

RUSSIA, TURKEY AND THE SPECTRE OF REGIONAL INSTABILITY

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Abstract: The ongoing war in Ukraine will have political and economic repercussions in adjacent regions such as the Southern Caucasus, Middle East and North Africa, and Southeast Europe. In all of these areas, Russia and Turkey simultaneously co-operate and compete. The paper explores how instability triggered by the invasion could possibly affect the relationship between Moscow and Ankara. Among other ramifications, the conflict in Ukraine has led to a surge in oil prices that will help Turkey's competitors in Iran and the Gulf at least in the short term, and has led to a surge in bread prices in a Middle East heavily reliant on grain imports from Russia and the Ukraine. The brief argues that Turkey will exploit opportunities, e.g. in the Southern Caucasus and to a lesser degree in the Middle East and the Balkans, while it hedges bets between Russia and the West. All the same, regional instability threatens to make Russian-Turkish relations more contentious.

The war in Ukraine is already having a serious impact on Russian-Turkish relations. Ankara is trying its utmost to calibrate its response to the conflict. While it is supporting Kyiv on the one hand, including with arms supplies such as the infamous Bayraktar TB-2, it is also trying to mediate between the two sides on the other hand. Meanwhile, Turkey has also grabbed the opportunity to reset ties with its North Atlantic Treaty Organization (NATO) partners. In March, German Chancellor Olaf Scholz and Dutch Prime Minister Mark Rutte both visited Ankara. For his part, President Tayyip Erdogan attended a NATO summit in Brussels where he shook hands with France's Emmanuel Macron, another leader who has been a thorn in the side of the Turkish government over the past years. There are further question marks about the economic fallout from the war. Already hobbled by runaway inflation, Turkey is particularly vulnerable to the surging gas and oil prices as well as the higher bills for food imports. This is one amongst several reasons why Ankara has been reluctant to join the Western sanctions against Russia, much like its response to the Russian takeover of the Crimea in 2014. All in all, the conflict is a double-edged sword: it both offers Erdogan opportunities and creates serious domestic and external risks.

What is missing from the picture, however, is the broader fallout from the war. There are implications and effects for regions where Russia and Turkey interact as partners and competitors. This list includes the Southern Caucasus, the Middle East and the Balkans, in all three of which Turkey and Russia are key players in security, politics, and economy. They furthermore have a set of complicated relations with Western powers: the United States (US), the European Union (EU) and its major member states. In other words, developments in the above neighbourhoods will undoubtedly bear on how Moscow and Ankara relate to one another and design and conduct their foreign policies towards each other and the West. The purpose of this paper is to provide a snapshot of the war's ramifications on the three regions, and the possible implications on Russian-Turkish relations.

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The Southern Caucasus

The recent flare-up of conflict in Nagorno-Karabakh in 2020 allowed Turkey to insert itself in what Russia considers “a privileged sphere of influence.” Although the conflict ultimately reaffirmed Moscow’s role as the principal arbiter in the area and provided it an opportunity to put “boots on the ground” in Azerbaijan through a Russian peacekeeping contingent deployed along the line of contact, it also yielded gains for Ankara as well. The renewed rapprochement between Turkey and Armenia is a striking example. On 12 March, Foreign Minister Ararat Mirzoyan and Mevlut Cavusoglu held a meeting on the margins of the Antalya Diplomatic Forum. Mirzoyan is arguing that the time is now ripe for Armenia and Turkey to re-establish diplomatic ties. This is a realistic prospect given that the chief obstacle on the Turkish side – the Armenian control of six buffer districts around Nagorno-Karabakh proper – was removed after the Azerbaijani victory in 2020.

While the normalization process was already underway before the Ukraine invasion, the current conflict undoubtedly gives it further impetus. Russia, Armenia’s principal security and economic partner, is facing crippling sanctions which will no doubt have negative effects on Armenia as well. The imperative for Yerevan to diversify relations is as strong as ever. Prime Minister Nikol Pashinyan came to power in 2018 thanks to a pro-Western revolution similar to the earlier “colour revolutions” in Ukraine and Georgia that frightened Russia and arguably laid the path for the current conflict. Therefore, he and his supporters naturally desire to deepen ties with the West. However, at this political juncture such a move would undoubtedly lead to pushback from Russia. Turkey, by contrast, is more easily acceptable for the Kremlin, even though the rapprochement is not in line with Russian interests.¹

Another benefit for Turkey is the partial drawdown of Russian military forces from the region. There are reports of troops stationed in Tskhinvali, in South Ossetia (part of Georgia under Russian occupation which Moscow recognised as an independent state in 2008) being sent to Ukraine.² It remains to be seen if Russia will also relocate military personnel from the 102nd military base in Gyumri on the Armenian border with Turkey.

To be sure, there are also risks. There are fears amongst Armenians that Azerbaijan can use the window of opportunity granted by a distracted Russia to renew its onslaught against Nagorno-Karabakh (or “Artsakh” as they call the breakaway territory). The cut-off of gas supplies on 23-4 March caused particular concern. A new escalation in the area will inevitably draw in both Russia and Turkey, and could halt or even derail the diplomatic negotiations between Yerevan and Ankara.

The Middle East and North Africa

There are several dimensions to the repercussions of the Ukrainian conflict that the Middle East and North Africa will and already have begun to feel.³ First, the Russian invasion and Western response are pushing up the price of crude oil, which was already on an upward trajectory due to post-COVID-19 economic recovery. In turn, this affects the regional balance of power by giving the Gulf monarchies and Iran more breathing room economically. Secondly, the disruption of wheat exports from both Russia and Ukraine threatens political stability in parts of the Middle East which could create serious tensions between the countries. Thirdly, Russia has much less time and resources to focus on the region, compared to the peak of its involvement between 2015 to 2020. The US, however, needs to muster support for its effort to contain Putin. As a result, regional powers have a much greater scope to pursue their goals, meaning Turkey and its regional competitors such as Saudi Arabia and Iran stand to benefit.

Surging Oil Prices and Regional Competitors

Crude oil is now trading at roughly \$110 per barrel.⁴ That compares to an average of \$71 per barrel in 2021 and just \$39 per barrel in the middle of the slump caused by COVID-19 in 2020. Though the soaring prices will over the long-term push consumers to diversify away from oil and other fossil fuels and ramp up investment in renewables and decarbonisation, in the short term they are filling the coffers of Iran and the Gulf producers. In the first three months of 2022, Iran’s earnings from energy exports surged 2.5 times according to government data.⁵

To rein in rising oil prices and curb the negative impact on its domestic economy in a congressional election year, the Biden administration is busily talking to Saudi Arabia, the United Arab Emirates (UAE) and other oil producers. Its goal is to make them increase production to make it easier for other countries, especially in Europe, to relinquish Russian crude. However, thus far Riyadh and Abu Dhabi are resisting pressure and trying to preserve neutrality in the stand-off between Moscow and the West, especially given the coordination between Organization of Petroleum Exporting Countries (OPEC) and the Russian Federation under the so-called OPEC+ arrangement. The US is additionally in parallel negotiations with Qatar, a major exporter of liquefied natural gas (LNG), which can help partially offset part of the volumes shipped by Russia to Europe.

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Instability on the oil and gas market is an additional reason for the US to seek a deal with Iran. If sanctions are lifted, the Islamic Republic may export up to 3.8 million barrels/day (b/d), compared to 5 million b/d for Russia. However, the negotiations in Vienna hit a roadblock on 14 March, ostensibly because Moscow, one of the signatories to the deal, put forward additional conditions.⁶ Moscow is arguing that it is not playing the role of a spoiler, since it has been a staunch advocate of The Joint Comprehensive Plan of Action (JCPOA) since the very beginning in 2015, but is only trying to ensure that its economic interests are safeguarded. Either way, reaching a conclusive end to the JCPOA negotiations will take time.

The bottom line is that the Russian invasion of Ukraine has empowered both the Gulf monarchies and Iran. Accordingly, it has put the US on the backfoot. When Tehran's proxies openly carried out rocket attacks on Erbil, the capital of Iraq's semi-autonomous Kurdish region, nearby the American consulate last month, Washington barely responded to the brazen attack. The Saudis and the Emiratis are trying to squeeze the US as well. They are asking for security concessions in exchange of accommodating Biden's demands: intelligence sharing, support for the ongoing war against the Houthis in Yemen, joint exercises, etc.⁷ Gulf states may eventually acquiesce to American demands, but it will take hard work from America to convince its notional allies. Meanwhile, from the Turkish perspective, though Turkey will surely breathe a sigh of relief if oil prices go down, the current rise in oil prices means its competitors in the Middle East are making headway.

The coming food crisis in the Middle East

One of the indirect causes of the Arab Spring in 2011 was the poor harvest in Russia caused by a drought and widespread fires the summer before. Now authorities in countries like Egypt, where 85% of the wheat is imported from Russia, fear that a new shock is imminent.⁸ Such a shock in prices will breed social resentment and strain the public budgets to continue the bread subsidies. Popular uprisings in Sudan and Algeria over the past few years have shown that regimes in the region are not stable and volatility very much remains a possibility. Moscow will not be in a position to offer much help. It might actually worsen the regional countries' predicament, notably because the war is destroying crops in Ukraine, the third largest exporter worldwide.

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It is questionable whether Turkey would be able to capitalise either. Unlike the early 2010s, the Turkish economy is in dire straits and there is no scope for generous subsidies to struggling countries in the Middle East and North Africa.⁹ On the contrary, Erdogan is soliciting economic support from the likes of UAE and Saudi Arabia and is now pursuing a détente with Israel as well. In anticipation of the elections next year, Turkey is seeking to shed its revisionist reputation gained during the heady days of the Arab uprisings and recast itself as a status quo player. In sum, the most likely scenario is that both Moscow and Ankara will have to adapt to the shifting situation instead of taking advantage of it.

Regional geopolitics

With Russia's intervention in Syria in 2015 and subsequent involvement in Libya, it staked a claim as one of the principal power brokers in the Middle East. While Russia was relatively successful in this regard, the invasion of Ukraine is already limiting its capacity to act. Moscow's military is bogged down in a war of attrition with an unpredictable end. Ukraine is an existential issue for the Putin regime which overshadows everything else, including expanding its influence in more far-flung places in the name of Russia's ambition of becoming a global power and not just the chief power in the post-Soviet space. Moscow will honour its commitments to local clients like the Assad regime but will see its leverage decline, particularly as Iran comes out of isolation.

That of course does not imply that regional players will give up on their policy of hedging between Russia, China and the West. The Gulf, Israel and Turkey all essentially exhibit the same attitude: they are trying to be equidistant, mediate, and possibly profit from the situation. Interestingly, Tel Aviv, Dubai and Istanbul are three of the most popular destinations for upper and middle-class Russians seeking to escape as the country's economy deteriorates and Putin's regime becomes ever more repressive.

The Balkans

Received wisdom portrays Russia and Turkey as identical twins who are challenging the West in Europe's south-eastern corner, instrumentalising religious and historical ties, propagating their authoritarian models, and competing with Western powers. There is certainly an element of truth to this, particularly in the case of Russia. Indeed, Russia's

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principal goal in the Western Balkans (the five post-Yugoslav republics outside the EU as well as Albania) appears to be obstructing the enlargement of NATO and the EU. Turkey's policy is more ambivalent, however. While Ankara claims leadership over local Sunni Muslims and evokes their shared Ottoman legacy, it has also been supportive of Montenegro and North Macedonia's accession to NATO, in 2017 and 2020 respectively, and has cultivated close relations with Orthodox Christian-majority countries such as Serbia as well. Interestingly, Serbian President Aleksandar Vucic's response to the war in Ukraine very much mirrors Turkey's position. Serbia, where public opinion heavily favours Russia, has been pursuing a delicate balancing act between the West and Moscow. All in all, Turkish policy partly overlaps and partly diverges with that of the West.

The Ukraine war in all likelihood is going to narrow the differences between Turkey and the West and highlight divergences with Russia. Bosnia and Herzegovina is the obvious flashpoint. There, Russia is aligned with Serb Bosnian leader Milorad Dodik who has been hollowing out central state institutions and threatening to turn Republika Srpska, the Serb-majority entity, into an independent state. Turkey, by contrast, sees itself as protector of the Bosniaks (Bosnian Muslims), even as many bemoan Erdoğan's friendship with Serbia's Aleksandar Vucic. Yet the fratricidal bloodshed in Ukraine awakens painful memories of the Bosnian war and plays to Bosniaks' fears and anxieties.¹⁰ Turkey, like Russia, is a member of the Peace Implementation Council that oversees the Dayton Peace Accords and has been very consistent in arguing for a single Bosnian state for all three communities. Calls to speed up integration into NATO, a process Dodik is adamantly opposing, are growing, and Ankara will likely be arguing for the alliance's expansion.

Turkey is indirectly involved in the efforts to build up NATO's defences in South-Eastern Europe as well. At the summit in Brussels on 24 March, the alliance announced the creation of new battlegroups on its eastern flank with the aim of deterring Russia. Two of those are in Turkey's neighbourhood in Romania and Bulgaria. Though for the time being Ankara will not contribute troops to either of those, it did not obstruct the decision, much less play Russia's "Trojan Horse" as some argued it would. If the war drags on and Erdoğan's mediation efforts hit a wall, it should not be a surprise to see Turkey contribute to NATO's "forward presence" in the eastern Balkans.

The crisis also highlights energy security in the region. The West sees dependence on Russian gas as a critical weakness. As a result, the diversification of sources is again topping the agenda. The recent years have seen the inauguration of the so-called Southern Gas Corridor with the Transadriatic Pipeline (TAP) connecting Turkey to Italy via Greece.¹¹ The long delayed interconnector pipeline between Greece and Bulgaria is expected to come online in September. As a result, Azerbaijani gas will be able to reach the Balkans via Turkey. There will be interest in TAP doubling its capacity and claiming market share from Gazprom. The Turkish government will no doubt be central to this process.

Conclusion

Russian-Turkish relations are complex and ridden with contradictions. The war in Ukraine is coming as yet another test in the relationship, following the confrontation over Idlib and Libya in early 2020 and the showdown in Nagorno-Karabakh in the autumn of the same year. Turkey is in the process of resetting its relations with the West which will no doubt affect its posture and policy in its multiple neighbourhoods of influence. Frictions with Russia will become more frequent. Moscow's occupation of large parts of Ukraine, particularly the Black Sea all the way to Odessa, will also strain ties with Ankara. The question which should be on everyone's mind is whether the honeymoon in relations between Russia and Turkey which started in 2016 will endure or whether we are entering an altogether new phase marked by outright rivalry.

Endnotes

- 1- Moscow played a spoiler in 2009-2010, when Ankara and Yerevan went through a thaw.
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