign Direct Investment is subjected to political factors as well (Çalık et al., 2019).

Other economic issues that concern businesses and traders in Türkiye are inflation and currency depreciation. The blame for the decline in exports in the second half of 2022 was on inflation and the rising exchange rate, which have been a serious issue since 2020. There are several studies on the relationship between trade volume, international trade, and exchange rate and devaluation. From a scientific point of view, Economists and scholars have been arguing whether exchange rates affect trade volume positively or negatively. Baron (1976) and Giovannini (1988) provide models that show how an increase in exchange rate volatility may not necessarily have an impact on trade volume. De Grauwe (1988), Sercu and Vanhulle (1992), and Dellas and Zilberfarb (1993) have introduced models that show how the increase in exchange rate volatility may enhance levels of trade. While in the empirical arena, researchers took different paths; some researchers found a statistically negative relationship between trade and exchange rate volatility. More recent and relevant studies on developing economies investigate the impact of exchange uncertainty on exports in their countries. They assume that exchange rate risk is relatively important for trade flow in developing countries since financial markets do not have a sufficient role in protecting currency (Kasman & Kasman, 2005). An empirical analysis of determining factors of Türkiye's export performance between the years 1980-2014 revealed that demand for export gives a positive response to shocks in external

income level and real exchange rate. On the supply side, when domestic currency remains depreciated, export volume increases (Karagöz, 2016).

It is hard to analyze or estimate the full extent of the impact of the Russian-Ukrainian War on the Turkish economy. Türkiye has faced major challenges that took place throughout 2022 and 2023; the February 6 earthquakes are on the top of these challenges. The most deadly natural disaster in modern Türkiye's history killed more than 44,300 people and caused injuries for thousands. The earthquake caused about \$34.2 billion of direct physical damage in 11 provinces in the south.

According to the Ministry of Finance and Treasury's report, the cost of the disaster was approximately 103.6 billion dollars. The damage came from destroyed housings, buildings, factories, and machinery losses, in addition to stopping manufacturing in the earthquake area (Buyuk, 2023). In order to cushion the impact of the earthquake on the economy, the Turkish central bank cut the interest rate to 8.5 in February 2023. The construction has started in the damaged provinces (Gerrard, 2023). The costs of infrastructure buildings and the burden of providing subsidies for affected families and citizens are considered a greater challenge compared with other geopolitical threats Türkiye deals with. Fortunately, Türkiye has a diversified export structure that can support its economy and contribute to its survival during the challenges it is facing. Studies have shown that economies with a relatively specialized export structure are more vulnerable compared to economies with a more diversified export structure (Parikh & Stirbu, 2004).

## **6.2. Tourism**

According to the Data of the World Tourism Organization (UNWTO), the tourism sector has played an important role in the development of states' economies since the 1950s and has been one of the top three important sectors of production since the 2000s (Uslu & Akay, 2019). Tourism is one of the most dynamic and vital sectors in the Turkish economy due to its contribution to foreign currency flows and economic growth. The fast growth of the tourism sector over the years has encouraged the country to rely more on it for its rising revenues. Recent years have shown the direct impact of global crises such as natural disasters, pandemics, internal tensions,

political instability, revolutions, and regional Conflicts on international tourism flow. Tourism statistics in Türkiye in the previous years have shown that the Global Economic Crisis in 2008 resulted in a decrease in international tourist arrivals by %4 (UNWTO, 2013). We have seen that after the tensions that happened between Russia and Türkiye in 2015, the number of Russian tourists to Türkiye has dropped dramatically (76.26% decrease in 2016 compared to 2015) (Uslu & Akay, 2019). Tourism is inseparable from international relations (Akkemik, 2012). However, tourism in Türkiye has not been affected by all the regional political instability to the same degree. The Economic Crisis in Russia and the political tensions between Russia and the EU in 2014 did not lead to a decrease in the number of tourists arriving in Türkiye; on the contrary, they created opportunities for tourism in Türkiye. Statistics on tourist flow proved that international tourism is indirectly affected by political instability in Iraq and Syria (Tekin, 2015).

**Table 6.2. Tourism Receipts in Türkiye**

Tourism Receipts (Thousand \$)									
AYLA R	YILLAR					DEĞİŞİM ORANI (%)			
	2019	2020	2021	2022	2023	2020/2019 (%)	2021/2020 (%)	2022/2021 (%)	2023/2022 (%)
	TOPLAM (Total)	TOPLAM (Total)	TOPLAM (Total)	TOPLAM (Total)	TOPLAM (Total)	TOPLAM (Total)	TOPLAM (Total)	TOPLAM (Total)	TOPLAM (Total)
Ocak January	1 755 674	2 085 858	854 475	2 255 632	3 300 552	18.8	-59.0	164.0	46.3
Şubat February	1 505 062	1 682 608	722 424	1 875 432	2 483 195	11.8	-57.1	159.6	32.4
Mart March	1 865 797	895 926	1 059 071	2 439 132	2 906 758	-52.0	18.2	130.3	19.2
3 Aylık Toplam (3 Months Total)	5 126 534	4 664 392	2 635 969	6 570 196	8 690 505	-9.0	-43.5	149.3	32.3
Nisan April	2 287 216	175 638	1 198 135	2 460 332		-92.3	582.2	105.3	-100.0
Mayıs May	3 024 127	196 363	1 035 086	3 596 132		-93.5	427.1	247.4	-100.0
Haziran June	3 823 979	275 473	1 870 861	4 480 917		-92.8	579.1	139.5	-100.0

Table 6.2. (cont.)

<b>Temmuz</b> July	<b>4 951</b> 125	<b>711 042</b>	<b>3 844</b> 761	<b>5 485</b> 658		<b>-85.6</b>	<b>440.7</b>	<b>42.7</b>	<b>-100.0</b>
<b>Ağustos</b> August	<b>5 921</b> 319	<b>2 054</b> 698	<b>5 641</b> 288	<b>6 742</b> 144		<b>-65.3</b>	<b>174.6</b>	<b>19.5</b>	<b>-100.0</b>
<b>Eylül</b> September	<b>4 970</b> 573	<b>2 356</b> 564	<b>4 640</b> 682	<b>5 647</b> 309		<b>-52.6</b>	<b>96.9</b>	<b>21.7</b>	<b>-100.0</b>
<b>Ekim</b> October	<b>4 590</b> 419	<b>2 301</b> 315	<b>4 678</b> 158	<b>5 844</b> 119		<b>-49.9</b>	<b>103.3</b>	<b>24.9</b>	<b>-100.0</b>
<b>Kasım</b> November	<b>2 393</b> 087	<b>1 178</b> 102	<b>2 511</b> 421	<b>3 255</b> 279		<b>-50.8</b>	<b>113.2</b>	<b>29.6</b>	<b>-100.0</b>
<b>Aralık</b> December	<b>1 842</b> 095	<b>903 685</b>	<b>2 117</b> 226	<b>2 395</b> 784		<b>-50.9</b>	<b>134.3</b>	<b>13.2</b>	<b>-100.0</b>
<b>Kaynak : Türkiye İstatistik Kurumu , Merkez Bankası , Kültür ve Turizm Bakanlığı</b>									
Source : TurkStat, Central Bank, Ministry of Culture and Tourism									

It seems that the Ukrainian War did not have a direct impact on the international tourism sector, as its revenues rose to \$17835 million in the second quarter of 2023, but it has witnessed a significant decline, reaching \$8690 million in the fourth quarter of 2022. Among the arrivals, Russians were in second place after Germany in terms of the number of arrivals in 2022. The tourist flow from Russia to Türkiye increased by 11.5% in 2021 due to the geopolitical Crisis that led to a reduction of air transportation by Russian airlines (Ator, 2023). It is worth noting that, besides the Ukrainian Conflict as a factor affecting Tourism to Türkiye, there were major events that could impact tourism to some extent. The terrorist attack that occurred on November 13 on Istiklal Street in Istanbul, which resulted in the death of six people and injured 81 other citizens, could be a factor as the number of tourist arrivals slightly decreased in the following month after the bombing. The powerful earthquake that hit southeast Türkiye and northwest Syria on February 6 2023, might be another factor as well; however, the number of tourist arrivals has been increasing since the beginning of the year.

Many factors affect the demand for international tourism, such as income, relative tourism prices, transportation costs, and, most importantly, exchange rates. Purchasing power increases when the value of tourists' domestic currency is higher than the country they plan to visit. Therefore, it was expected that the value depreciation of the Turkish lira would attract more tourists as Türkiye is now a more affordable destination for entertainment, health, and education travels in comparison

with other European countries. Recent studies show that the value of the currency does not always lead to a rise in the number of tourism arrivals in Türkiye (Gaberli et al., 2021).

### **6.3. Refugees and Immigration**

Aside from the humanitarian losses The Ukrainians had since the beginning of the Russian invasion, the world has been dealing with another important humanitarian Crisis. According to UN figures, more than 8 million refugees fleeing military fighting have been recorded across Europe, 60% of which were in bordering countries. Türkiye is the country with high social mobility and hosts the largest population of refugees. Approximately 96,000 Ukrainians have fled to it since the start of the War (SABAH, 2022). In addition to the 2017 visa waiver program between Türkiye and Ukraine, Türkiye has facilitated Ukrainian arrivals to Turkish lands. Ukrainians have the option of seeking temporary protection, which provides individuals with residence permission to stay in Türkiye for one year. Residents have access to free medical care and the right to work after six months of arrival (Rayes, 2022). Indeed, the state faces social and economic challenges to adapt to the new demographic circumstances refugees and immigrants add. The good news is that there is a large community of Ukrainians who have been in Türkiye for years before the War, which could facilitate the transition of refugees and help them learn the language and the culture of the host country.

Immigration has become a serious issue for Turkish citizens. Since the start of the War in Syria and the displacement of millions of Syrians to Türkiye, the media has been taking any chance to represent refugees and immigrants as a serious economic burden to the country, which led to severe backlash. Citizens start to wonder what will happen to the economy after the arrival of more refugees from Eastern Europe after more than ten years of dealing with refugees from the Middle East. Scholars and researchers were concerned about the actual impact of refugees on the host country's economy in different areas of the world. It is typical to expect a rise in consumer prices in response to the increasing demand because of refugees' additional demand in the market. Controversially, Western Tanzania experienced lowered prices after the mass migration from Rwanda and Burundi between 1993 and 1994.

The 2016 Turkish Central Bank report revealed that the post-migration rise in demand for essential products (food, etc.) actually caused a decline in food product prices. In Jordan and Türkiye, both of which host a relatively large number of Syrian immigrants, macroeconomic data shows that immigrants contributed positively to economic growth. Moreover, the share of total foreign companies increased after the Syrian inflow to Türkiye (Tanrıku, F. 2021). Because of their vulnerable conditions, loss of assets that they cannot transfer to the host country, and lack of clear regulation of their status, scholars claim that Syrian refugees had a bad effect on the informal Economy (Altındag et al., 2018). A survey was conducted in southern Türkiye, where the majority of Syrian refugees live; the results show that Syrians reduced the shortage of labour in non-skilled sectors such as agriculture, Industry, and Construction. These sectors are problematic in the transition to middle-income countries. However, the rate of job loss was found to be low in the south (Tanrıku, F. 2021).

Studies on that matter found that migration boosts consumption, increases employment and production, and contributes positively to economic development, particularly in the fields of construction, hotel experience, and restaurants. Furthermore, they show that refugee arrivals have a positive impact on firm creation, especially firms that include foreign partnerships. A significant number of new firms were established by Syrian business owners who worked with Turkish businessmen (Altındag et al., 2018). Macroeconomic indicators show that financial aid from international organizations brought economic mobility to areas with a high Syrian population. These aids increased the demand for entry into the country and contributed to regional employment (Tanrıku, F. 2021). In other words, refugees in Türkiye seem to be more of a social acceptance issue rather than having actual economic roots (Arslan, İ., Bozgeyik, Y., & Alancioğlu, E. 2017). Society in Türkiye has always been characterized as having various ethnicities and groups since the Ottoman Empire; despite that, in some areas, there are still some tensions due to the differences in culture and lifestyle between the citizens and the other minorities. To conclude, the Ukrainian refugees' flow to Türkiye might cause some social tensions, but it will benefit the economy and create opportunities through increased demands on services and housing, boosting the business cycle. The sales of new and existing homes have witnessed a boom in December 2022 (Tradingeconomics, 2023).

## CHAPTER VII

### CONCLUSIONS

It was not the first time for Türkiye to take the mediator seat. With the escalating situation in Eastern Europe between Ukraine and Russia and the overlap of NATO's and Türkiye's interests on several agendas, the future of their partnership has been a real concern for many decision-makers. Türkiye's expanding role in the international arena has made the shifts in its foreign policy more obvious, which put pressure on the national authority. Historians have observed the same actions that Türkiye took during Conflicts in the Balkan region and its perception towards Russia and the West. However, the change in geopolitical order and Turkish motives and interests added new dimensions to Türkiye's traditional relations with Europe and the United States. Conversely, Russia, as part of BRICS, and Türkiye, a promising near BRICS power, have emerged as influential actors in Eurasia and the Middle East. Both countries have enjoyed relative Economic prosperity and political stability, which facilitated a high degree of interdependence between them and allowed them to play a more active role in the international arena (Öniş & Yılmaz, 2016).

I argue that Türkiye's new perception towards its Western partners has facilitated its way of balancing between its geopolitical aspirations, security and military development, and economic and domestic needs. This new perception resulted in intense military development, the adoption of defence diplomacy policies, and the action of neutrality in the context of the Russian-Ukrainian Conflict. The War in Ukraine has revealed Türkiye's powerful geopolitical position; its close relations with Russia and Ukraine, its readiness to implement the Montreux Convention, and its NATO membership have facilitated the Turkish leadership's ability to break the country's isolation (Adar, 2022). The mediator role of Türkiye, in addition to its

Powerful use of defence diplomacy objectives was fruitful. The government has managed to be one of Russia's most trusted partners and a crucial weapons supplier

to Ukraine. I argue that the history and the nature of the relationship between Russia and Türkiye paved the way for the latter to stay in the grey zone during the Ukrainian Crisis. The War is still ongoing, and geopolitical events and states' responses may be subject to change. There is a possibility for Türkiye to adopt a more confrontational stance toward Russia. Türkiye would interfere to protect its straits from any further attacks or blockade by Russia or to prevent any hostility towards the Crimean Tatars or if NATO increases pressure on Türkiye to Unify against Russia (Devlen, 2014).

Armed Conflicts have the potential to destroy infrastructure, efficient trade routes, and productive resources as they escalate to higher intensity levels. The chaos that emerges from a Conflict environment leads to political and economic instability, such as the increase in transportation and insurance costs and difficulty with implementing contracts. These implications concern third parties and become the drivers that let them decide which side of the Conflict they should support in order to protect their economic partners (A. Aydin, 2008). On the other hand, Wars have the potential and opportunities for states to utilize their economic capabilities and diplomatic skills. These concerns were one of the explanations for Türkiye's role in balancing power during the Russian-Ukrainian War.

The breaks the United States took with its friendship with Türkiye or neglecting Türkiye's requests in the context of Turkish fighting terrorism proved the necessity of the development of the defence industry and technology. It is an old fear that Western powers have against the potential hegemonic Turkish military, adding to it the other strategic characteristic of the location at the intersection of the Caucasus, the Balkan, and the Middle East, which increases Türkiye's capabilities. A recent reason is the Western perception of Türkiye's policies towards current regional issues. Being the only NATO member that has good relations with Russia and Ukraine, that time has enhanced Türkiye's position in the international world. However, opposition to NATO's enlargement has irritated political leaders in Europe and in Washington, as has the tanker bottleneck outside the Turkish straits.

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# APPENDIXES

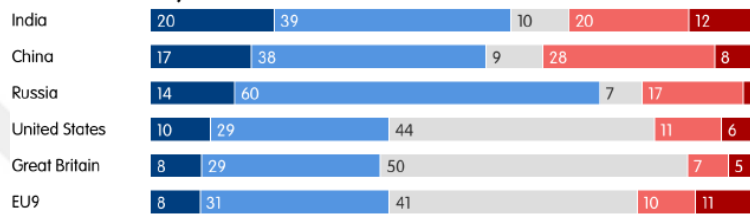
## APPENDIX A

**Figure A.1. World Perception of Türkiye**

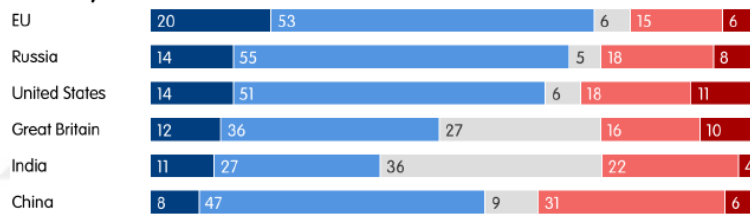
**Türkiye and others: mutual perceptions.** In per cent

- An ally – that shares our interests and values
- A necessary partner – with which we must strategically cooperate
- A rival – with which we need to compete
- An adversary – with which we are in conflict
- Don't know/No answer

**How others see Türkiye**



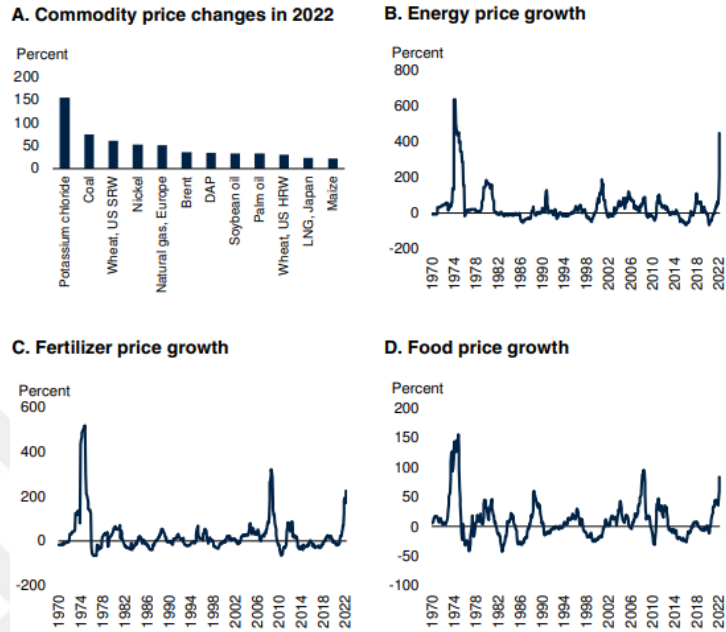
**How Türkiye sees others**



Source: Datapraxix and YouGov (DK, FR, DE, GB, IT, PL, PT, RO, ES), Datapraxix and Norstat (IE), Gallup International Association (US, CN, TR, RU, IN), December 2022/January 2023.  
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## APPENDIX B

**Figure B.1. Changes in Food and Energy Prices After the Ukrainian War**



Sources: Bloomberg; World Bank.

A. Three-month change in commodity prices through end March 2022.

B.-D. Charts show the percent change in monthly price indexes over a 23-month period. This facilitates a comparison of the April 2020 with the most recent data (March 2022). Prior to 1979 the energy price percent change is proxied by the oil price due to data limitations.

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