

Policy Paper 3

Turkey, Asia and the EU in a Changing Global Order



Economic Drivers of Turkey's Foreign Policy and the Issue of "Strategic Autonomy" (Sub-Imperialism)

Policy Paper

Author: Prof Vasileios Fouskas

Panellists

Prof. Anne Deighton
Assoc. Prof. Pavel Kanevskiy
Prof. Meliha Altunışık
Dr. Carola Cerami
Assoc. Dr. Sinan Ünlüsoy
Dr. Defne Gönenc
Ecem Evrensel

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Executive summary

This policy paper draws on analyses, conclusions and a re-composition of papers presented to the 3rd third panel of the project, “Turkey, Asia and the EU in a Changing Global Order”. It also builds on the two preceding policy papers of the same project, advancing the argumentation along four key points: a) The changing relations between Turkey, Asia and Europe reflect on the one hand, Turkey’s growing economic presence at regional, European, and Afro-Asian levels and, on the other, the protracted downturn of Euro-Atlantic economies that followed the 2007-08 global financial crisis and the Eurozone crisis. b) Turkey’s active foreign policy reflects these changes seeking “strategic autonomy” in her international and regional decision-making, thus taking on “sub-imperial” forms. c) The war

in Ukraine has disrupted Chinese economic penetration of EU markets, blocked Russian gas supplies to the European Union (EU) while partially and provisionally changing Turkey’s strategic position in NATO as the Turkish Straits are bypassed by the Greece-Balkans corridor to supply war material and logistics to Ukraine. d) Turkey’s active multidimensional foreign and defence policy should be seen in the above contexts and in line with an emerging “non-aligned movement” centred on the so-called “Global South” (China, India, Pakistan, Brazil, and other emerging economies). The EU must confront these realities by creating policy conditions for more independence from the U.S. within NATO and facilitating a peace agenda in Europe and Asia.



Introduction

This paper looks at the changing political, security and economic environments of Turkey, the broader Middle East, and North Africa (MENA) region, and Russia. Factoring in China and the war in Ukraine, including the recent economic downturn in the Euro-Atlantic economies, also informed the contributions to this panel, enabling the production of solid arguments. Overall, Turkey attempts to balance its interests between the West and the East¹, albeit at times in a sub-imperial manner.² Before the AK Party (AKP, called Justice and Development Party in English) came to power in 2002, Turkey had a military presence outside of NATO missions only in Cyprus. Yet, in her recent pursuit of “strategic autonomy” from NATO and to protect and advance her own economic interests, Turkey has since expanded its military presence in Syria, Iraq, Libya, Qatar, and Somalia. This sub-imperial policy works in tandem with Turkey’s growing economy at regional, European, and Afro-Asian levels, a growth that reflects the relative global power shift to China, India, and other emerging economies in the Global South. However, this policy paper shows that this shift remains relative and that no disengagement of Turkey from Western security and economic arrangements has occurred. As a result, uncertainty has increased both among Turkish party and political elites and between other actors wishing to exert influence on Turkey’s sovereign decision-making. Characteristically, until now, only few Turkish political parties have produced robust policy in relation to Turkey-Russia or Turkey-China relations.³ The war in Ukraine has added to this uncertainty, as it appears to have disrupted Chinese and Russian ventures in Eurasia (oil and gas pipeline projects, FDI and high-tech asset acquisition, trade etc.), thus obstructing non-Western integration processes in Europe and Asia, yet perhaps strengthening Asian integration and a revival of a “non-aligned movement” centred on the so-called Global South.

The above points will be illustrated and discussed as follows: first, the paper looks at the economic foundations of Turkish foreign policy; second, it expands on this to assess Turkey’s notion of “strategic autonomy” in terms of security and defence, something that can be defined as “sub-imperialism”; and third, it then contextualises the changing environment of Turkey-Russia relations, while factoring in the war in Ukraine and its impact on EU-Turkey relations.



¹ These aspects, albeit using different terminology, are examined in Policy Paper 1; see, Defne Gönenç (2022). Turkey-Asia Relations in a Changing Global Political and Economic Order. Yaşar University Centre for Mediterranean Studies Policy Paper I, available open access at <https://cms.yasar.edu.tr/wp-content/uploads/2022/09/Policy-Paper-I.pdf>

² We discuss the issue of sub-imperialism in some detail below.

³ Patriotic Party (Vatan Partisi in Turkish), AKP, and Republican People’s Party (CHP, Cumhuriyet Halk Partisi in Turkish) are found to have developed most relations with the actors in Russia and China and most robust policies towards Turkey-Russia and Turkey-China relations so far.

The economic foundations of Turkey's emergence as a regional power

If the last 20 or so years can be seen as a continuum while brushing off some endemic problems, such as inflation, and crises generated by exogenous factors, such as the impact of the global financial crisis, Turkey's economy has developed exponentially. This trend predates the AKP's rise to power, as can be seen from the following table.



Table I. Some comparative developmental indicators (Portugal, Spain, Turkey, and EC-12) in 1992

	Portugal	Spain	Turkey	EE-12
Population	10,4	39,0	57,2	350,0
Fiscal deficit (% GDP)	-5,8	-4,5	-3,0	-4,7
Public debt (% GDP)	65,3	46,0	15,1	59,4
Inflation (%)	9,0	6,4	62,1	4,4
GDP	0,7	2,0	2,5	1,3

Source: Own elaboration of data from the UN's Yearbook of International Trade Statistics, NY, 1993 and the OECD's Foreign Trade Statistics, Series C, various years

In the 1990s, apart from inflation, Turkey fared better than any other South European country. At the time, for instance, neighbouring Greece had a public debt at 116% of her GDP and an annual inflation rate at 16,5%. Bülent Gökay's contribution explains the dynamics of Turkey's economy in terms of the interaction between domestic and international factors. In the domestic domain, the AKP pursued a neoliberal economic policy allowing Western capital inflows to operate without restrictions, while depoliticising class relations by promoting Islamic values at the ideological level and social policies at the welfare level, especially regarding health, education, and housing. The scheme, nevertheless, stopped bringing electoral benefits when in several instances the US Federal Reserve – upon which Western capital outflows were dependent – began introducing high interest rates.⁴ This raised the borrowing costs for Turkey's Treasury, while causing capital flight. Yet again, the Turkish economy rebounded and if some difficult economic periods and political junctures are accounted for, the overall

developmental outcome is impressive. Turkey's rate of investment since 2002 has been over 30%, well above that in most EU countries. Likewise, the contribution of industry to Turkey's GDP is higher than 30%, which is often well below 20% in most EU countries.⁵ Turkey supplies the EU market with buses (second supplier) and household appliances (80% of all such appliances sold in the EU are made in Turkey). For instance, the multinational company Koc controls some 19% of Germany's electronics market, after buying Grundig. Between 2001 and 2006, Turkey's GDP grew by 7,5% on average, while in the first semester of 2011, her economy increased by 13%, overtaking China's rate of growth – and this despite the banking and debt crisis hitting the core economies of the EU and the West as a whole. Istanbul's GDP alone is larger than Greece's. These achievements are the result of the dynamism of the Turkish private sector, which employs a multivector strategy stretching from Russia, the Black Sea area, the Balkans and the Eastern Mediterranean to Africa, Middle East, Central Asia, and the Caucasus.

⁴ Bülent Gökay, "Turkey: swinging pendulum away from the EU, 2005-07 onwards", Panel III, September 2022.

⁵ Data from TURKSTAT, 2021.

Meliha Altunışık brings this discussion into a geo-economic/geopolitical terrain. She focuses on the geopolitics of the Caucasus and Central Asia, reflecting a comeback for Turkey from the 1990s, when her presence in these two regions was relatively weak.⁶ There, Turkey somewhat competes for influence with Russia and China. It is significant, in this respect, to consider Chinese and Russian contributions to Turkey's combined economic development. In 2008, the Russia-Turkey trade volume reached a peak of \$38bn. Also, by 2017, some 2,000 Russian firms were in operation in Turkey and some 1,500 Turkish companies were in operation in Russia.⁷ Turkish companies are active especially in the fields of construction, alcoholic beverages and household appliances, and energy. Russia, by contrast, is the foremost supplier of gas to Turkey and this is one reason that can explain the country's "neutral" stance in the conflict in Ukraine. In addition, Russia supplies Turkey with military and nuclear technology. China has also contributed towards Turkey's socio-economic development. For instance, China included Turkey in her Belt and Road Initiative plans and has invested in projects in Turkey concerning infrastructure, innovation, and telecommunications. In addition, China is Turkey's third largest trading partner. For example, in 1990, trade between the two countries was at \$238mn, which then hit \$26.4bn in 2017.⁸

The last 20 years has demonstrated Turkey's extraordinary export potential. This is the combined result of neoliberal (i.e., supply-side) policymaking and the forces of globalisation operating inside the country. During that period, Turkey has established herself as one of the 20 largest economies in the world (G-20) (Graphs 1 and 2).

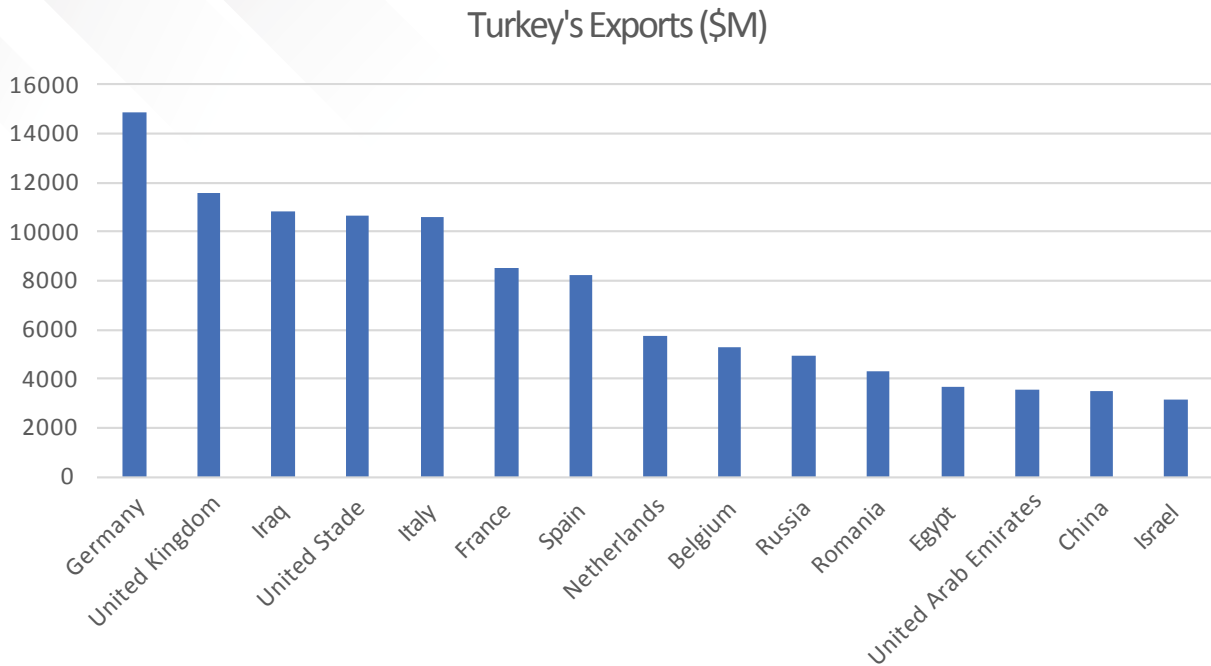


⁶ Meliha Benli Altunışık, "Turkey's return to the South Caucasus and Central Asia", Panel III, September 2022.

⁷ See, Alan Cafruny, Vassilis K. Fouskas, William D. E. Mallinson and Andrey Voynitsky, "Ukraine, multipolarity and the crisis of grand strategies", *Journal of Balkan and Near Eastern Studies*, v.25, n.1, 2023 (available online free access at the journal's website).

⁸ Bülent Gökay, "Turkey: swinging pendulum away", *op.cit.*

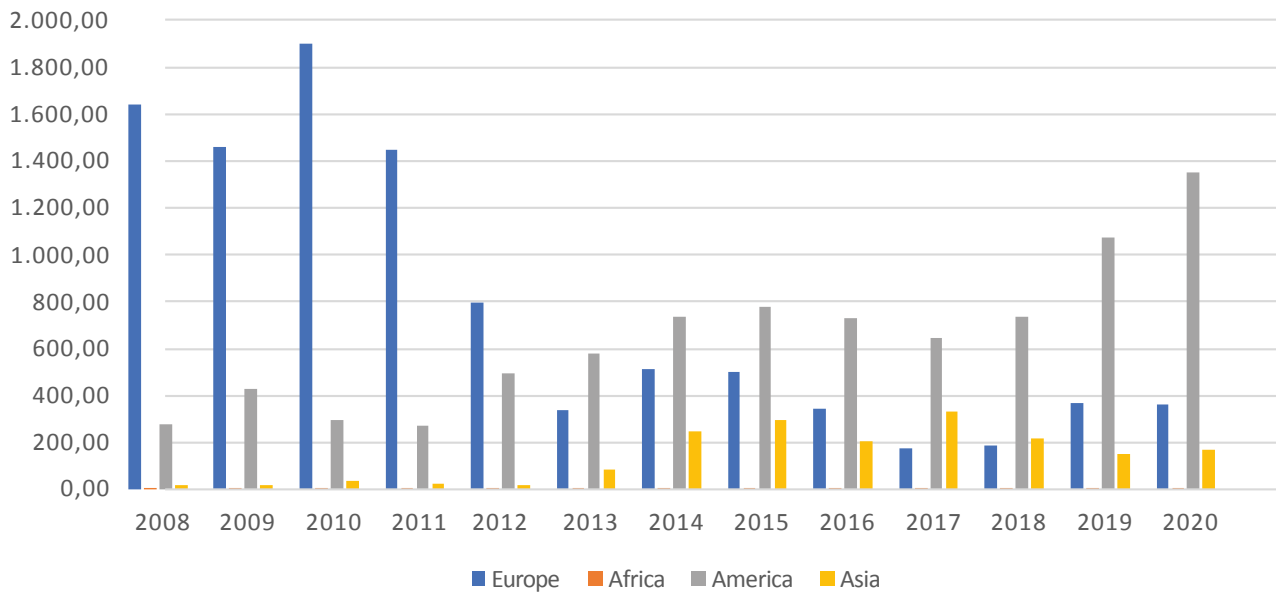
Graph 1:



Source: Own elaboration of data from OECD and TURKSTAT

Graph 2:

Turkey residents Portfolio Investment Assets in Foreign Securities-Geographical Allocation (Million USD)



Source: Own elaboration of data from OECD and TURKSTAT

This export potential can define the country as “sub-imperial”, in the sense that she appropriates value generated abroad while flanked by an expansion of the country’s defence budget and an increasingly securitised agenda in external relations (see below).

However, the crisis of globalisation and the relative power shift to China and other emergent economies was not enough to disentangle Turkey from its Euro-Atlantic connections. EU member-states, especially Germany, continue to be Turkey’s most important trade and investment partners and Turkey remains firmly anchored in NATO.⁹ These complex realities are hardly captured by Turkish political parties, most of which prefer to brush off the issue of the rise of Asia and whether Turkey should embrace it or not.¹⁰

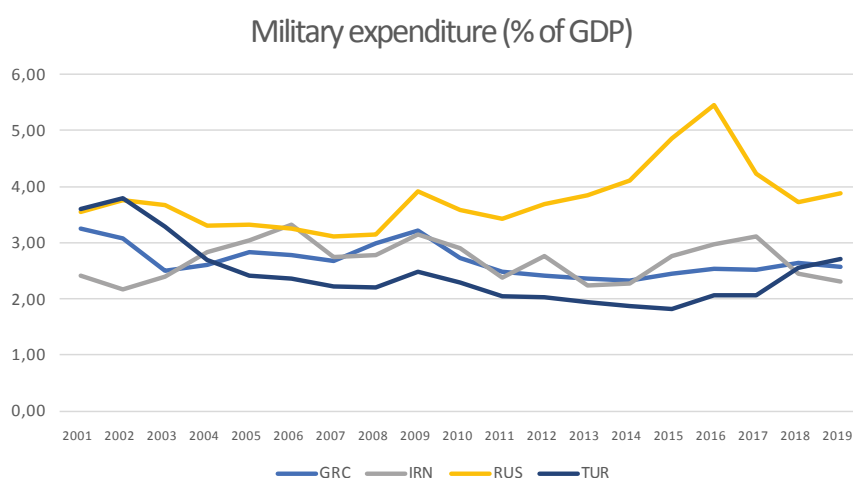
Strategic autonomy: sub-imperialism¹¹

The failed 2016 coup attempt against the AKP laid the foundation for a complete reshaping of domestic power relations, serving Erdoğan’s ruling coalition with a presidential and highly authoritarian form of governance.¹² This form of governance is embedded in the global redistribution of power in the era of neoliberal globalisation and economic crisis. Turkey is not alone in operating alongside authoritarianism. Many states around the world have similar forms of “electoral dictatorships” which vary in style, bureaucratic procedure, and appearance rather than policy substance and programmes. Authoritarian neoliberalism in Turkey as elsewhere is a direct reflection of the crises of neoliberal globalisation.¹³ At the same time, the Turkish elite’s discourse about “strategic autonomy” is premised on the economic performance and growth of the country as outlined in the previous section. Geopolitically, the relative withdrawal of the U.S. from the MENA region and Central Asia created a regional political vacuum for Turkey to advance, taking place in parallel with analogous moves by Russia and China. Thus, “strategic autonomy” exploits the newly emerging multipolar world order,

which creates new geostrategic zones free from North Atlantic presence and pressures. In these newly contested zones, Turkey re-enters with both advantages and disadvantages.¹⁴ In the Afro-Asian system of power distribution, Turkey remains a smaller player compared to Russia and China overall, as it has been a subordinate of the U.S., Germany, and Japan in the Western system of power distribution since the 1940s and the era of Marshall Plan. In this sense, and despite Turkey’s power projection in Syria, Iraq and Libya which can be characterised as “sub-imperial” in tandem with the export of capital and the quest for “strategic autonomy”, Turkey continues to be sub-imperial and subordinate to the economic and political caucuses of the core (Euro-Atlantic area and Japan). In this context, the Ukraine crisis leads Anne Deighton to make an argument about the possible loss of Turkey’s strategic importance “for the West and for the EU”.¹⁵ Turkey, Deighton argues, carefully navigates the power relations between Russia, China, and the Euro-Atlantic core, yet Turkey cannot reverse her current position brought about by Russia’s invasion of Ukraine.¹⁶

Because of its developmental impetus over the last two decades, Turkey's defence expenditure has increased (Graph 3). Having moved from a "zero problems with neighbours" policy to entering into "troubles with virtually all neighbours", Turkey has also decreased its dependence on defence imports from core Western countries, producing itself sophisticated weapons system and Unmanned Aerial Vehicles (UAV), while entering coproduction consortia in defence matters with countries such as Germany and Spain. Turkey had also entered into a controversial defence agreement with Russia offering Turkey Russian S-400 missiles, which NATO and the U.S. cannot incorporate into their North Atlantic operational planning.

Graph 3: Turkey (TUR) and her close geopolitical neighbours Greece (GRC), Iran (ERN) and Russia (RUS). Military expenditure 2001-2019



Source: Own elaboration of data from the Stockholm International Peace Research Institute (SIPRI), <https://sipri.org>

⁹ See also, Tuba Eldem, "Spotlight Turkey: A pivotal swing state in NATO", *Turkish Policy Quarterly*, 7 September 2021, <http://turkishpolicy.com/article/1070/spotlight-turkey-a-pivotal-swing-state-in-nato> (accessed on 10 December 2022)

¹⁰ Ecem Evrensel, Sinan Ünlüsoy, and Defne Gönenç, "Turkish political parties' policies towards Asia", Panel III, September 2022.

¹¹ The term "sub-imperialism" originated in the 1960s and 1970s in the context of the debates of neo-Marxist theories of dependency and core-periphery relations. It was originally coined by Ruy Mauro Marini to describe Brazil's regional economic and political power after the 1964 military coup that overthrew President João Goulart. According to Marini and others, the sub-imperial agents are "intermediaries in the relations between centre and periphery when they are simultaneously both dominant and dominated units; more dominated than dominant, however". Sub-imperialist agents' dependence on the core can take technological, financial, and commercial forms, with sub-imperialist powers tied to the core through the imperialist centre's know-how, big transnational corporations, foreign debts, and trade. The sub-imperial state takes advantage of the regional political, military, and economic expansion of imperialism to assert its power in foreign policy without a necessary break from the imperialist core. See, especially, Andre Gunder Frank (1979) "Unequal accumulation: intermediate, semi-peripheral and sub-imperialist economies", *Review* (Fernand Braudel Center), v.2, n.3, pp.281-350. Mauro Ruy Marini (1965) "Brazilian 'interdependence' and imperialist integration", *Monthly Review*, v.17, n.7, pp.10-29. Although these debates are somewhat dated, they serve the purpose of the paper here in that they provide a first understanding of the meaning of "sub-imperialism" and how it can be applied to the case of Turkey, a rising regional power.

¹² Bülent Gökay, "Turkey: swinging pendulum away", *op.cit.*

¹³ This argument is developed in full in Vassilis K. Fouskas and Bülent Gökay (2019) *The Disintegration of Euro-Atlanticism and New Authoritarianism. Global Power-Shift* (New York: Palgrave).

¹⁴ The peripheral advantages of Turkey can be ideological, religious, cultural, and geographical, and the disadvantages can be technological and economic, as Turkey does not possess the wherewithal of China and Russia in the Afro-Asian context.

¹⁵ Anne Deighton, "Turkey, the EU and the China/Asian factor in historical perspective: implications for the EU", Panel III, September 2022.

¹⁶ This argument is not adopted by the other contributors of the panel, such as Pavel Kanevskiy, "Russo-Turkish relations in the age of crisis and implications for the EU", Panel III, September 2022. Kanevskiy argues that Turkey and Russia have somehow compartmentalised their geopolitical and power relations and whereas they compete on some issues they cooperate on others. At no point does he insinuate that the loss of Turkey's strategic position is a result of the Ukraine crisis. On the contrary, he considers Turkey as a "diplomatic hub" in this period of crisis.

Turkey's multidimensional foreign and security policy reflects her position as a strategic hub and also of the increased geopolitical opportunities offered by an emerging multipolar world system. As Cihan Tuğal puts it, the AKP elites see themselves not simply as a "bridge" between the West and the rest, "but a force that both the declining American empire and its emergent competitors must reckon with".¹⁷ Nevertheless, Turkey is above all a regional power exercising her external economic and political potential in its immediate periphery, i.e., the Eastern Mediterranean, the Balkans, the Caucasus, and Central Asia.

Carola Cerami's paper focuses on Italy, Turkey, and China. She examines geopolitical competition in the Eastern Mediterranean and its impact on the EU. Cerami's argument is that the Eastern Mediterranean region has become a sort of "geopolitical and geo-economic laboratory" for the EU on account of four strictly interconnected reasons. First, the issue of hydrocarbons that generates regional competition as regards the delimitation of Exclusive Economic Zones (EEZ). Second, the refugee crisis. Third, the renewed presence of great powers in the area. And fourth, the renewed inter-state rivalry. Cerami also tackles the issue of hydrocarbons around Cyprus, whose EEZ is contested by Turkey as indeed is the EEZ of Greece's Aegean islands.¹⁸ Cerami notes the involvement of foreign multinationals in the extraction of hydrocarbons in the various fields in the Eastern Mediterranean, including the

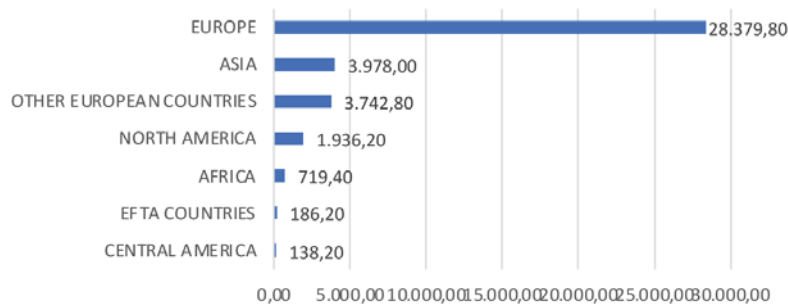
important role of Italy's National Hydrocarbons Authority (NHA) and France's Total. Turkey, Cerami argues while castigating Turkey's authoritarian regime, should nevertheless be included in multilateral negotiations regarding resources allocation in the Eastern Mediterranean, as any exclusion policy would increase regional tensions while strengthening the authoritarian tendencies of Erdoğan's regime. Multilateralism would appease Turkey's claims, offering an equitable solution to the allocation of resources in the region. From this perspective, Turkey masters well her relationship with Russia in the Caucasus, Syria and Libya, whereas she cooperates with the Euro-Atlantic powers over Iraq. Nevertheless, there is tension between Turkey and France in the Eastern Mediterranean, especially over Libya and the Levant, whereas France seems to be siding with Greece over Turkey-Greece disputes.¹⁹

Turkey's sub-imperial tendencies go beyond her immediate periphery and expand to Africa.²⁰ Although Europe receives the largest amount of FDI from Turkey in dollar terms (Graph 4), Africa has seen the sharpest increase in Turkey's FDI since 2015 (Graph 5). FDI flow from Turkey to Africa grew by almost 400% in 2019, compared to 2015. This is taking place alongside generous humanitarian aid, chiefly but not exclusively led by the state agency, TİKA (Turkish Cooperation and Coordination Agency). Turkey is also a regional pioneer in the export of cultural commodities in the Balkans and the greater Middle East, such as popular TV series or financing construction of new mosques. This type of "soft power" expansion is accompanied by "hard power" expansion: in 2017, Turkey set up a military base in the Somali capital, Mogadishu, gaining a security foothold in the Horn of Africa.

(Turkish Cooperation and Coordination Agency).²¹ Turkey is also a regional pioneer in the export of cultural commodities in the Balkans and the greater Middle East, such as popular TV series or financing construction of new mosques. This type of “soft power” expansion is accompanied by “hard power” expansion: in 2017, Turkey set up a military base in the Somali capital, Mogadishu, gaining a security foothold in the Horn of Africa.²²

Graph 4:

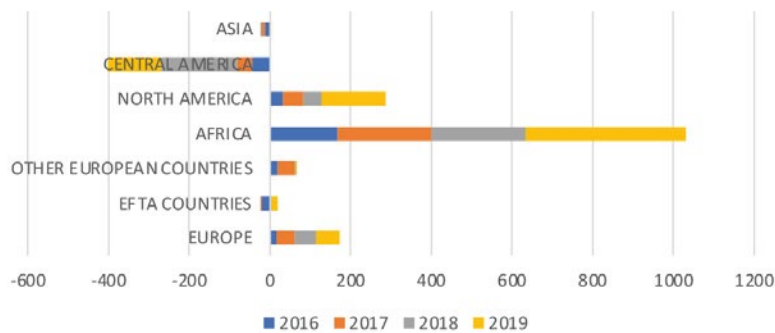
Turkey residents' Foreign Direct Investments Abroad by region between 2015-19 (Million USD) - average levels



Source: Own elaboration of data from OECD, TURKSTAT and EUROSTAT

Graph 5:

Turkey residents' Foreign Direct Investments Abroad by region - index, with 2015 as base year.



Source: Own elaboration of data from OECD, TURKSTAT and EUROSTAT

¹⁷ Cihan Tuğal, “Ottoman revival?”, *Sidecar*, 14 October 2022.

¹⁸ Turkey argues that the Greek islands in the Aegean have neither EEZ nor continental shelf. Further Turkey has threatened Greece with war if Greece, according to the UNCLOS (United Nations Convention Law of the Sea) of 1982, exercises the unilateral right to expand Greek territorial waters from 6 nautical miles to 12 nautical miles. The odd case from the point of view of international law is that Greece exercises 10 nautical miles in the Aegean airspace but not 10 nautical miles at sea – at sea Greece is self-limited to 6 nautical miles.

¹⁹ In 2021, France signed a defence agreement with Greece, the notional “enemy” being Turkey.

²⁰ See the special issue of the *Journal of Balkan and Near Eastern Studies*, guest-edited by Bahar Baser, Francois Very and Elem Eyryce Tepecikloglu, “Turkey and Africa”, forthcoming in March-April 2023. See also, H. A. Aksoy, S. Çevik and N. T. Yaşar, “Visualising Turkey’s activism in Africa”, CATS, 3 June 2022, <https://www.cats-network.eu/topics/visualizing-turkeys-activism-in-africa> (accessed on 11 December 2022).

²¹ See, TİKA, <http://www.tika.gov.tr/en>, and also Bülent Aras and Yasin Duman (2019), “I/NGOs’ assistance to Syrian refugees in Turkey: opportunities and challenges”, *Journal of Balkan and Near Eastern Studies*, v.21, n.4, pp.478-491.

²² See, among others, Ash Rossiter and Brendon J. Cannon, “Re-examining the ‘Base’: the political and security dimensions of Turkey’s military presence in Somalia”, *Insight Turkey*, v.21, n.1, 2019, pp.167-188.

Turkey-Russia relations, Ukraine, and implications for the EU

For the AKP, Turkey must reckon with multipolarity, the new reality of the current world order. Total attachment to the West no longer serves the interests of Turkey, not least because – as we saw earlier – Turkey’s economy has grown to such a degree as to outcompete many of her competitors in Europe, Asia, and Africa. This environment dictates to Turkey the pursuance of a multidimensional foreign, economic and defence policy, while maintaining her ties to NATO and a diplomatic commitment to join the EU. The juncture of the Ukraine war has demonstrated Turkey’s ability to preserve, and in some instances even improve through diplomatic manoeuvring, her ties to Moscow, Kyiv and the West as a whole.²³ At the same time, Kanevskiy argues, the reason why Russia has consistently perceived Turkey as a “comfortable partner” despite the inherent antagonism between the two, is because Moscow does not consider Ankara as part of a united West. Partly because of Turkey’s geographical/geo-strategic position and partly because of complex geo-economic interdependencies, such as the issue of Turkey’s dependence on Russian gas, Moscow has cooperated with Ankara since the early post-Cold War days on a number of oil and gas pipeline projects, such as the Blue Stream project and, more recently, the TurkStream project. In October 2022, Turkey and Russia signed an agreement confirming Turkey as a gas hub and that if the EU wants gas after the destruction of the Nord Stream pipeline, she “can obtain it from the hub in Turkey”.²⁴ Russia and Turkey can make these agreements due to the compromises they have struck out in the Caucasus region over the conflict in Nagorno-Karabakh between Armenia and Azerbaijan, and also due to the modus vivendi established in northern Syria. The U.S. and the EU states are not major players in those areas, although France remains involved in the Levant, the Eastern Mediterranean, Libya, and Sahel, south of the Sahara. The U.S. has instead focused on striking two defence agreements with Greece, expanding American base rights and facilities in the country to assist Ukraine in her war effort against Russia. Greece’s northern port of Alexandroupolis has become a major logistics and transport base for NATO and the U.S., downgrading, albeit partially, the strategic significance of the Turkish Straits as a supply route of war materiel. If the eventual entry of Finland and Sweden into NATO is carefully considered, it is clear that the U.S. is pursuing a territorial strategy of NATO expansion as designed in the 1940s, all the while reinforcing her power in and around Japan, the South Pacific and the South China Sea.²⁵ Isolating Russia from Europe was the principal policy aim of the U.S. during the Cold War and it continues to be so today. In this context, reconfiguring and redirecting the flow of hydrocarbons to Europe away from a Russia-Iran axis has become of paramount importance

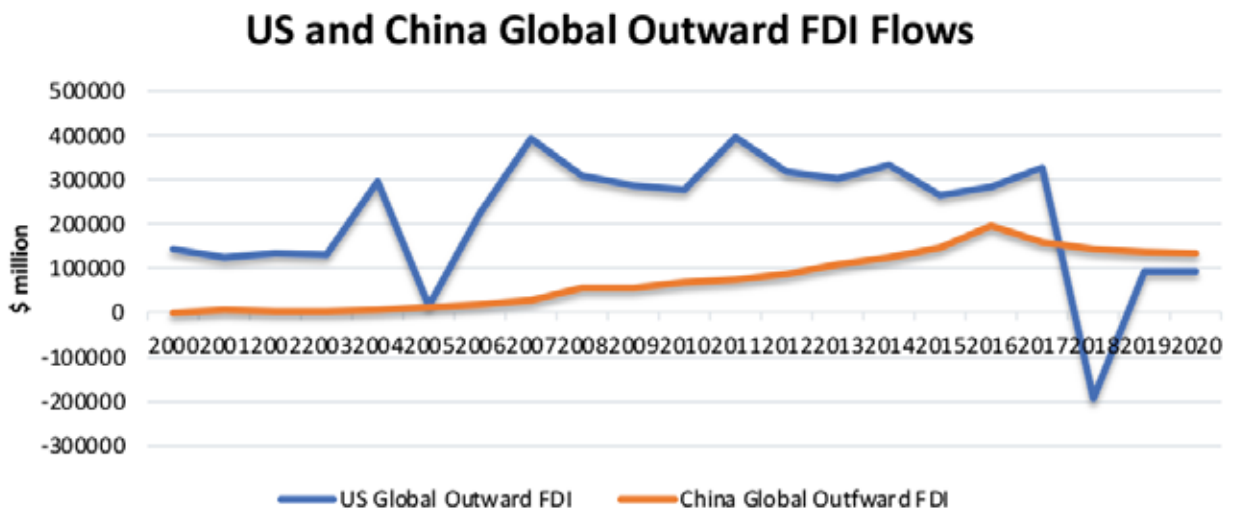
²³ Pavel Kanevskiy, “Russo-Turkish relations”, op.cit.

²⁴ Reuters Daily Briefing, www.reuters.com, 19 October 2022.

²⁵ The foundations of America’s grand imperial strategy were laid down in the 1940s. The debates were centred around three themes: whether the USA can govern the new world order via the Security Council of the United Nations (an idea espoused by President Delano Roosevelt’s team); whether the governance of the world can come through a policy of “containment” of the Soviet Union (an idea propounded by George G. Kennan in his famous “Long Telegram”); and whether the USA should militarily remain in Europe and Japan, thus defeating the Soviet Union via a “hub and spoke” imperial system of global governance, continuously expanding her dependant spokes under the aegis of NATO from the West and a militarised Japan from the East (the idea of Dean Acheson and Paul Nitze as it was fully developed in the famous NSC-68 document). For a full exposure of these debates and how they came to fruition throughout the Cold War years and beyond, see Vassilis K. Fouskas and Bülent Gökay (2005) *The New American Imperialism. Bush’s War on Terror and Blood for Oil* (Connecticut: Praeger), chapter 2. In our work, we argue that, in the main, the Acheson-Nitze argument prevailed and that the ultimate strategy followed by the USA to the present day is a territorial-military expansion of US power in Europe and Asia in an attempt to exclude Asian (enemy) states – the Soviet Union in the past, Russia, China and Iran today – from forming any meaningful economic-strategic or geopolitical partnership between themselves and with Europe.

for current US policy. The U.S. can supply the EU with liquefied natural gas (LNG) transported using special tankers that must port in newly constructed terminals in several EU states, an operation that can take some years to finalise. Meanwhile, the EU states would have to adapt to the economic reality of soaring energy costs and high inflation. Turkey is used to high inflationary pressures – currently at 82% –, whereas Russia’s inflation rate stood at 13.7% as of October 2022.²⁶ As demonstrated, EU and US policy on Ukraine creates spaces for Turkey and Russia to exploit, given the global circumstances and interpenetrating trade and investment processes (see also Graph 6).²⁷

Graph 6:



Source: Own elaboration of data from UNCTAD (2022)



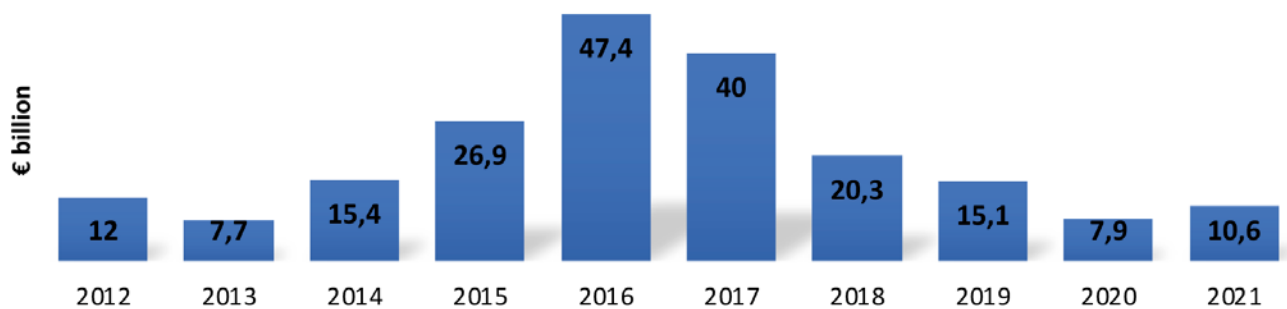
²⁶ Among others, <https://tradingeconomics.com> (accessed on 11 December 2022), where reliable comparative data can be found.

²⁷ See, www.statista.com (accessed on 30 October 2022). The Asian perspective about Turkey-EU-China relations is examined in Policy Paper II, see Qingan Huang, “Turkey, Asia and Europe: an Asian perspective”. Yaşar University Centre for Mediterranean Studies Policy Paper II.

However, Chinese investment in the EU has been slowing down since 2017, a trend that has been reinforced by the pandemic and is bound to continue due to the trade and investment disruptions caused by the war in Ukraine and the securitisation of East-Central Europe and the Balkans (Graph 7).

Graph 7:

China's Outward FDI Flows in Europe



Source: Own elaboration of data from the Rhodium Group (2022), <https://rhg.com>

NATO's (and the EU's) support of Ukraine in her war effort against Russia's illegal invasion tends to create a pool of countries in the Global South centred around China and Russia. This can be seen from the voting patterns in the UN, where countries such as India, Pakistan, Saudi Arabia, the UAE, Egypt – mostly "petro-states" – refused to align with the U.S. and the UK. Turkey refused to endorse the entire list of sanctions imposed on Russia in the wake of the war in Ukraine and continues to do so. In this context, Turkey's policy at the present juncture in the Ukraine crisis appears to be far more independent from the U.S. than that of the EU or individual EU countries. The Ukraine crisis has strengthened the resolve of Turkey to stand actively in a middle ground facilitating dialogue between Ukraine and Russia, whereas the EU and most Balkan countries, especially Greece, follow the lead of the U.S. despite the harm inflicted on their economies as a result of the war.

Concluding observations

Turkey's claim to "strategic autonomy" is tantamount to her recognition of her sub-imperial status. This provides Turkey with some flexibility on many important issues that require policymaking decisions based on independent assessments and her own self-interest. At the same time, Turkish elites have assessed the protracted downturn of Euro-Atlantic economies that came about following the 2007-08 global financial crisis, the Eurozone crisis, and the pandemic. Turkish foreign policy and her balancing act in the war in Ukraine reflect these changes seeking "strategic autonomy" in decision-making, whereas the security policy of the Turkish state in Iraq, Syria, Libya and elsewhere, including her military presence in Somalia, can be defined as "sub-imperial". This in no way implies Turkey's independence from the core power centres of the West, especially NATO and the U.S., but it does provide her with a substantial degree of freedom to manoeuvre. Turkey might have lost some of her strategic importance for NATO and the U.S. due to the facilities provided by Greece and the Balkan route in the Ukraine's war effort against Russia, but there is little chance that the West can exclude Turkey from any negotiations over the allocation of resources in the Eastern Mediterranean as long as these are based on international law and not power politics. The war in Ukraine seems to have disrupted Chinese economic expansion in Europe and Asia, obstructing non-Western integration processes in Europe-Asia – such as the Chinese Belt and Road Initiative – yet perhaps strengthening Asian integration and a revival of a "non-aligned movement" centred on the so-called "Global South". This can be seen from the voting patterns in the UN, as well as other initiatives, such as the agreement between Russia and Turkey to make Turkey a hub for exporting Russian (and Azerbaijani) gas to the EU. At the same time, however, the EU is forced to buy expensive LNG from the U.S., so that Russian influence on the EU is significantly reduced. Yet, Turkey's multidimensional foreign economic and defence policy placates both Russia and China challenging the EU, which must confront these realities and search for a policy that guarantees more independence from the U.S. within NATO.