Turkey-Iran Relations after the JDP

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After the JDP came to power in Turkey in 2002, much has changed in Turkish foreign policy as well as profound changes in international, regional and domestic contexts surrounding it. Particularly fluctuations in Turkish-Iranian relations in the course of seventeen years have been very puzzling, and complicated, which made it worthy of study. Once, relations between the two states have so improved that some pundits regarded it as an evidence of shift of axis in Turkish foreign policy. Soon later, Ankara and Tehran embroiled in a regional competition that reminded the Ottoman-Safavid rivalry of the 16th century with its strategic and sectarian implications. Later on, they have developed amicable relations. Against this background one may question how could we understand that very dynamic nature of Turkish-Iranian relations? Considering this complicated and dynamic picture, we should analyse decisive factors in the relations between Ankara and Tehran. In other words, what has changed - and has been changing - in Turkish-Iranian relations after the JDP? In order to comprehend the complicated and dynamic interactions between Ankara and Tehran, this research goes beyond the JDP period in Turkey and put forwards a review of the history of Turkish-Iranian relations. And then, it focuses on the JDP period and analyse relations between Ankara and Tehran from diplomatic, economic and regional perspectives. Finally, it makes some speculations on the future of Turkish-Iranian relations. It argues that the complicated relationship between the two countries have been determined by a configuration of geopolitical context, structural factors, and the ruling elite. The JDP elite have employed rationalization, institutionalization and compartmentalization strategies to further Turkish-Iranian relations. However, they could not go beyond the diplomatic culture that set the longer history of interactions between the two countries on a fine course between bitter rivalry and friendly relations.

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Introduction

1 The Justice and Development Party (JDP / Adalet ve Kalkınma Partisi, AKP), led by Recep Tayyip Erdoğan, came to power in Turkey in November 2003. Since then, it has dominated Turkish politics and a number of successive governments. In the course of this time, much has changed in the Turkish political structure, domestic context, and in both international and regional settings. Foreign policy in Turkey has also been fundamentally transformed. In the meantime, Turkish-Iranian relations have considerably improved. Indeed, the seventeen-year record of JDP rule in Turkey and its implications for Turkish-Iranian relations are worthy of study. However, the relationship between Turkey and Iran has a history longer than the JDP rule in Turkey. Considering their age-old acquaintance, the recent development of an apparently close relationship between the two raises the following questions: What are the major trends in Turkish-Iranian relations? And, how has the JDP’s rise to power affected those relations? In other words, what has changed in the relationship between Turkey and Iran since the JDP came to power?

2 This research paper aims to provide a trajectory of Turkish-Iranian relations particularly over the last two decades. It argues that throughout the long history of bilateral relations between them, Turkey and Iran have developed a kind of diplomatic culture in their dealings with each other. Although, there are apparent changes in their bilateral relations since the JDP came to power, Turkey-Iran relations have remained within the limits of that diplomatic culture which consists of the preservation of a ‘fine line’ between a bitter rivalry and friendly relations, cooperation and conflict. Certainly, a number of geopolitical and structural factors have been effective during this relationship. Nevertheless, political leaders play their role through their assessments of structural factors, geopolitical context, and potential opportunities. Depending on the various configurations of geopolitical, structural and leadership factors, Turkish-Iranian relations have oscillated between fierce competition and cooperation. Despite the apparent improvement in the Turkish-Iranian relationship since the JDP government, bilateral relations between the two countries have remained within the borders of that diplomatic culture. In order to substantiate this argument, this paper firstly provides an overview of Turkish-Iranian relations in recent history. After then, it focuses on analysis of relations between the two states particularly under the
successive JDP governments. Then, it concludes with an overview and some speculation on the future of Turkish-Iranian relations.
The historical background of Turkish-Iranian relations

The history of relations between Turkey and Iran can be dated back to the sixteenth century, when two competing imperial systems, the Ottomans and the Safavids, consolidated their rulership over the respective countries. Turkey and Iran were both former imperial centres, and the modern states established in these two countries are considered successors to the Ottoman and the Safavid imperial rule that had dominated most parts of Western Asia for centuries.

Many historians, however, have been inclined to attribute the history of Turkish-Iranian relations to earlier centuries, because the two peoples knew each other long before the migration of Turkic tribes into Asia Minor. The early encounters between the two peoples gradually evolved into the rise of a distinctive 'Turco-Iranian civilisation' that spread into much of Western Asia through the tenth to thirteenth centuries. The Turco-Iranian cultural synthesis gradually faded away with the westward march of the Ottomans, whereas the Safavids engaged in crafting a distinctive sectarian identity in their dominions.

As the nearby imperial systems, territorial and political conflicts prevailed over the Ottoman-Safavid relations against interval periods of peace. However, the Ottoman-Safavid rivalry and military conflicts were very intensive throughout the sixteenth and the early seventeenth centuries, when both imperial systems were committed to expanding their suzerainty. The imperial wars mostly revolved around the fertile territories of Mesopotamia and the Caucasus. Competition for the control of the trade routes passing through the aforementioned regions was also an important aspect of that rivalry. After the Safavids consolidated their authority over Iran at the turn of the sixteenth century and established Twelver Shiism as the 'official' creed, sectarian rifts coloured the Ottoman-Safavid rivalry. On the one side, the Safavids tempted to mobilise the Turkmen tribes of Anatolia that remained sympathetic to the religious order, Safawiye, which consisted of militant Shiite dervishes (Qizilbash) headed by Safavid Shah Ismail, against the Ottoman rule. On the other side, the Ottomans positioned themselves as the protectors of the orthodox, Sunni, understanding of Islam against the “Qizilbash heretics”. The Ottomans under Sultan Selim I, fought Shah Ismail in 1514, at the Battle of Chalderan. Before the battle, Sultan Selim obtained religious fatwas from
the well-known ulama of the time, in order to sanctify the war against the Qizilbashs, who were regarded as heretics threatening Islam.  

Actually, the Chalderan battle was the first of a dozen of long-lasting wars between the two empires, in which the hold of most Caucasian and Mesopotamian territories including Tabriz and Baghdad was altered numerous times. The history of territorial and religious conflicts with the Ottomans was inherited by the successors of the Safavid dynasty, Nader Shah, Karim Han Zand and the Qajars. It is noteworthy that Nader Shah attempted to diminish the religious differences between the two countries, which ultimately failed due to Ottoman rejection of his offers. However, as an outcome of the decreasing imperial powers of both the Ottomans and the successive Iranian rulers in the eighteenth century, the competition between the two parties settled down. Consequently, the Ottoman-Iranian fronts remained stable based on the Treaty of Qasr-e Shirin/Zuhab dated 1639. The boundaries specified by that treaty virtually constituted contemporary borders between Iran and Turkey. For this reason, many diplomats of both sides remember that treaty as the foundation of the centuries old friendship between the two countries.

The history of the conflicts, which either originated for imperial-geopolitical reasons, or from sectarian differences, shaped general perceptions on Ottoman-Safavid relations. However, the Ottoman-Safavid confrontation did not prevent cultural transactions between Ottoman Turkey and Iran. There was mutual affection between the two people over a wide array of art and culture from literature, and music to architecture. Iranian scholars, artists and literary men were welcomed to the Ottoman palace. Additionally, the two imperial administrations were heavily influenced by each other in terms of political and military organisation. Finally, the Ottoman and Safavid diplomatic exchanges, including letters of praise and gifts at times of peace, displayed the close affinity between the two ruling dynasties.

Having lost their imperial grandeur due to the military and economic advance of Western colonialist powers and the Russian Tsardom, to the detriment of Iranian and the Ottoman territories, led both countries to embark on the process of modernisation in the nineteenth century. Sectarian differences and the imperial competition that shaped Ottoman-Iranian relations was eclipsed by the common challenges of imperialism, and the modernity that preoccupied decision-makers in both countries. Furthermore, the Ottoman attempts for modernisation were regarded as a model for the Iranian modernisers and paved the ground for improvements in the Ottoman-Iranian relationship. Moreover, Qajar Shahs Naser al-Din and Mozaffar al-Din paid official visits to Istanbul, respectively in 1873 and 1900, as a part of their trips to Europe, where they were warmly received. Eventually, this period witnessed intensive intellectual, political and economic exchanges between the two countries. Istanbul then became a centre for Iranian intellectuals and tradesmen. There was also a growing affinity between political dissidents of the two monarchies that supported constitutionalist movements in both countries. Even the Ottoman ambassador to Tehran engaged in correspondence between the dissidents and the Shah at the turn of the constitutional revolution in Iran.

Ottoman troops were mobilised inside the Iranian territories throughout WWI, but this was not for the sake of territorial expansion, or in pursuit of a sectarian goal. As part of its war strategy of waging jihad to steer Muslim believers against the British and Russian imperialists, the Union and Progress Party leaders in power at that time
intended to confront British and Russian advances in Iran, keep its territorial integrity and turn it into an ally. For a while, Ottoman forces, in coordination with Germany, supported the Provisional National Government based in Kermanshah in 1915. However, the government collapsed in the face of Russian advances. It was surprising for the Ottomans that the Iranian foreign minister made territorial demands at the Paris Conference of 1919 that convened to arrange post-war settlements, for eastern Anatolia including Diyarbakır and Mosul, which were rejected by the British delegation.

The emergence of Western-oriented nation-states in Turkey and Iran in the 1920s, under the leadership of M. Kemal Atatürk and Reza Shah Pahlavi, facilitated further cooperation between the two countries. The rise of secular and nationalist regimes in both countries narrowed the dominance of sectarian differences between the two. However, the rise of nationalism in both countries unleashed a new challenge in bilateral relations: the question of ethnicities or nationalities. Especially, in parallel to the rise of Pan-Turkism at the turn of the century, although it was curbed by Kemalist Turkey, some Turkish nationalists paid particular attention to the cause of 'the Iranian Turks,' which heightened Iran's security concerns. On the other hand, the Kurdish uprisings across the Turkish-Iranian border that had begun in the 1920s, and Iranian government's lenience towards the Kurdish militants, discomfitted Turkish leaders with relation to Iran. Nonetheless, the two countries under the leadership of Atatürk and Reza Shah overcame the challenges and developed a good neighbourly affiliation. Having consolidated their political regimes, Ankara and Tehran demarcated their borders, and signed a friendship agreement. Reza Shah's visit to Turkey in 1934 displayed the growing friendly relationship between the two countries. First of all, both leaders denounced both the imperialist and sectarian claims of their predecessors. Instead, they were primarily preoccupied with building nations and modern states across their respective territories. Additionally, the British influence in the Middle East, and the Soviet control over the Caucasus, deterred Turkey and Iran from reviving expansionist claims, and left them as 'status quo powers' committed to preserving their sovereignty and territorial integrity. A series of tribal revolts on the frontiers of both countries led them, alongside Afghanistan and Iraq, to sign a non-aggression (Sadabad) treaty. Accordingly, the parties agreed to prevent in their respective territories 'the formation and activities of armed bands, associations or organisations to subvert the established institutions, or disturb the order or security of any part, whether situated on the frontier or elsewhere, of the territory of another Party, or to change the constitutional system of such other Party.'

Amicable relations between the two countries were furthered after WWII. As an illustration of good-neighbourly relations, an Iran-Turkey Friendship Society was established in Istanbul in late 1952. Turkish President Celal Bayar visited Tehran in September 1955, which was reciprocated by Shah Mohammad Reza Pahlavi's visit to Ankara in May 1956. At that time, the perceived Soviet threat and the fear of the spread of communism led both Turkey and Iran to enter security relations with the United States. As the two leading US allies in the Middle East, Turkey and Iran headed the establishment of the Baghdad Pact in 1955, which later turned into CENTO. Additionally, both countries, alongside Pakistan, established the Organisation for Regional Cooperation for Development (RCD) in 1964. That period was one of the most brilliant for Turkish-Iranian relations. In addition to political and security affiliations, economic and cultural relations between the two countries considerably improved. The
two countries abolished visa requirements for travel purposes, signed a trade agreement, and engaged in connecting their railways and highways within the framework of RCD. Ankara and Tehran signed a cultural cooperation agreement in 1959 that came into force in 1966. Accordingly, the Iranian Cultural House was opened in Ankara, and academic exchange programs were launched between the two countries. The Turkish postal agency issued special stamps to celebrate the so-called ‘2500th Anniversary of the Iranian Monarchy’s Foundation’ in 1971 that highlighted the close relationship between Ankara and Tehran. Despite the growing ties between the two countries, Turkey-Iran relations failed to turn into a full-fledged partnership, either because of the different geostrategic priorities of both capitals, or an underlying mistrust between the leaders. Moreover, domestic turmoil in respective countries in the late 1970s prevented them from furthering their ties.\(^\text{11}\) Ostensible attempts of the parties to develop economic and trade ties between the two countries failed to produce a breakthrough. In addition to the structural characteristics of the economies of Turkey and Iran, substitute import development programs of both parties prevented the development of trade relations, aside from the logistical transitionary role of Turkey to connect Iran and Europe. After the rise of oil prices in the mid-1970s, the volume of trade between Turkey and Iran slightly increased in favour of Iran.\(^\text{12}\) Even then, the total amount of trade between the two countries remained at negligible levels, i.e. less than fifty million dollars.\(^\text{13}\)

By the late 1970s, when the Pahlavi monarchy was overthrown by the 'Islamic' revolution, it was difficult to discern continuing patterns of accord between Iran and Turkey. In a quick review of five hundred years of bilateral relations between the two nations in order to trace continuity and change in Turkish-Iranian relations, one could find, at best, a complicated relationship. This history of a complicated relationship denies both the myth of continuous confrontation that dates back to the Chalderan battle, and the myth of eternal Turkish-Iranian amity that dates back to the Qasr-e Shirin treaty. That is, the history of bilateral relations between Turkey and Iran revolved around a ‘fine line between friendly competition and fierce

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Turkey-Iran Relations after the Islamic Revolution of 1979

The Islamic Revolution of 1979 in Iran constituted a turning point in Turkish-Iranian relations. Immediately after the revolution, new Iranian leaders declared Iran’s withdrawal from CENTO. Thus, the revolution did not only come up with dissolution of that alliance, but also positioned Turkey and Iran against each other. First of all, in terms of its political regime, its commitment to secularism and foreign policy orientation, Turkey represented what the revolutionaries opposed in Iran, where ‘fundamentalist Islamists’ led by a group of clerics under the leadership of Ayatollah Khomeini seized power. Soon after, they proclaimed the Islamic Republic and engaged in reversing the Pahlavi ‘reforms’ towards secularism and Westernisation. Hence, while the two countries were proceeding towards different, or contradictory directions an important pillar of the previous Turkish-Iranian proximity was destroyed. Secondly, Turkey was still a close ally of the United States in contrast to the rise of anti-Americanism in revolutionary Iran. Whilst the US-Iran relations were heading towards direct confrontation between Tehran and Washington, particularly after the hostage crisis, the alliance between Washington and Ankara was strengthened after the military coup d’état of 1980 in Turkey. The close relations between the United States and Turkey were perceived as a potential threat by the revolutionary Iran. Moreover, Iran viewed the coup as an attempt against the Islamic Revolution. Thirdly, the threat of the spread of revolution was alarming for Turkey. Revolutionary Iran was committed to export its revolution to neighbouring countries for strategic and idealist reasons. Ayatollah Khomeini called on neighbouring nations to revolt against their despotic regimes supported by the United States and establish Islamic governments. Khomeini’s call alarmed rulers of the adjacent countries including the Turkish elite. Moreover, the early 1980s witnessed the rise of militant Islamists in Turkey, some of whom were highly sympathetic to the Islamic revolution in Iran. For this reason, the Turkish authorities watched the activities of Islamist groups and their relations with Iran, apprehensively. Finally, many people that opposed the revolution in Iran fled the country, some of whom found shelter in Turkey. The Islamic regime in Iran was displeased with the ‘counter-revolutionaries’ that found refuge at the next door.
On the other hand, conventional Turkish concerns with regard to the prospective fall of Iran to communism or to the Soviet sphere of influence, constrained Turkey’s responses to the revolution.\textsuperscript{15} Turkey prioritised maintaining stability with Iran and its territorial integrity. Additionally, Turkey was desperately in need of oil at affordable prices, and hence, eager to develop economic ties with its neighbour. Consequently, the Turkish government immediately recognised the new regime and Turkish foreign minister of the time, Gündüz Ökçün visited Tehran in June 1979.\textsuperscript{16}

The economic motivation of both Turkey and Iran for improving their relations were enhanced throughout the 1980s. Turkey adopted an export-oriented development strategy and searched for valuable markets, whereas Iran suffered from the flight of a considerable amount of international capital and from Western economic sanctions. Moreover, the outbreak of the Iran-Iraq war compelled both countries to improve their trade ties with Turkey in order to ensure deliverance of basic goods. The then Turkish deputy prime minister Turgut Özal, accompanied by a crowd of businessmen visited Tehran in March 1982. They concluded a barter trade agreement that envisaged Iranian oil supply in return for wheat, dairy products, and poultry. Subsequently, the then prime minister Bülent Ulusu paid an official visit to Iran in August 1982, when the two countries agreed to establish joint economic commission in order to promote bilateral trade relations and address potential problems. Later on, the two countries revived the dormant RCD, and turned it into Economic Cooperation Organisation (ECO) in 1985. Thus, the annual trade volume between the two countries amounted to two billion US dollars in the mid-1980s.\textsuperscript{17} Iran then became the second largest oil supplier for Turkish market (after Iraq).

In the 1980s the Kurdish question posed a new challenge for Turkish-Iranian relations. Initially, Turkey watched apprehensively at the growing military partnership between the Iraqi Kurdish parties and Iran, against Iraq. Moreover, instability in the north of Iraq as part of Kurdish fight against Baghdad helped the PKK Kurdish separatist movement, to settle there and wage armed attacks inside Turkey. The Kurdish parties that were supported by Iran, particularly the Patriotic Union of Kurdistan (PUK) had close relations with the PKK, and Iran had reportedly allowed the activities of the PKK inside Iranian territories. In order to alleviate the security concerns of both parties, Ankara and Tehran signed a security protocol in 1984. Accordingly, the parties assured each other they would prevent the activities of any group or movement that threatened security of the other.\textsuperscript{18}

The adverse effects of the ideological discrepancy between the Islamic Republican regime in Iran and the western-oriented, secular Turkish republic haunted the bilateral relations of the two countries towards the late 1980s.\textsuperscript{19} In particular, the censures of Iranian leaders with respect to the prevalence of secularism in Turkey and its Western-orientation, in addition to its alliance with the United States were widely circulated in the Turkish media. In return, Turkish officials heavily reprimanded the Iranian regime and its own orientation, which led to a verbal quarrel through the media between the two countries. Additionally, the statements of Iranian officials condemning a resolution of the constitutional court that confirmed ban on hijab in Turkish universities, were viewed by Turkish elite as the Iranian interference in domestic affairs. Additionally, Iran was accused of supporting some Islamist movements in Turkey. Eventually, the two countries mutually withdrew their ambassadors in 1989.
The tension between Turkey and Iran noticeably escalated in the 1990s. Firstly, ideological confrontation prevailed over bilateral relations. In this period, ideological tension between Ankara and Tehran went beyond mutual criticisms against each other’s political regime through the media. There was a revival of Islamic activism in the early 1990s as proved both by the rise of principal political Islamist party, Refah Partisi, and the growing number of extremist religious groups. Moreover, some of these extremist groups, like Hizbullah, armed themselves and started to perpetrate terrorist attacks. It may be argued that Iranian intelligence used some Turkish Islamists in order to gather information on Iranian dissidents in Turkey and stage some operations against them, and to attack some foreign diplomats in Ankara. After a series of assassinations against well-known secular Turkish intellectuals, including Bahriye Üçok, Çetin Emeç, Turan Dursun andUGHUR MUMCU, the Turkish security elite hinted at Iranian involvement in these attacks. Confessions of the perpetrators of some terror attacks arguably revealed political and logistic connections between Iran and the militants. Henceforth, Iran was continuously accused of supporting radical Islamist organisations and terrorist groups in order to destabilise and weaken the republican regime, which would eventually be replaced by an Islamist one. Secondly, Turkish security concerns that deepened in this period led to the securitisation of Turkish politics and foreign policy. In addition to the rise of the perceived threat from increasing Islamist activism, the threat of ‘Kurdish separatism’ and ‘terrorism’ was considered by the Turkish elite as major threats to national security. Increasing armed activities of the PKK, which exploited political instability in the north of Iraq after the Gulf War of 1991 became a major security concern. As a result, Turkish armed forces pursued comprehensive operations against the PKK both inside the country and in the north of Iraq. The Turkish government then frequently charged Iran, and Syria, of supporting the PKK activities. Against this background, the opposing strategic alignments of the two countries across the region amplified the security concerns of the two parties. Besides its close relations with the United States, Turkey intensified its relations with Israel into a strategic partnership in the mid-1990s, which irked the Iranian leaders who viewed that development as a hostile action against the revolutionary regime. In return, Iran consolidated its relations with Syria and Russia, which equally disturbed the Turkish elite. In addition, Iran and Turkey crafted alternative ‘alliances’ with rival Kurdish parties in the north of Iraq in order to control the region and contain their respective Kurdish ‘opposition’ activities there. While Turkey developed good relations with the KDP (Kurdistan Democratic Party) led by Masoud Barzani, Iran maintained a close affinity with the PUK led by Jalal Talabani. Finally, after the dissolution of the USSR, Ankara and Tehran engaged in competition for influence over the newly independent states in the Caucasus and Central Asia. This competition had both ideological and economic aspects. The Turkish government presented its political regime, as a secular, Western-oriented regime based on free-market economy, as a model to be followed by the newly independent states of the region. At that time, most of the Western countries led by the United States promoted these new republics to adopt the Turkish model, against the ‘fundamentalist’ model of Iran. For its part, the Iranian government was concerned with the rise of ‘Pan-Turkism’ in the region that was supported by the West, which would threaten vital interests of Iran, particularly in the case of Azerbaijan which was very sensitive for Iranian security.
considerations. Hence, both countries rushed to improve their political, cultural and economic relations with these republics. Another aspect of the geopolitical competition over the region revolved around the construction of oil and gas pipelines for the energy resources of the Caspian basin. Eventually a deal for the Baku-Tbilisi-Ceyhan oil pipeline that sidelined Iran was signed in 1994. However, Iran prevented the construction of any gas pipeline that would bypass Iran by shipping Turkmenistan’s natural gas to Turkey and the rest of Europe through the Caspian basin, exploiting its contested status. By the late 1990s the newly independent states consolidated their independence and counterbalanced their behaviour towards Iran and Turkey. In addition to the lack of adequate economic capacity in Ankara and Tehran to maintain their competition over Central Asia, the revival of Russian influence in the region eased Iranian-Turkish contention.

The growing tension between Ankara and Tehran reached its height and turned into a diplomatic crisis in the second half of the 1990s. Besides Mohammad Reza Bagheri, Iranian ambassador to Ankara, a number of Iranian diplomats in Turkey were compelled to leave the country in February 1997, allegedly for interfering in domestic politics. Iran retaliated by dismissing the Turkish ambassador to Tehran, Osman Korutürk, alongside some other diplomats. Ambassadors of the respective states returned in March 1998. Then, mutual accusations of involvement in destructive activities against each other, and mutual denouncements of their respective political regimes between the two capitals resurfaced in the media headlines. Eventually Iran blamed Turkey for violating its airspace and bombing territories inside Iran while taking military action against the PKK, and captured two Turkish soldiers in August 1999 for illegally crossing the border. Although the controversy over the Turkish bombardment of Iranian soil and the captured soldiers was soon settled, tension remained high between the two countries. Consequently, newly elected Turkish President A. Necdet Sezer abstained from participation to the ECO Summit meeting held in Tehran in June 2000.

As an extension of the deterioration in Turkish-Iranian relations through the 1990s, economic transactions between the countries considerably decreased. Combined with the economic crisis experienced in the respective countries and the decline in oil prices, total trade volume decreased to below one billion US dollars per year from the peak of two billion in the 1980s. Another factor that contributed to the decline in bilateral economic relations was the cancellation of the barter trade agreements in 1985 by Iran, which blamed Turkish traders for overcharging third party products to their Iranian counterparts. Hence, Turkish exports to Iran remained at around four hundred to five hundred million dollars between 1986 and 1992. The value of Turkish exports to Iran further fell to below two hundred million in 1998 and 1999, while the total volume of trade between the two countries was around six hundred and fifty million in 1998.

Notwithstanding the rising tension between Ankara and Tehran cooperation in diplomatic, security, and economic aspects was maintained. Despite the rising tension between the two capitals, they preserved diplomatic relations. The two countries agreed to expand the ECO to include Afghanistan, Azerbaijan, and the newly independent Central Asian states in 1992. Additionally, Turkey headed a new international organisation among the leading countries of the Islamic world, called Developing-8 (D-8), which included Iran. Although the effectiveness of the two
organisations is questionable, they facilitated frequent meetings between the member countries and contributed to the improvement of relations among them.

Security cooperation between Iran and Turkey essentially revolved around two issues. The first was border security. As neighbouring countries, they were preoccupied with joint efforts to provide safety and stability around the border and the struggle against smuggling and narcotics. Cooperation between the two countries on border security issues was maintained within the framework of the border security protocol dated 1937. In this respect they maintained ties between both high-level security officials, to the level of local security officials. The second issue of security cooperation between Ankara and Tehran focused on containing the threat of ‘Kurdish separatism’ that was perceived in the respective countries, and was heightened by the PKK activism. Additionally, the activities of Iranian opposition groups in Turkey and some Islamist groups affiliated to Iran emerged as security issues between the two countries. When Turkish Interior Minister, Ismet Sezgin, visited Tehran in September 1992, Turkey and Iran concluded a security protocol. Accordingly, they instituted the Turkish-Iranian High Commission for Security at the level of the undersecretaries of interior ministers, the joint security committee, and the security subcommittees. The ensuing security protocols envisaged the prevention of activities of terrorist groups in the respective countries, and their exploitation of the joint border. Another part of Turkish-Iranian security relations was directed to impede the emergence of an independent Kurdish state in the north of Iraq. The shared concerns of Iran, Syria and Turkey in that regard led to a series of tripartite meetings in the early 1990s. The identical stance of Iran and Turkey with regard to the preservation of the territorial integrity of Iraq and the prevention of an independent Kurdish State has been maintained.

As to economic relations, the Joint Economic Commission that was established in 1982 continued to meet regularly in Tehran and Ankara respectively, and addressed major economic, trade and transportation issues. The then prime minister Yıldırım Akbulut, visited Tehran in March 1990, where they discussed the feasibility of transferring Iranian gas to Europe through Turkey. Subsequently, the two states started to negotiate on agreements for the encouragement of mutual investments and the prevention of double taxation. In this regard, the then prime minister Necmettin Erbakan paid his first official visit to Tehran in August 1996. On that occasion, Turkey and Iran signed the twenty-five-year natural gas agreement. It was projected that Iran would supply Turkey with ten billion cubic meters of natural gas annually. It was a surprise for the United States, which tried to isolate Iran and threatened any third party for investing in the Iranian energy sector. Erbakan was blamed by some pundits for this agreement as an extension of his Islamist foreign policy. However, natural gas trade had been on the agenda of the two countries for over a decade and the Turkish government deemed the agreement to be an instrument to meet growing domestic energy demand and decrease its dependency on Russia. After almost a two-year delay, the pipeline to ship Iranian gas to Turkish markets was completed in December 2001. The commencement of the flow of gas coincided with the ease of tensions between the two countries, and combined, paved the way for growing economic relations between Iran and Turkey. The Turkish Foreign Economic Relations Board (DEİK) and the Iranian Chamber for Commerce, Industries and Mines and Agriculture (ICCIMA) agreed to the establishment of the Turkish-Iranian Business Council in November 2001.

President Sezer’s visit to Iran in June 2002 turned into a milestone in contemporary Turkish-Iranian relations. On the sidelines of the visit, the first meeting of the Turkish-
Iranian Business Forum was held with the participation of the two heads of state. President Sezer inaugurated the chair of Turkish language in Allameh Tabatabai University, and visited Tabriz as part of his program. Sezer’s visit was meaningful because he had rejected attending the ECO Summit held in Tehran for the alleged Iranian support for terrorism. Thus, this visit became the symbol of a relatively amicable trend that Turkey-Iran relations entered into just before the JDP came to power in Ankara.

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22. For instance, Çevik Bir, then Deputy Commander of the Chief of General Staff of Turkish armed forces, and one of the most influential figures at that time reportedly said that Iran was a registered state sponsor of that embarked on exporting its Islamic regime to Turkey, and supported the PKK. Yasemin Çongar, ‘Bir: İran tescilli terörist,’ *Milliyet*, 21 February 1997.
28. According to the aforementioned protocol, 50 kilometres distance from the both sides of the border-line is defined as border area. In order to address problems and issues that arouse in the border areas, district governors regularly meet at two-month periods. Governors of the border provinces are regarded as border commissioners and meet twice a year. Additionally, there is a


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The Justice and Development Party, an offspring of the Welfare Party (Refah Partisi) that was led by Necmettin Erbakan, a pioneering figure of political Islam in Turkey, won the majority of seats in the Turkish parliament in the elections held in November 2002 and was entitled to form the new government. The JDP’s realisation of power in Turkey in November 2002 is widely regarded as a turning point both for Turkish politics and foreign policy. It is still controversial as to whether it started a new era in Turkish foreign policy, or it maintained wider changes in foreign policy strategy before it came to power. In any case, the JDP’s rise to power coincided with major changes in Turkish foreign policy, which was associated with ‘de-securitisation’ and the promotion of economy and trade.32

The Islamist orientation of the JDP leaders boosted foreign policy change especially towards the Islamic world. Traditional Turkish policy which was solidly anchored to the West and the preservation of status quo, arguably barred it from developing close relations with the Islamic world in general, and the Middle Eastern countries in particular. In the name of multi-dimensional and pro-active foreign policy, the JDP government spared no effort in improving relations with its Middle Eastern neighbours. The Turkish diplomatic and economic engagement with the Middle East reached a point within a decade that triggered a major debate among the scholars and practitioners about a ‘shift of axis’ in Turkish foreign policy. In this respect, the Turkish government’s opposition to a new round of UN sanctions targeting Iran in June 2010, in its capacity as the temporary seat holder in the UN Security Council against its traditional Western allies, was regarded as evidence of the changing Turkish foreign policy.

Since then, a vast amount of literature has emerged to explain and to provide an understanding of the change in Turkish foreign policy in general, and its relations with Iran in particular. The bulk of the literature draws attention to the domestic transformation of Turkey, underlining the declining influence of the security oriented Kemalist elites in power, de-securitisation of political Islam and the Kurdish issue in national politics, the orientation of new Islamist elite that seized power, and the growing influence of the so-called Anatolian tigers, a wide number of Turkish
entrepreneurs spread across various cities in Anatolia, on politics. A considerable part of the burgeoning literature highlights the geopolitical changes around Turkey that has both forced it to review its conventional policies, and provided new opportunities in its neighbourhood. Accordingly, new regional geopolitics combined with domestic transformation inside the country has led to the rise of close relations between Turkey and Iran. While most of the literature focuses on the transformation of Turkey under the JDP government in order to explain its new Middle East policies and in particular Turkey-Iran relations, Iranian rationale to improve its relations with Turkey is widely underestimated. Iran was keen on keeping its relationship with Turkey on a satisfactory course for several reasons. The first of them was the growing Iranian security concerns especially after the American occupation of Iraq in 2003. The United States’ animosity towards Iran was not new, but the American threat became immediate for Tehran after it deployed large numbers of soldiers in Afghanistan and Iraq, in addition to its military presence in the Persian Gulf and adjoining countries. The increasing pressure over Iran compelled it to stabilise its relations with Turkey. Although Turkish membership in NATO has been viewed as a peril for Iran, in order to counterweigh increasing American pressure, the Iranian government has paid special attention to developing good relations with Turkey, and at least to ensure its neutrality in case of a showdown between Iran and the United States. In this regard, Iran welcomed the worsening of Turkey’s close ties with the United States and Israel under the JDP government. For instance, in his meeting with Erdoğan in October 2009, Iran’s Supreme Leader Ayatollah Ali Khamenei praised Turkey’s position on Palestine, which he claimed advanced Turkey’s place in the Islamic world, soon after the famous Davos walkout of Prime Minister Recep Tayyip Erdoğan and his admonition to Israeli President Shimon Peres. Likewise, in his meeting with the then President Gül in February 2011, Khamenei praised Turkey’s ‘independence against the West, keeping a distance from the Zionist regime and supporting the people of Palestine’ that brought it ‘closer to the Islamic Ummah.’ Additionally, Iranian leaders have viewed the JDP’s coming to power as an instance of the rise of Islamism in Turkey, and thus wished to stabilise its relations with Ankara. Successive Iranian governments have adopted a seductive approach towards Turkey to reduce bilateral tensions, and increase cooperation in various fields. Finally, Iran had an economic rationale to keep its relations with Turkey on a positive path, because the latter has provided a favourable market for its energy exports, and a potential supply centre for some basic goods. Iran’s relations with Turkey have continued to improve in various sectors from security to tourism in the decade and half since the JDP came to power. However, Iranian-Turkish collaboration has not been seamless over this time. Considering the diplomatic engagements between Ankara and Tehran, it would be wise to divide the Turkish-Iranian relationship into three distinct periods. In the period of rapprochement that began in 2002 and lasted till 2011, they expanded bilateral diplomatic, security, and economic relations. Additionally, they had ostensibly similar views with respect to regional developments, yet they deliberately avoided introducing a regional cooperation perspective to their bilateral relations. The second period, the period of estrangement that covers the years between 2011 and 2016, was marked by divergence and competition between the two parties especially on regional matters subsequent to the Arab Spring of 2011, which coincided with a lapse in their security cooperation.
However, Ankara and Tehran have maintained economic and diplomatic relations at a reasonable level which culminated in the institutionalisation of bilateral relations. The third period may be called the era of development of amicable relations that began in 2016. The JDP government appreciated the Iranian support for it against the futile coup attempt in July 2016, and revised its foreign policy orientation. Then, in addition to preserving their accord on the economy, they reconciled their differences on regional issues and engaged in coordinating their regional policies and security strategies. The fluctuations in Turkish-Iranian relations during this time could be traced through a review of diplomatic and economic relations as well as through the implications of regional context on their relationship in the subsequent sections.

**Diplomatic and Security Relations**

In the early years after coming to power, JDP leaders were cautious towards Iran. They were careful not to antagonise the establishment in Turkey by repeating the same ‘mistakes’ of the former prime minister Erbakan, who was accused of pursuing an Islamist foreign policy. They were also particularly interested in developing a bond with the EU, and avoided irking the West by holding back on developing better relations with Iran. Additionally, there was heavy pressure by the United States on Ankara for forcing it to cooperate with the US administration against Iran and Syria. Hence, the JDP leaders were careful in justifying their engagements with Iran by either suggesting economic considerations, or arguing for integrating Iran into the regional politics so that it would turn into a responsible actor in Middle Eastern politics. In due time, the JDP’s self-confidence was consolidated through its successive election victories and its gains against the ‘military tutelage’ in the country. Additionally, the JDP government was gradually frustrated with the American policies towards the Middle East, and the EU’s inertia in processing Ankara’s accession negotiations. Thus, the JDP government was directed and emboldened to improve its relations with Iran.

**Rapprochement**

The first high level meeting between Iranian and Turkish officials after the JDP’s ascension to power was held in January 2003, when Prime Minister Abdullah Gül visited Tehran. The top issue on his agenda was the pending American military intervention against Iraq. Gül was eager to prevent a war with Iraq through mobilising its neighbours, because of the potential adverse effects on the region. Iran shared similar concerns with Turkey regarding the implications of the American intervention. Those concerns were shared not only between Ankara and Tehran, but also by a number of other countries in the region and culminated in a series of meetings with Iraq’s neighbours.

Following the American occupation of Iraq, Kurdish militancy revived both in Iran and Turkey as illustrated by the upsurge of violence perpetrated by the PKK. Meanwhile, the PKK formed a new organisation named the PJAK (Party for a Free Life in Kurdistan) that was committed to pursue autonomy for Iranian Kurds. Utilising the same bases as the PKK around the Qandil Mountains in the north of Iraq, the PJAK launched a ‘guerrilla war’ against Iran. Tehran was also concerned with the American military presence in Iraq which might turn into a centre for its hostile activities in order to
force a regime change in Iran, and a prospective Kurdish state in that country. Hence, the containment of Kurdish separatism and the PKK/PJAK activities became a pressing security concern for Iran. This context paved the ground for growing security cooperation between Ankara and Tehran.39

Recep T. Erdoğan, the chairman of the JDP, who became prime minister in March 2003, paid his first official visit to Tehran in July 2004, accompanied by a great number of businessmen. At that time, the parties agreed to strengthen their economic relations and improve security cooperation to fight against terrorism, and reiterated their commitment to the preservation of Iraq’s territorial integrity. However, Iran’s closure of a Turkish company’s (TAV) contract to operate Imam Khomeini International Airport in Tehran, and the denial of Turkcell’s (another Turkish investment in Iran) contract to operate a cellular phone network in Iran shadowed Ankara-Tehran relations. The dismissal of large-scale Turkish investments because of factional bickering inside Iran led the then President Mohammad Khatami to cancel his projected visit to Turkey.40

On the first official visit that Erdoğan paid to Tehran in July 2004, Iran and Turkey signed a security protocol and stressed their commitment to regional security and the fight against the PKK. Iran recognised KADEK and Kongra-Gel as new factions of the PKK and ‘terrorist networks’. Preceding this, the PKK had changed its name several times in order to overcome international pressures. Based on this new understanding, security officials on the ground who met regularly, started to share information on the PKK/PJAK activities. Occasionally they staged coordinated offensives against the PKK. Additionally, Iranian officials handed over some details of PKK members to the Turkish authorities.41

Ahead of the meeting of the High Security Commission in April 2008 in Ankara, the Iranian deputy interior minister in charge of security, Abbas Mohtaj, underlined his government’s view of the PKK and PJAK as ‘a single terrorist organisation under two different names.’42 Although senior generals of the Turkish army used to avoid giving a picture of military cooperation between the two countries, General İlker Başbuğ, the then Commander in Chief of Turkish Land Forces acknowledged in June 2008 that Iran and Turkey were ‘sharing intelligence and planning coordinated attacks in the fight against separatists.’43

Security cooperation between Ankara and Tehran, however, was not perfect. For instance, subsequent to the bloody PKK attacks in October 2007, Ali Babacan, the then Turkish foreign minister visited Tehran as part of the Turkish diplomatic strategy to secure international support for a prospective Turkish military raid inside Iraq in order to fight the PKK. In his meeting with Babacan, Manouchehr Mottaki, his Iranian counterpart, claimed that the United States and Israel were behind the rise of terrorist activities, but avoided a clear backing for the projected Turkish military operation against the PKK. Instead, he argued that there were alternatives other than military operations for the solution of the issue.44

Nonetheless, Turkey and Iran signed an agreement for cooperation in combating drug smuggling, organised crime, and terrorism in August 2008. The agreement, which has provided an institutional framework for Turkish-Iranian security cooperation, includes a definition of terrorist activities, the exchange of information and intelligence on groups and individuals involved in transnational organised crime, equipment and the details of terrorist groups identified by the parties. The parties assigned the High Security Commission to oversee security relations and update the list of commonly
designated terrorist organisations. The agreement also included ‘joint intelligence activities for the purpose of the apprehension of members of terrorist organisations and halting the activities of those detected to be operating in either of the countries.’ The parties also agreed on setting up a joint working group co-chaired by the deputy minister of the Interior in charge of security in Iran, and the undersecretary of the ministry of the Interior in Turkey, consisting of equal numbers of representatives. The joint working committee was supposed to meet once a year. Erdoğan paid his second visit to Iran in December 2006. Energy relations and Iran’s prospective place in the Nabucco project to carry Caspian and Middle Eastern gas to Eastern Europe, were the leading issues on the program of the visit. In the meantime, Iran’s nuclear program gradually came onto the agenda of Turkish-Iranian relations. Once the JDP came to power in Turkey, it adopted a cautious approach towards the controversial Iranian nuclear program. The Turkish security elite continued to consider a prospective nuclear Iran as a threat to Turkey and the region. However, the government spokesmen recognised Iran’s right to have a peaceful nuclear program, and asked Iran to take the necessary measures to remove doubts over the project. When the negotiations between Iran and the EU-3 stalled after Mahmoud Ahmadinejad came to power in Iran in 2005, Turkey attempted to mediate between Iran and the West on the controversy over Iran’s nuclear program. With the encouragement of Turkey, the Secretary of National Security Council and the chief Iranian negotiator on the nuclear issue, Ali Larijani met Javier Solana, the chief commissioner of the EU in Ankara in April 2007. Turkey’s bid for the mediation progressed after Barack H. Obama, who promised peaceful solution of the nuclear controversy through dialogue with Iran, was elected to be the new President of the United States in November 2008. However, by then, neither of the parties were willing to recognise Turkey as the mediator. Iranian President Ahmadinejad visited Turkey in August 2008. However due his reluctance to include paying homage to Antakabir, the mausoleum of Kemal Ataturk in Ankara, as part of the official protocol, on which the Turkish elite were very sensitive at that time, his visit was arranged as a ‘working visit’ to Istanbul, where he met his Turkish counterpart Abdullah Gül, and Prime Minister Erdoğan. The parties signed the aforementioned agreement on the struggle against narcotics, organised crime and the fight against terrorism, and some cooperation documents on transportation, and tourism. They also signed a joint declaration on enhancing energy cooperation. One of the landmark features of this visit was Ahmadinejad’s attendance at the Friday prayers in the famous Sultan Ahmet Mosque along with a cheering crowd. At a time when sectarianism was put forward by some analysts as the new faultline of politics across the Middle East, the participation of a hardline Shiite Iranian president in Friday prayers in a mosque considered to be the centre of the so-called Sunni world, had a symbolic meaning. Accordingly, Turkey and Iran did not allow the prevalence of their sectarian differences over bilateral relations. The improvement of relations between Ankara and Tehran was illustrated well, when the Turkish government congratulated President Ahmadinejad on the occasion of his re-election to the office after a controversial election in June 2009. Despite the wide-ranging challenges to the election results embodied by the Green Movement, Prime Minister Erdoğan paid another visit to Tehran in October 2009, which was regarded as evidence of Turkish support for Ahmadinejad. Actually, in an interview ahead of his visit to Iran, Erdoğan called President Ahmadinejad a friend of Turkey. By then, the JDP government had adopted a more pro-Iranian position with respect to the nuclear case
than its previously cautious approach. On several occasions, Erdoğan claimed that Iran’s nuclear program had no military dimension and blamed the Western countries for adopting a hypocritical view towards Iran. Additionally, Turkey and Iran developed similar positions with regard to regional issues. Erdoğan stated that regional issues could not be solved through the participation of extra-regional powers. Instead, he suggested that regional countries should take the initiative and lead cooperation for the solution of regional matters. In turn, his Iranian interlocutors praised Turkey's increasing support for the Palestinian people and approach towards the Islamic world. While receiving Erdoğan and echoing his opposition to the involvement of outside powers in regional issues, Ayatollah Khamenei called the Western proposals for the regional issues irrelevant. He added that Turkey and Iran should try to be amicable for the solution of regional issues. However, the main ‘esprit’ of the visit as stated by Erdoğan, was the improvement of economic relations between Turkey and Iran. By that time, the total volume of trade between the two countries had reached to ten billion US dollars. During the visit, Erdoğan bid for the advancement of bilateral trade volume to the amount of thirty billion dollars within five years. In this respect, Turkish and Iranian officials discussed the establishment of free trade zones and joint industrial towns in border regions, the introduction of national currencies in bilateral trade, and the development of banking relations. Additionally, they signed a memorandum of understanding confirming previous energy protocols between Ankara and Tehran.49

Turkey’s attempt to be a mediator in the nuclear dispute eventually yielded an outcome in May 2010. Then, in accordance with US President Obama’s request, Turkish Foreign Minister Ahmet Davutoğlu, along with his Brazilian counterpart Celso Amorim, persuaded Iranian nuclear negotiators to accept a deal, and signed the Tehran Declaration. The declaration showed Iran’s readiness to compromise on a deal which envisaged swapping a certain amount of its low-enriched uranium stockpile with fuel for the Tehran nuclear reactor which would be provided by the Vienna group. However, the declaration was rejected by the Vienna group, including the United States. Soon after the Tehran declaration, the US administration evoked a new round of UN sanctions (RES 1929) targeting the Iranian nuclear program, which disappointed the Turkish government. The rejection of the deal by the United States despite the declaration achieving virtually all demands of the Western countries, Davutoğlu argued, displayed the ‘hypocritical characteristics of Western policy that denied Iran’s right to have peaceful nuclear energy while turning a blind eye to Israeli nuclear activities.’ In turn, both Turkey and Brazil, then temporary seat holders in the UN Security Council, voted against the resolution in June 2010. Meanwhile, Turkish-Israeli relations worsened because of the Israeli army’s bloody intervention on the Mavi Marmara ferry leading a humanitarian aid flotilla to break the Israeli blockade around Gazza. In combination, these developments heated the debate on the shift of axis in Turkish foreign policy. To complement the picture for the critics of the JDP foreign policy, Turkey opposed attempts to name Iran as a potential threat within the framework of the missile defence shield program of NATO, in the summit meeting held in Lisbon, in October 2010.

Against this background, the then Turkish President Abdullah Gül visited Iran accompanied by a large delegation including businessmen, governors, and academics in February 2011. In addition to his meetings with his Iranian interlocutors, President Gül visited Tabriz and Isfahan and attended the Turkish-Iranian business forum that discussed potentials and problems in economic relations between the two countries. On
that visit which coincided with the outbreak of the Arab Spring, Gül called the leaders of Muslim countries ‘to heed the demands of the people’ which was regarded as a support for the ‘revolutionary movements’ in the Middle East.  

Estrangement

Ankara and Tehran apparently had similar views towards the revolutionary movements across the Arab world which stemmed from different motivations. However, when the waves of anti-regime protests reached Syria in March 2011, Turkey and Iran adopted contradictory policies towards developments there, which overshadowed their relations for some time. Whereas Turkey favoured and supported the opposition movements, Iran stood with the Assad administration.

In addition to their divergence in respect to the Syria crisis, Turkey conceded to the deployment of an American radar in Kurecik/Malatya, 700 kilometres from the Turco-Iranian border, as part of the NATO missile defence system. Actually, considering the security anxieties of Iran and to preserve good neighbourly relations, Turkey was initially reluctant to that concession and prevented any particular reference to Iran as the perceived source of threat. However, partly because of the growing pressure on Turkey, and partly because of their differences in regional issues, Turkey accepted the decision in September 2011. Together with Turkey’s active policy to support the Syrian opposition in coordination with the Western states, Turkish decision to host the American radar was viewed by the Iranian elite as the return of Turkey to its traditional pro-American axis. Hence, the Iranian reaction to the deployment of American radar was very threatening. IRGC Airforce Commander Amir Ali Hajizadeh warned that the radar would primarily be targeted by Iran in case it perceived a military threat. President Ahmadinejad claimed that ‘the missile shield was designed to protect the Zionist regime.’ Despite the Iranian reaction, the radar, jointly staffed by US and Turkish personnel become operational in January 2012. In order to allay Iranian concerns related to the radar, Foreign Minister Davutoğlu, paid a visit to Tehran in January 2012, where he stated that Turkey had never considered Iran as a threat and would not allow any attack on that country from Turkish soil. Likewise, Prime Minister Erdoğan specified that the radar would be in the control of Turkey, and it might ask NATO for the removal of the radar if its operation conflicted with the conditions of the Turkish government. However, the radar question continued to be a source of contention between Ankara and Tehran. Subsequently, President Ahmadinejad cancelled his planned visit to Konya, Turkey, to participate in the annual Shab-e Arus ceremonies to commemorate Mawlana Jalal ad-Din Rumi at the last minute, arguably in protest of the deployment of the radar.

Meanwhile, the security cooperation between Ankara and Tehran stalled. Firstly, by the autumn of 2011 it appeared that the two countries could not coordinate their actions against the PKK and the PJAK in the north of Iraq. Turkish officials contended that Iran had ceased to share intelligence with Turkey on the activities of the PKK. The failure of security cooperation between Ankara and Tehran was illustrated by a mystery over the seizure of Murat Karayilan, a PKK leader, by the Iranian authorities in August 2011. Iranian officials however, refuted the news report published in TRT, the official broadcasting agency of Turkey, that claimed the seizure of Karayilan. In fact, Turkish authorities claimed, the National Intelligence Organization had informed its Iranian counterpart on the whereabouts of Karayilan, on the Iranian side of the Qandil
Mountains. Some columnists in the pro-JDP media then started to claim that Iran was using Karayılan and the PKK against Turkey. As a matter of fact, the PJAK ‘unilaterally’ ceased its armed activities soon after the Karayılan mystery. In Turkey there were doubts and a reaction voiced by the then Deputy Prime Minister Bülent Arınç, who said, ‘there are wheels within wheels’ regarding the fate of Karayılan.\textsuperscript{54}

Moreover, the PKK mobilised its militants armed with heavy weapons and attempted to turn the Şemdinli district of Hakkari province, located in the tripoint of the Turkey-Iran-Iraq border, into a ‘liberated zone’ in the summer of 2012. The ensuing clashes between the Turkish armed forces and the PKK militants led to a considerable number of casualties.\textsuperscript{55} Turkish officials then reiterated their complaint that PKK members had infiltrated through Iranian soil, which arguably showed Iran’s changing attitude vis-à-vis the PKK. Many people in the Turkish media and among the security officials interpreted these developments as evidence of Iranian support for the PKK within the framework of its strategy to compel Ankara to step back from its proactive engagements in Iraq and Syria. To complement the picture, some Iranian officials made statements asking Turkey to keep out of Syria and focus on its own internal affairs.\textsuperscript{56}

Against this background, a series of mutual accusations and threats between Iranian and Turkish officials were exchanged through the media. Erdoğan warned Iran that the Assad administration was ‘getting spoiled’ by the encouragement of Iran, and asked Iran to withdraw its support from Bashar al-Assad. Likewise, Deputy Prime Minister Arınç blamed Iran for pursuing a sectarian agenda and remaining indifferent to the bloodshed in Syria. In return, Ramin Mehmanparast, then spokesman of the Iranian Ministry of Affairs, claimed that Turkey was making a miscalculation with regard to Syria. Seyed Hossein Hosseini Naghavi, a member of the Iranian parliament’s National Security and Foreign Policy Committee, said; ‘The Turkish government bears the main responsibility regarding these bombings, because it explicitly speaks of arming and sponsoring paramilitary groups acting in Syria.’ Iranian Joint Chief of Staff of the Armed Forces, Hassan Firouzabadi blamed Ankara for serving American interests in the region and warned Turkey, ‘if they accept such a norm, they must then realise that after Syria, Turkey and other [such] states will be next in line.’\textsuperscript{57} In response, Prime Minister Erdoğan emphasised that it was Turkey who stood alone with Iran, and asked the Iranian government to review its activities. At the height of the tension, Iranian Foreign Minister Salehi visited Ankara in August 2012, in order to reassure his Turkish counterparts on the Iranian government’s view of Turkey.

In order to reconcile their differences, particularly on Syria, Prime Minister Erdoğan met Ayatollah Khamenei in Mashhad, in March 2012. However, Khamenei reiterated the Iranian position of support for the Assad administration and its opposition to foreign interference in Syrian domestic politics. Erdoğan resolved that Assad was not trustworthy and should leave power. The Turkish-Iranian divergence on the Syrian crisis remained a thorny issue in bilateral relations, and mutual accusations continued through the media. For instance, Erdoğan, who was elected as the new president of Turkey in August 2014, publicly censured Khamenei for his support for Assad, arguably for resistance against Israel, although the latter killed two hundred and fifty thousand people in October 2014.\textsuperscript{58} Subsequently, ahead of his planned visit to Tehran in April 2015, Erdoğan complained about the Iranian policies attempting to dominate the region, and voiced the uneasiness of Turkey with those developments. Furthermore, he
declared Turkish support for the Saudi military intervention against the Huthi advances in Yemen, and asked Iran to withdraw its forces from there.69

Despite the row between Turkey and Iran with regard to regional and security issues, economic relations between Turkey and Iran improved considerably. Turkey challenged the unilateral sanctions of the EU and the United States against Iran, and encouraged its tradesmen to enhance their economic transactions. As a result, the volume of bilateral trade between Turkey and Iran amounted to twenty-two billion dollars in 2012. Likewise, Turkey continued to support and facilitate nuclear negotiations between Tehran and the P5+1 countries (five permanent members of the UN Security Council and Germany). In this regard, Ankara hosted a new round of negotiations in April 2012, while Istanbul hosted numerous technical meetings between the parties.

The election of Hassan Rouhani to the office of presidency in Iran in June 2013 boosted Turkish-Iranian diplomatic relations. Rouhani’s ‘moderate’ approach to foreign policy which valued diplomacy, cooperation, and constructive engagement was welcomed by the JDP government in Turkey. Erdoğan paid a landmark visit to Tehran in January 2014. Turkish and Iranian governments agreed on the establishment of the High-Level Cooperation Council (HCC) and signed a preferential trade agreement. While the long-awaited preferential trade agreement was supposed to boost bilateral economic relations, the establishment of the HCC provided an institutional mechanism to stabilise and strengthen different aspects of Turkish-Iranian relations.

Subsequent to the establishment of the HCC, Iranian President Rouhani, accompanied by a crowded delegation, visited Ankara and the parties held the first HCC meeting in April 2014. The visit of Rouhani was marked by the conclusion of ten cooperation agreements or memoranda of understanding in various respects. In return, President Erdoğan visited Tehran in April 2015 to hold the second meeting of the HCC. The third meeting of the HCC was held in Ankara in April 2016, with the participation of President Rouhani.

In spite of the acceleration of high-level exchanges between Turkish and Iranian officials, their differences on regional issues continued to shadow bilateral relations. For that reason, surprisingly to many observers, the Turkish establishment and public opinion was divided in their assessment of the nuclear deal achieved between Iran and the P5+1 in July 2015. Anxious about a deal that would supposedly make Iran more powerful and aggressive in regional politics, a great number of the elite were concerned with the implications of the deal on Turkish-Iranian relations. Conversely, another group of the elite welcomed a deal that would purportedly provide new opportunities in bilateral relations. The JDP government’s assessment was indecisive. Reflecting the ambiguity of his government’s view, Mevlüt Çavuşoğlu, the foreign minister, welcomed the deal but asked Iran to revise its role particularly in Syria, Iraq, Lebanon and Yemen, and to cease its sectarian policies. Later statements released by high-level Turkish officials repeated Çavuşoğlu’s request, and invited Iran to behave in a responsible manner in the region and avoid destruction and violence. President Erdoğan also reiterated his criticism of Iran’s regional policies in January 2016, that aimed to expand its sphere of influence in the region by turning sectarian divisions into violent conflicts. Turkish blame unleashed a counter-campaign from the Iranian side that targeted President Erdoğan. Iranian officials criticised the JDP government for fuelling extremists in Syria for the sake of overthrowing Assad. Iranian media
circulated some reports that claimed the Erdoğan family’s support for ISIS. The rising political tension between Ankara and Tehran coincided with the rise of PKK attacks inside Turkey, which led to the revival of discussions on Iranian support for the terrorist organisation. Moreover, many pro-government pundits in Turkey blamed Iran for supporting the PYD (Democratic Union Party), an offshoot of the PKK in Syria, against Turkish security interests.

Amicable Relations?

Although the nuclear deal of 2015 failed to yield any remarkable improvements in Turkish-Iranian relations, certain developments in the year of 2016 unleashed an unprecedentedly close relationship between Ankara and Tehran. Firstly, Davutoğlu, the then prime minister, paid a visit to Tehran in March 2016. He talked about the significance of the interaction between Ankara and Tehran with reference to regional matters, albeit that they might have different views and interests. He stated in Tehran that Turkey and Iran ‘should not leave the fate of the region to extra-regional powers.’ One month later, although Iran was seriously criticised in the OIC Summit held in Istanbul, Iranian President Rouhani visited Ankara. Rouhani called the disparity between Turkey and Iran with respect to the regional matters ‘minor differences of opinion’, and emphasised the commitment of both countries to strengthen their relations in all fields. Thus, a new understanding was about to develop between Ankara and Tehran on regional issues.

Actually, the call for regional solutions to the regional problems was not a noble idea on the agenda of Turkish-Iranian relations. However, the JDP government deliberately avoided engaging in a regional scheme exclusively with Iran. New dynamics that emerged across the Middle East subsequent to the Arab Spring, compelled both capitals to reconsider their regional policies. First of all, the landscape of war among antagonistic groups in Syria dramatically changed. The opposition groups fighting against the Assad administration failed to establish a united front. Furthermore, they divided into numerous rival groups that contributed to the rise of extremist groups reinforced by foreign fighters. Then, the Western countries’ concerns with the rise of extremist movements replaced their preoccupation with a political transition in Syria. Consequently, international initiatives that brought some Arab and Western states led by the United States along with Turkey aimed at promoting a power transition in Syria, faded away. The divergence of the Turkish and Saudi policies towards regional developments and Syria after the military coup d’état in Egypt in July 2013, the reluctance of the Obama administration to take the lead in a decisive military intervention against the Assad administration despite the accusations that it used chemical weapons in August 2013 and the stalling Geneva process that envisaged a negotiated transition process in due period, strengthened the position of Assad. Through the strong backing of Iran and militia groups mobilised by Iran, the regime forces gained a strong hand vis-a-vis the opposition. The military involvement of Russia alongside the Assad rule in September 2015 provided the military superiority for the regime forces to recover most territories that it had previously lost to the opposition fighters. However, the involvement of Russia in the Syria crisis relatively marginalised Iran’s position, since Russia started to speak in the international arena on behalf of Assad. Moreover, both Russia and the United States, which deployed some special forces in order to fight against extremist movements, especially ISIS (Daesh) in Syria,
courted the PYD, and its militia force the YPG, an offshoot of the PKK in that country which claimed leadership over the Syrian Kurds. Combined with the aforementioned developments, both the Russian and the American interest in this Kurdish group that seized considerable territory in the north of Syria, compelled Ankara and Tehran to review their regional differences, especially with regard to Syria.

Secondly, an extremist group named ISIS (Daesh) that first emerged in Iraq after the American occupation, swiftly captured vast territories in Iraq and Syria particularly in 2014. ISIS heavily used a sectarian rhetoric against the Shiites, declared the establishment of an ‘Islamic State’ over the captured territories, and threatened both Iran and Turkey. It perpetrated numerous terrorist attacks in the respective countries. Thus, the rise of ISIS turned into a common security concern for both countries. In the midst of an international and regional campaign to fight against ISIS, the leader of the KRG (Kurdistan Regional Government in Iraq), Masoud Barzani put forward an idea to hold a referendum for the prospective independence of the Kurdish entity. Furthermore, immediately after the liberation of some territories that were disputed between Erbil and Baghdad by the Kurdish peshmerga from ISIS control, the KRG set September 25, 2017, as the date of the referendum. The Kurdish bid for independence drew the ire of both Ankara and Tehran which started to coordinate their efforts with Baghdad in order to prevent the independence of the KRG.

Finally, the failed military coup attempt that was staged in July 2016 against the JDP government in Turkey became very effective in furthering Turkey-Iran relations. Despite the misgivings between Ankara and Tehran for a number of reasons in the preceding years, Iran extended its support for the elected government against the coup plotters. While the Western countries were reluctant to even condemn the coup plot, and busy with warning the Turkish government about emergency measures taken after the coup attempt, the support that came from Tehran was very valuable for President Erdoğan. Turkish-Iranian diplomatic exchanges were accelerated and paved the ground for increasing diplomatic and security cooperation between them, related to the Syria crisis and the KRG bid for independence.

Against this background, Turkey and Iran, along with Russia, established a trilateral mechanism to deal with the Syria crisis. The growing cooperation between these three countries yielded the first results in the process of the armed opposition forces’ evacuation of Aleppo, the second biggest city in Syria, in December 2016. On December 20, 2016, Iranian, Russian, and Turkish foreign ministers met in Moscow and issued a joint declaration. The Moscow declaration reiterated the shared commitment of the parties for the preservation of the territorial integrity of Syria, and to fight jointly against ISIS and al-Nusra, the al-Qaeda affiliated extremist organisation. They also declared their willingness to be the guarantors of a prospective agreement that would be negotiated between the Syrian opposition and the government, which inaugurated the Astana process. Meanwhile, Major General Mohammad Hossein Bagheri, Chief of the General Staff of the Armed Forces of Iran paid a three-day visit to Ankara in August 2017. In fact, since the Islamic revolution, the security elite in both countries were skeptical towards one another. Bagheri’s visit to Turkey marked the first meeting of top military commanders, which indicated that the relationship between the two countries went beyond economic and political aspects to include cooperation on military and regional issues. In September 2017, Turkish, Iranian and Iraqi foreign ministers issued a joint communiqué to proclaim their opposition to the looming Kurdish independence referendum. The Turkish Chief of Staff of the Armed Forces,
General Hulusi Akar visited Tehran in early October 2017. Subsequently, President Erdoğan visited the capital of Iran to hold the fourth meeting of the HCC. Then the high-level Turkish and Iranian officials gave strong messages for the development of a security cooperation between Ankara and Tehran, and for their resolved opposition to the independence bid of the KRG. As a result, Turkey and Iran coordinated their policies in order to foil the KRG bid for independence. They also revived their cooperation against the PKK. The Iran-Turkey High Border Commission met in April 2018, after a six-year interval. The Joint Working Group that was envisaged by the Security Cooperation agreement of 2008, was activated and the parties met regularly after 2016. At the end of the third meeting of the joint working group, Iran and Turkey agreed to coordinate joint operations against terrorist organisations.62

While Turkey was enhancing its relationships with Iran, and Russia, Turkish-American relations continued to deteriorate even after Donald Trump came to power in the United States. The successive American administrations rejected persistent Turkish demands for the repatriation of Fethullah Gülen, the alleged leader of the failed coup attempt, who has stayed in Pennsylvania for many years. Additionally, the Trump administration maintained its predecessor's policy to support the PYD/YPG in Syria, against Turkish warnings and security concerns. In this context, President Trump decided to withdraw his country from the nuclear deal and initiated new sanctions against Iran. President Erdoğan censured Trump's decision and renewed his opposition to unilateral American sanctions. In reaction to Trump's decision and for the first time, Erdoğan named Iran 'both a neighbour and a strategic partner.'63 Likewise, in his meeting with Iranian President Rouhani in December 2018, Erdoğan said, 'Turkey considers Iran's security and stability as its own security and stability,' which illustrated his government’s determination to develop and preserve amicable relations with Iran.64

Economic Relations

Economic relations between Iran and Turkey were driven by rising political tension between the two capitals during the 1990s. The improvement of diplomatic relations between Iran and Turkey since 2000 onwards eased the development of economic ties. The foreign policy strategy of the JDP that prioritised economic and trade relations played a considerable role in the improvement of Turkey’s economic relations with Iran.65

The main motivation in economic relations between the two countries are the complementary economic resources of both countries.66 Considering Turkey’s dependency on the imported energy sources of oil and gas, and geographic proximity, its access to Iranian energy resources has been very valuable. On the other hand, through its large population and growing economy Iran has emerged as a promising market for Turkish exports. Given the international sanctions primarily imposed by the Western countries on Iran, Tehran has become more sensitive to the preservation of economic and trade ties with Turkey.

The annual meetings of the Joint Economic Commission that bring Iranian and Turkish officials together have been held in Tehran and Ankara respectively. Additionally, the Turkish-Iranian Business Council that was established in 2001 has served as a platform that brings representatives of the Turkish and Iranian private sectors together.
Turkish-Iranian Business Forums that have been organised by the Council and promoted by officials in the respective countries have been meeting regularly since 2002. Also, local chambers of commerce and industry in border provinces of the respective countries have been organising mutual visits. MUSIAD (The Independent Industrialists and Businessmen’s Association) of Turkey has been very active in promoting trade relations with Iran. It has opened representative offices in Tabriz and Tehran. Moreover, a number of business associations have been established in Turkey especially to promote bilateral economic relations between Turkey and Iran. For instance, Iranian businessmen based in Turkey founded TISIAD (The Turkish-Iranian Industrialist and Businessmen’s Association) in 2001. Likewise, another businessmen’s association called the Association for the Development of Trade with Iran and the Middle East was founded in 2009. Iranian entrepreneurs particularly interested in the Aegean region in the west of Anatolia, joined together to establish the Aegean-Iran Cooperation Association in 2011. Finally, in order to boost trade relations with Iran, the Turkish Exporters Assembly inaugurated the Turkish Trade Centre in Tehran which hosted the representative offices of fifty-nine Turkish companies, on 25 February 2017.

Trade

Soon after coming to power in March 2003, the JDP government issued a decree to promote cross-border trade by significantly reducing customs duties for agricultural and industrial products imported from Iran, along with Syria and Iraq. Meanwhile, both countries modernised and improved shared custom gates in order to promote cross border trade. At the same line, previously signed agreements on the Promotion and Protection of Investments, and on the Prevention of Double Taxation were approved and enacted in 2005. Accordingly, both countries assured the other that suitable conditions and protection for investments and investors would be provided. In addition, they signed the Preferential Trade Agreement in 2014 that aimed to decrease custom duties on specified goods, which was put into force as of January 2015.

Henceforth, Turkish exports to Iran increased considerably from less than three hundred million US dollars to above three and a half billion in the early 2010s. Turkish exports to Iran included precious and semi-precious stones; precious metals; pearls; coins; boilers; machinery; mechanical equipment and tools; knitted apparel and accessories; plastics and plasticware; wood and woodenware; motor vehicles and their spare parts; electrical machinery and equipment and accessories; synthetic and artificial non-continuous fibres; steel products and textiles. Almost 80 percent of Turkish exports to Iran consisted of industrial goods and machines, whereas 90 percent of its imports from Iran corresponded to petroleum and natural gas. In addition to oil and gas, Turkey has imported mineral oils; chemical-based products; copper and copper-ware; zinc and zinc-ware; aluminium, and aluminium-ware; iron and steel; fertilisers; plastics and plasticware from Iran.

Energy

The paramount share of Iran’s energy exports to Turkey makes the Turkish-Iranian annual trade volume sensitive to the fluctuations in international crude oil prices. The rising crude prices were reflected in the rise of the value of Turkish imports, whereas
dramatic falls in crude prices noticeably decreased the worth of the total trade volume. For instance, while the average crude prices were above the level of one hundred US dollars per barrel throughout 2011 to 2013, Turkish annual imports from Iran were valued at over ten billion dollars, which resulted in high trade volumes between the two countries. Meanwhile, the proportion of gold in Turkish exports to Iran dramatically increased after 2010 in order to counterweigh international sanctions. The increasing amount of gold exported coincided with the high crude prices culminating at the peak in Turkish-Iranian total trade volume, which was about twenty-two billion US dollars in 2012.73 A year later, partly because of decreasing oil prices, and partly because of growing constraints on Turkish gold exports, trade records returned to their usual levels. When the crude prices decreased to a level below fifty dollars per barrel in 2015 and 2016, the amount of the value of the total trade volume remained under ten billion dollars. It is noteworthy that primarily because of the declining oil prices in 2016 to around forty-one dollars, the balance of trade between the two countries shifted in favour of Turkey for the first time in the recent decades.74 In that particular year there was a considerable leap in Turkish exports to Iran which was boosted by the implementation of the preferential trade agreement, and also affected by an increasing amount of exported gold.75 Due to the volatile nature of the total value of economic transactions between the two countries, their share in one another’s total foreign trade records continuously changed. While at times, Iran and Turkey ranked within the first five trading partners respectively, at other times that ranking has changed.

Energy relations between the two countries mainly revolved around the Iranian supply of gas and oil to Turkey.76 Turkey’s demand for energy has increased considerably because of the growth of its industry and population. Turkey’s energy demand, which was around 114 Mtoe in 2011, is expected to reach 237 Mtoe by 2030.77 90 percent of the Turkish energy demand has been matched by fossil fuels (oil, natural gas and coal). The share of gas in the Turkish energy mix has considerably increased since the JDP came to power, because most of the power plants were converted to natural gas. Then, negligible amounts of Turkish oil and gas reserves made Turkey dependent on foreign supplies. Russia has been providing around 50 percent of its natural gas consumption. Iran is the second primary source of gas for Turkey.78 The history of the gas trade between the two countries dates back to the 1996 deal that envisaged Iran’s gas delivery for twenty-five years with increasing amounts of supply, which would ultimately reach to 10 bcm per year and the installation of a pipeline for that purpose. The flow of gas through the pipeline began in late 2001. However, after the start of the flow of gas to Turkey, Ankara and Tehran frequently disputed either the volume, or the price of the gas. Turkey ceased gas imports for a while in 2002 partly for technical problems and partly for lack of demand. Turkey then forced Iran to renegotiate the agreement and subsequently secured a lower price. Additionally, the volume subjected to take or pay statement, was decreased from 87 percent to 70 percent, which provided BOTAS, the Turkish company that has the monopoly of gas imports, with the manoeuvrability to decrease its imports by 30 percent of the agreed amount, without facing any penalties.79 However, Turkey continued to dispute the price which resulted in cuts in the flow of gas. On the other side, Iran cut off its supply to Turkey allegedly for cold weather conditions in January 2006. Sometimes, the pipeline was hit by explosions, arguably by the PKK attacks that interrupted gas supply. Iran
decreased the volume of gas exported to Turkey in the early months of 2007 after its dispute with Turkmenistan over gas deliveries and cold weather conditions. Disagreements between Iran and Turkey on the volume, quality, and pricing of gas became paramount over time. Whenever bilateral relations were tense, disagreements between the parties over pricing and some cuts in the flow of gas were presented by some media outlets as the Iranian utilisation of the ‘energy weapon.’ Due to continuing disputes between the parties, the Turkish BOTAS went twice to international arbitration against Iran. In the first case, in response to BOTAS’s file against the NIGC (the National Iranian Gas Company) dated 2004, the arbitration court awarded in 2009 an 18 percent decrease in the price of gas exported to Turkey and almost one billion US dollars as compensation for previous transactions. BOTAS went to international arbitration against Iran for the second time in March 2012, for disagreements on pricing. Four years later, the arbitration court decided in favour of Turkey in terms of price disagreement. The court ruled that Iran should cut the price of exported gas price by approximately 13 percent, and ordered Iran to pay close to two billion dollars to BOTAS for overcharging between 2011 and 2015. With regard to the Turkish case against Iran for deficiencies in delivery, the court accepted the Iranian arguments.

The Turkish and Iranian attempts to enhance their cooperation on gas transactions however, remained inconclusive. Iran and Turkey signed a memorandum of understanding in July 2007 that anticipated that the Turkish public oil company, TPAO, would develop phases 22, 23, and 24 in the South Pars gas field. Accordingly, a pipeline would be constructed between the two countries; Turkey would use gas through that pipeline at a discounted level, while a considerable amount of gas was to be exported to European markets. Additionally, the protocol referred to the Turkmenistan gas which was to be transited through Iran and Turkey to Europe. The American embassy in Ankara reacted against that protocol and warned Turkey not to endanger joint projects between the United States and Turkey in other areas. Despite the American warning, the JDP government seemed resolved to further its energy relationship with Iran. As a supplementary to the first memorandum, Iran and Turkey signed another memorandum in November 2008. TPAO was expected to invest in the fields assigned to it a total amount of US$15 billion in order to produce 20 to 35 bcm of gas per year, based on a buy-back contract. TPAO was interested in starting its development work in November 2009, a date which was delayed by both parties. Iran suggested a change of locations for the development offered to Turkey, which was rejected by the latter. There was also disagreement between the parties over the price, while Turkey was especially concerned with the buy-back conditions. Other issues that overshadowed the project were regarding the terms of agreement considering Iranian domestic use, Turkey’s concerns with a projected over-supply and their previous disagreements in gas trade. Additionally the prospective transfer of Iranian gas to Europe was a daunting task because there was no established pipeline, which led to speculations as to which pipeline project between Nabucco, the Trans-Adriatic Pipeline, and the Persian Pipeline, would be preferred to transfer Iranian gas. Turkey entertained the idea of incorporating Iran into the Nabucco gas pipeline plan that was projected to transfer the Caspian natural gas resources to the southeastern and eastern European markets. Both the United States and the EU objected to the involvement of Iran in the plan. With the intensification of sanctions over Iran, the feasibility of carrying Iranian gas to the European markets decreased considerably. Consequently, the early political will to
further energy relations between Iran and Turkey failed to materialise, and they failed to finalise the initial agreements.\textsuperscript{88}

Turkey has been importing 90 percent of its oil needs. Having considerable oil reserves, Iran has emerged as a potential oil supplier to Turkey. Oil trade between the two countries has a long history. After the Iranian revolution in 1979, Ankara made several oil-for-goods agreements with Tehran. The oil trade between the two countries continued over time. Thus, Iran used to be one of the main oil suppliers for the Turkish market. After the US sanctions on Iran were intensified in 2010, Turkey was granted some exemptions because it had considerably reduced its oil imports from Iran. Nevertheless, Turkey continued to import gas at regular levels due to the take-or-pay principle included in the relevant deal, and oil from Iran at dramatically reduced levels.\textsuperscript{89} Despite the reductions in Turkish oil imports from Iran between 2013-2016, Iran continued to be one of the two main suppliers, while Turkey ranked fifth among Iran’s customers.\textsuperscript{90} After the removal of sanctions in January 2016, Turkish oil imports from Iran increased to 21 million barrels in that year, and 52.8 million barrels in 2017.\textsuperscript{91}

\textbf{Investments}

Iranian attempts at drawing international finance and promoting foreign companies to invest in Iran in the late 1990s, opened a new opportunity in Turkish-Iranian relations. Since then, a growing number of Turkish delegations of businessmen and entrepreneurs interested in the Iranian market visited the country.\textsuperscript{92} Some of the Turkish investments failed partly because of factional bickering in Iran. Among them the investments of TAV and Turkcell are worthy of mentioning. TAV won the tender for construction of an international airport in Tehran (IKIA) based on a build-manage-deliver contract. However, immediately after the operations began in May 2004, the airport was occupied by the Revolutionary Guards ostensibly for the company’s alleged ties with Israel. Subsequently, the TAV personnel were forced to leave the airport.\textsuperscript{93} In the meantime, a consortium led by Turkcell won the tender to determine the first private mobile operator in Iran. Soon after the signing of the contract, a new legislation by the Iranian parliament prevented its operationalisation.\textsuperscript{94} Then, President Khatami cancelled his arranged visit to Turkey in September 2004.

Notwithstanding the challenges, there are some success stories for Turkish companies venturing into Iran. Gübretaş, a leading Turkish fertiliser company bought majority shares (48.8 percent) of Iranian giant Razi petrochemicals in 2008, which it still operates. It is regarded as the biggest Turkish industrial investment outside the country.\textsuperscript{95} Subsequently, Zeynep Özal, daughter of the late Turgut Özal, entered the construction sector in Iran with a number of projects worth four hundred million dollars, including the construction of a multi-story shopping centre.\textsuperscript{96} Additionally, Unit International, a major Turkish company signed a 4.2 billion dollar deal with Iran’s Energy Ministry in June 2016 to set up four natural gas power plants.\textsuperscript{97} Previously it had completed the construction of the Rudeshur Natural Gas Power Plant in 2008.\textsuperscript{98} Hayat Chemicals built a factory in Zenjan in July 2011 in order to manufacture baby diapers and women hygienic pads.\textsuperscript{99} The Kuzu Grup, a Turkish construction firm, was awarded the tender for the Maskan Mahr project, a large social housing scheme which included the construction of fifty-seven thousand units in Tehran, in 2010.\textsuperscript{100} After the removal of sanctions, the Turkish Kaya Group entered the Iranian tourism market, and with its Iranian partner the Eromi family, opened the Kaya Laleh Park Hotel in Tabriz.\textsuperscript{101}
Recently, President Erdoğan noted that seventy-seven Turkish companies have one and a half billion US dollars’ worth of investment in Iran.102 Iranian businessmen have also showed an interest in investing in Turkey. Increasing international pressure on Iran has led some Iranian businessmen to turn their faces towards Turkey.103 Compared to the 319 Iranian firms operating in Turkey in 2002, that number reached 1470 by late 2010 and 2072 by 2011. By late 2017, the number of Iranian companies operating in Turkey had reached 4,624,104 however, the value of Iranian investments in Turkey remained low, around just one hundred million dollars.105 After a series of meetings with Turkish automotive producers in search of partnerships, Irankhodro proclaimed the signature of a two hundred million dollar agreement with Hema Endüstri in order to jointly produce cars in Turkey.106 However, they could not bring this initiative to fruition.

Banking

After the JDP came to power, it promoted the development of banking ties between Iran and Turkey as conducive to prospective trade and economic transactions. In this respect, the Turkish government allowed Bank Mellat, which has been operating in Turkey since 1981 with three branches in Istanbul, Ankara and Izmir, to open new branches in March 2004. Additionally, Bank Saman applied for a license to be operational in Turkey.107 Bank Tejarat and Bank Pasargad were also reportedly interested in entering Turkey, but none of the aforementioned banks had opened branches in Turkey by 2019. On the other hand, Iran did not allow operation of foreign financial institutions inside the country. Although two Turkish state-owned banks, Halkbank and Ziraat Bankası, have representative offices in Tehran, they are not fully operative in banking transactions.108

While Iran was isolated from the international finance system under the sanctions, the two governments gave attention to developing bilateral banking ties. Halkbank especially, helped with payments to Iran for its oil exports. Furthermore, it arranged Indian payments to Iran in 2013. However, the Deputy Director General of Halkbank, M. Hakan Atilla was arrested by the US authorities in New York in March 2017, and condemned to a thirty-two-month prison sentence for helping Iran evade the sanctions.109 Since then, there have been some rumours hinting that Halkbank would also be punished for evading the sanctions; yet, there is no credible report on that matter.

Additionally, the Turkish and Iranian governments have been working on the utilisation of national currencies in their mutual trade, both as a way of reducing convertibility costs and avoiding the American sanctions. The first step in introducing the national currencies in bilateral relations was taken in 2008. However, the bulk of trade between the two countries was handled in US dollars, and euros. Eventually, the central banks of the two countries finalised an agreement in October 2017 to facilitate trade with national currencies.110 Accordingly, the Central Banks would have a certain amount in the currency of the respective country with which to facilitate payments. The currency swap agreement between Iran and Turkey entered into force in April 2018.111
Tourism

In the last couple of decades, Turkish-Iranian economic ties have gained a new dimension with the rise of tourist mobility between the two countries. The number of Iranian tourists visiting Turkey gradually increased from around four hundred thousand people in 2002 to almost two million in the early 2010s. Turkey is considered to be the first choice for Iranian tourists going abroad. The growing number of Iranian tourists has contributed much to the Turkish economy. Iranian tourists visiting Turkey usually spend an average of seven days, and an amount of money close to one thousand US dollars. However, the Iranian authorities complained about the relatively small numbers of Turkish citizens visiting Iran. In 2016, the number of Turks who visited Iran reached two hundred and forty-three thousand. Consequently, Iran became the sixth most popular place for Turkish tourists going abroad. Turkish citizens ranked fourth after Iraq, Azerbaijan, and Afghanistan among the five million to visit Iran in 2014. The removal of sanctions on Iran and the Rouhani government’s promotion of tourism has provided new opportunities for Turkish businessmen, who have been considering investing in Iran’s tourism industry by building luxury hotels.

Recently, either due to economic or political reasons, a growing number of Iranians have become interested in moving to Turkey. After the decision of the Turkish government to ease property sales to foreigners – the government decided to grant citizenship to those foreigners who buy real estate worth of two hundred and fifty thousand US dollars in 2017 – Iranians have constituted a conspicuous number among the foreigners who have bought properties in Turkey. Last year, in 2018, Iranians purchased more than one thousand homes and apartments, most of which were worth between fifty thousand and two hundred thousand US dollars. Hence, the number of Iranians living in Turkey with residence permits reached 22,457 in 2017. Additionally, there are a considerable number of asylum-seeking Iranian nationals, estimated to be around thirty-eight thousand people, who have been temporarily settled and put under temporary protection in Turkey while waiting for the processing of their applications to the UNHCR. According to recent news reports, the number of Iranians living in Turkey as of 2018 was around sixty-nine thousand, which probably included asylum seekers and students. Iran is among the top three countries, alongside Turkmenistan, Azerbaijan and Syria which sends students to Turkey. There are more than one hundred thousand international students studying in Turkish higher education institutions as of 2018, among which Iranian students constitute almost six thousand. Corresponding to the rising number of tourist, student and business people transiting between them, Turkey and Iran have agreed to diversify and increase the frequency and direction of flights between the two countries. National flag-carrier Turkish Airlines currently flies to seven different destinations in Iran, including Tehran, Tabriz, Mashhad, Ahvaz, Isfahan, Shiraz, and Kermanshah. In return, Iran Air has regular flights to Istanbul, Ankara, and Izmir. Additionally, there are considerable number of charter flights between the two countries operated by private aviation companies.

Regional Developments and Turkey-Iran Relations

While Iran and Turkey under the JDP have steadily developed and maintained diplomatic and economic relations, regional developments particularly in the Caucasus
and the Middle East have posed challenges. The diverging geopolitical interests of the two countries and their different foreign policy perspectives have prevented the development of regional cooperation. Despite the emphasis on the significance of Turkish-Iranian cooperation, mostly as part of a diplomatic courtesy, they have deliberately avoided region-wide cooperation. Furthermore, the emerging power vacuum and ensuing instability in their joint neighbourhood unleashed a revival of the so-called historic rivalry between Turkey and Iran. In this respect, the Iranian elite blamed Turkey firstly for Pan-Turkism to exert influence over the Caucasus and Central Asia, and then for neo-Ottomanism that is arguably in search of reviving the Turkish rule over the Middle East. The Turkish elite, in turn, blamed Iran for dreaming of resuscitating the Shiite expansionism of the Safavid Empire. However, the changing geopolitical considerations of the respective countries particularly after 2016, helped the development of regional cooperation between Ankara and Tehran.

The South Caucasus: From an Arena of Rivalry to Multilateral Cooperation?

The South Caucasus used to be a source of geopolitical rivalry between Iran and Turkey in the 1990s. Growing Turkish-Azerbaijani relations over time were alarming for Iran because of its fear of Pan-Turkism. In order to counter growing relations between Turkey and Azerbaijan, Iran maintained cordial ties with Armenia. Unlike Turkey which shared the Azerbaijani perspective with regard to the Nagorno-Karabakh conflict, Iran called for the cessation of armed clashes and political solutions to the conflict, without asking for the end of the Armenian occupation. Moreover, Iran was economically marginalised from that region as the Baku-Tbilisi-Ceyhan (BTC), the winning project to transport Caspian oil resources to the Mediterranean port, bypassed Iranian soil. Baku and Tehran had also conflicting claims on the maritime and seabed boundaries in the Caspian basin. The tension between the Turkish-Azerbaijani axis and Iran escalated to its peak, when Baku and Tehran confronted each other over maritime borders and drilling rights on the Caspian shores in 2001. Iranian-Azerbaijani relations continued to sour through the subsequent decade due to Iran’s growing relations with Armenia, whereas Azerbaijan focused on enhancing its relations with Turkey, the United States and Israel.

The first decade of the JDP in power in Turkey witnessed the continuing competition between Ankara and Tehran over the Caucasus, and Central Asia to some extent. As an extension of the Turkish-Iranian rivalry, Prime Minister Erdoğan excluded Iran from his (aborted) proposal for the establishment of a ‘Caucasus Stability Forum’ in 2008 that would include Turkey, Georgia, Azerbaijan, Armenia and Russia as a platform of dealing with regional matters. Additionally, Turkey furthered its relations with the Turkic states of Central Asia and Azerbaijan to establish a Turkic Council (Cooperation Council of Turkic Speaking States) in 2009, between Turkey, Azerbaijan, Kazakhstan and Kyrgyzstan, which was aimed at promoting comprehensive cooperation among the member states. Conversely, Iran engaged in establishing a platform that would bring the Persian speaking countries, Afghanistan, Tajikistan and Iran together. The Presidents of the three countries held a tripartite summit in Dushanbe in July 2006, which was followed by several rounds of annual summit meetings between the three heads of states.
Despite their mutual misgivings and competition over the South Caucasus, Iran and Turkey along with Azerbaijan, have developed a trilateral mechanism in order to overcome latent and actual points of concern between the three countries and a trilateral cooperation and consultation platform. The first, and foremost aspect of this trilateral relationship has been the maintenance of a logistical connection between Azerbaijan and Nakhichevan, which is the Azerbaijani enclave surrounded by Armenia, Iran, and Turkey. It includes a land corridor to transfer oil, gas and electricity to that enclave through Iranian territories. The second aspect of this trilateral cooperation has been the development and connection of transportation routes, both railways and highways, with all three countries.

The foreign ministers of the respective countries, Elmar Mamadyarov, Ali Akbar Salehi, and Ahmet Davutoğlu held the first trilateral meeting in Urmia, Iran, in April 2011. Davutoğlu stated that ‘the main goal of the trilateral meeting was to improve cultural relations, increase travel among the countries and to develop new economic projects’, and ‘to combine the potential of these countries’ in a vast area ‘spanning the Caspian to the Indian Ocean and the Black Sea to the Mediterranean.’ The joint statement issued at the end of the meeting underscored that cooperation between the three countries would contribute to regional peace. Additionally, it acknowledged the right of every country to obtain nuclear energy within the framework of the NPT and under the supervision of IAEA. The joint statement foresaw cooperation among the security and intelligence departments of the three countries against terrorism, organised crime, drug, and human trafficking. The statement also predicted the ‘improvement of cooperation between the three countries in the areas of trade, industry, investment, transportation, communication, energy, tourism, science and technology.’ In this regard, the parties agreed to form a trilateral economic committee to examine and review the means and potential for ‘signing a preferential trade agreement, easing customs affairs, modernising border points, and establishing joint companies’ between the three countries. Accordingly, they entertained the idea of the establishment of a trilateral common market, which might serve as a catalyst for a common market for a wider region. Additionally, the development of transportation routes has been vital to the improvement of economic and commercial relations between the three countries. While Turkey has been regarded by Azerbaijan and Iran both as a market and a gateway for their products to reach European markets, Iran serves as a transit route connecting Turkey to Azerbaijan and Central Asia. Hence, the issue of the linking of highways and railways of the respective countries has been continuously on the agenda of the subsequent trilateral meetings.

After the Urmia meeting, the Azerbaijani, Iranian and Turkish foreign ministers held five more meetings. Despite their diverse alliances and foreign policy orientations, in order to reassure each other, the parties repeatedly underlined that their territories would not be used for destructive activities against each other. They also reiterated their commitment to strengthen their cooperation in ‘the fight against terrorism and extremism, transnational organised crime, narcotics, arms and human trafficking.’ Despite their expressed interests in promoting a trilateral partnership, mutual mistrust, regional rivalries, sanctions, and other obstacles impeded the proposed cooperation schemes. At the fourth meeting held in Ramsar, Iran, in April 2016, the parties adopted the ‘Trilateral Sectoral Cooperation Action Plan for 2016-2018’ that would replace the Trilateral Sectoral Cooperation Action Plan for 2014-2016 adopted in the previous meeting held in Van, in March 2014. They also decided to establish a
Steering Committee at the level of deputy foreign ministers for political affairs, which would act as a coordinating body of the trilateral mechanism and ensure the implementation of activities listed in the Action Plan.129

The last trilateral meeting of the foreign ministers was the sixth one, held in Istanbul on October 30, 2018. In the joint statement after the meeting, the foreign ministers stressed their strong willingness to further solidarity and cooperation among their people, agreed to consult each other with related issues of common interest on different levels and platforms in international and regional organisations and agreed to support candidatures of the three countries in international and regional organisations. They confirmed their commitment to 'sovereignty, territorial integrity, inviolability of internationally recognised borders and peaceful settlement of all disputes, as well as non-interference in internal affairs.' The parties reiterated that they would enhance their cooperation in the fight against terrorism, violent extremism and separatism, the struggle against transnational organised crime, narcotic trafficking, human trafficking, etc. Underlining the geographical location of the respective countries, they considered increasing cooperation for the development of the transport infrastructure. In this regard, they underlined the significance of large-scale projects for increasing interconnectivity between the three countries; underlined the full utilisation of the Baku-Tbilisi-Kars railway and the completion of Rasht-Astara railway, projected to connect the Azerbaijani and Turkish railways, and the Iranian and Azerbaijani railways respectively, and encouraged the parties to make use of the full capacity of the ports for the benefit of the three countries. They also displayed their willingness to enhance commercial cooperation in the field of energy, the encouragement of the establishment of a ‘Trilateral Business Forum’ to further strengthen the economic and trade relations and create new opportunities among the business circles of the three countries, advancing cultural and scientific cooperation.

Thus, Turkey and Iran have apparently managed to overcome their differences and diverging interests in the Caucasus, and turn that region into an area of cooperation. In parallel to the trilateral cooperation mechanisms between Turkey-Azerbaijan-Iran, Turkey is also involved in another, but parallel trilateral mechanism between Turkey-Azerbaijan-Georgia in order to promote peace and stability in the Caucasus, and cooperation between the Caucasus countries. Complementary to the two parallel trilateral meetings, a quadripartite meeting was held in Baku, in March 2018 that brought Turkey, Azerbaijan, Georgia and Iran together in a single platform.131 Although there is a considerable gap between the ambitious aims underlined through successive trilateral meetings and the results yielded, the institutionalisation of a mechanism for dialogue and cooperation among the respective countries, could be regarded as an achievement towards multilateral cooperation.

Arab Spring, the Cooling of Turkish-Iranian Relations and Reconciliation

When the revolutionary mobilisation of the population overthrew age-old dictatorships in Tunisia and Egypt, Iran and Turkey apparently shared similar viewpoints. However, their strategic and ideological differences unleashed new competition between the two countries. Iran had been overinvesting in order to cultivate strong ties with the dissident movements in the Middle East. The Arab Spring that swept the committed enemies of Iran aside from power both excited and emboldened Iranian leaders, who
labelled the popular movements as part of the so-called Islamic awakening. On the other hand, the JDP leaders in Turkey attempted to ride on the popular upheavals both to promote its government-type as a good-working model, and to forge close ties with the ‘revolutionary’ governments. Indeed, the JDP strategy was successful to some extent in terms of drawing the interest and favour of the new elite across the region. In addition to Erdoğan’s celebrated visits to the Arab Spring countries of North Africa in September 2011, Mohammad Morsi, then the newly elected President of Egypt, Rashed al-Ghannushi, leader of the Tunisian al-Nahda movement that started to occupy a large share of power in Tunisia, Masoud Barzani, President of the KRG, and Khaled Meshal, the leader of HAMAS, alongside many foreign guests participated in the JDP congress held in September 2012. Growing popularity of the then prime minister Erdoğan and the JDP across the region was alarming for the Iranian elite, in whose view the rising Turkish activism in the region would discard Iranian influence. According to the Iranian assessments, the promotion of the Turkish model hinted at the unfeasibility of the Iranian alternative for the Arab Spring countries.

In this context, the upheavals which erupted in Syria in March 2011 turned into a thorny issue between Ankara and Tehran. Additionally, contested domestic politics in Iraq preceding the American military withdrawal in December 2011, tempted the further involvement of Turkey and Iran to support rival political groups. The Iranian elite viewed the Turkish support for the Syrian and Iraqi opposition as an extension of a strategy to increase its regional influence to the detriment of Iran. Turkey’s bid for increasing its sway, particularly in the Fertile Crescent, would reduce the Iranian weight in that area because it required the removal of the Assad and Maliki governments in Syria and Iraq respectively that were allied with Iran. Accordingly, Ankara cultivated good ties with the KRG especially after 2008, and ‘exploited’ the situation in Syria to increase its regional clout. In response to the JDP strategy of riding on popular opposition movements (some critiques called it an attempt to create a regional ‘Muslim Brotherhood Belt’ led by Turkey under the guise of supporting democracy) from Syria and Iraq to North Africa, Iran adopted a strategy to confront Turkey in Syria, and mobilised all its regional networks to stop the Turkish advances.

In fact, Iranian policy towards the Middle East has been far more complicated than just preventing the rising Turkish influence, primarily because Turkey was not alone on the long list of its perceived adversaries or threats. Moreover, according to some Iranian critics, Turkey had returned to its conventional policy of executing its role designated by the United States, which was again simplifying a further complicated Turkish policy towards the Middle East after the Arab Spring. Nevertheless, in addition to the JDP’s ‘moral policy’ to support democratic opposition movements against the authoritarian regimes, the initial harmony between Turkey, the Western countries and Saudi Arabia at the outset of the Syrian upheavals, put Ankara and Tehran into contradicting blocs. Hence, a fierce region-wide competition resurfaced between the two states not only in Syria, but also over Iraq and the rest of the region. Thus, Turkish-Iranian relations entered a new period of competition with its strategic identity and security implications which resembled the sixteenth century Ottoman-Safavid rivalry. Both countries blamed each other for following a sectarian agenda that would further destabilise the whole Middle East. For Iran, Turkey was pursuing a ‘neo-Ottomanist strategy,’ while Turkish officials continuously blamed Iran for the ‘Shiite expansionism.’
Syria

Surprisingly to many people who observed the ‘staunch’ Turkish opposition to the sanctions against Iran and its support for a ‘peaceful’ Iranian nuclear program, the same Turkish government stopped Iranian cargo planes headed to Syria in March 2011 for allegedly breaching the terms of UN sanctions for the transfer of weapons. It reported to the UN panel for monitoring Iranian sanctions that one of the planes contained military equipment that was banned by a number of UN Security Council resolutions. Likewise, Ankara seized five Iranian TIRs suspected of carrying arms and munitions to Syria in January 2012. Meanwhile, it was reported in some media outlets that the Qods Force of Iran deployed a spy network in Turkey, some of whom were recruited from amongst Turkish citizens, in order to stage provocative attacks and collect secret information. Combined, these developments were viewed as signs of worsening Turkish-Iranian relations mainly because of the growing differences between them with regard to developments in Syria.

The Turkish and Iranian divergence on the Syria crisis stemmed from the different understanding of the nature of the people’s protests in that country. In Iran’s assessment it was a Western and Zionist conspiracy against President Assad, however Turkey viewed the Syrian opposition as part of the region-wide trend to resist long-lasting authoritarian rules in the name of political rights. Once Turkey had failed to convince Assad to initiate structural reforms to deal with the growing opposition and violence in the country, it discarded him and promoted regime change policy in Syria. In this regard, it hosted Syrian opposition meetings, facilitated the organisation of the Syrian National Council, provided shelter to the Syrian army defectors and helped the armament of the Free Syrian Army. Iran criticised the Turkish attempts to support the opposition to serve the interests of the Western countries. Indeed, Turkey coordinated its strategy with regard to Syria with the Western states and some of the Arab states, which established a joint front called the Group of Friends of the Syrian People.

For a while, at the outset of the Syria crisis, the JDP government was engaged in persuading Iran to support its cause. In this regard Foreign Minister Davutoğlu paid a visit to Tehran in August 2011, just before the Turkish government cut its ties with the Assad administration. Likewise, in March 2012, PM Erdoğan landed in Iran after his return from the nuclear security conference held in Seoul, and met Supreme Leader Khamenei in Mashad. However, he failed to secure Iranian support. From the viewpoint of Iran, Turkey was acting in an opportunistic way by exploiting the crisis in Syria, blaming the Assad administration for the violation of human rights, and turning a deaf ear to the popular demands for a change of regime. Moreover, through its increasing support for the Syrian opposition such as facilitating its organisation and armament, it was directly threatening the Assad rule in that country. However, for Iran the maintenance of the Assad rule in Syria was regarded as the red-line, while the removal of Assad from power was tantamount to the weakening of Iran’s regional position. Moreover, some of the Iranian elite become anxious about the potential Turkish activities, similar to its role in Syria, to instigate and promote opposition to the Iranian regime. Hence, the Biennial Iranian Studies Conference that was held in Istanbul in August 2012 was smeared by the Kayhan news headline allegedly for being an opposition meeting that effectively deterred Iranian scholars from attending the event.
The contradictory positions of the two states with respect to the Syrian crisis combined with the Turkish-Iranian row over the deployment of the American radar in Malatya, unleashed the aforementioned rhetorical brawl between the Iranian and Turkish elite. Despite the exchanges of fierce rhetorical remarks, mutual accusations and claims of overall confrontation between Ankara and Tehran, the two states have not positioned themselves directly against each other. Moreover, there were several instances of cooperation and the search for a common understanding related to regional developments, especially on Syria.

Prior to his visit to Tehran in January 2012, the then foreign minister Davutoğlu gave a public warning against the 'growing signs of sectarian-based tensions.' In order to allay Iranian concerns, Davutoğlu confirmed his government's position that Turkey had never considered Iran as a threat, and assured Iran there would be no attack on that country from Turkey. In the same vein, Iranian Foreign Minister Salehi assured his Turkish colleagues in August 2012, to ignore the words of any Iranian officials other than the Supreme leader, President, and Foreign Minister, who represented the official policy of Tehran. Meanwhile, Turkey arranged the release of some Iranian citizens, arguably IRGC members, held captive by the Free Syrian Army on Syrian soil. Similarly, Iran facilitated the release of two Turkish journalists kidnapped in Syria in March 2012. In April 2012, Turkey hosted the second meeting of the Group of Friends of the Syrian People, which excluded Iran. The Iranian government also organised an alternative international conference with the participation of representatives from twenty-nine countries in August 2012, but did not invite Turkey. Despite the different trajectories adopted by Ankara and Tehran related to the Syria crisis, the two states continued to search for a common platform to address that issue. Upon the proposal of the then Egyptian president, Mohammad Morsi, foreign ministers of Turkey, Iran and Egypt met in Cairo in September 2012. The foreign minister of Saudi Arabia was also invited, but he abstained from joining the meeting. The second and third rounds of the meetings of the foreign ministers was held on the sidelines of international conferences, respectively in New York in late September, and Islamabad in November 2012. On the sidelines of the OIC Summit held in Cairo in February 2013, the Turkish, Iranian and Egyptian presidents came together and called for the end of the bloodshed and conflict in Syria. At the same line, in his meeting with Iranian President Ahmadinejad in Baku in October 2012 on the sidelines of the ECO summit, PM Erdoğan proposed the formation of three alternating trilateral negotiations that would include Turkey, Iran, Egypt; Turkey, Iran and Russia; and Turkey, Egypt and Saudi Arabia that would discuss the resolution for the Syria conflict. However, the proposed trilateral negotiations did not materialise until late 2016.

The Turkish-Iranian disagreements on Syria mainly revolved around two issues. The first was the fate of Bashar al-Assad. According to the Iranian view, Assad was the legitimate president of Syria and no one had the right to ask, or compel his withdrawal, which was regarded as interference in the internal affairs of that country. Unlike Iran, Turkey claimed that Assad had lost his legitimacy because he used lethal violence against people without discriminating between armed insurgents and civilians. Hence, Assad should not be allowed to remain in power, even for a period of transition, as envisaged by the Geneva Conference of June 2012. The second was that Iran called most of the opposition movements extremists and terrorists who had penetrated the country as part of a conspiracy that was fomented by the United States and Israel. Iran
supported Assad’s struggle against the opposition ostensibly as a fight against terrorism, or resistance to international conspiracies. For that reason, Iran argued that a practical solution to the crisis necessitated the prevention of the flow of weapons, funds and foreign fighters to Syria. Contrary to Iran, Turkey acknowledged the presence of some extremist groups fighting against the Assad regime, but asked to separate them from the legitimate and moderate opposition groups. In this respect, some of the Iranian elite blamed Turkey for either supporting or allowing activities of those extremist groups. In return, Turkey became increasingly discomforted by the Iranian mobilisation of Shiite fighters from different countries to fight in Syria.

Turkey also had some misgivings about Iran’s relations with the PYD (Democratic Union Party), the Syrian offshoot of PKK, in the theatre of Syria. The PYD had built some internal and external alliances with various actors in the name of protecting the Syrian people from extremist violence. Its armed wing, the YPG, consolidated its grip over the mainly Kurdish populated northern towns of Syria, and built autonomous ‘canton administrations’, which later turned into the de facto ‘Democratic Federation of Rojava.’ While Turkey was coordinating its activities in the north of Syria with the Kurdish National Council, a front organisation of pro-Barzani parties, Iran relied on its close relations with the PUK, and its alleged relationship with the PKK, that made for burgeoning relations between Iran and the PYD. Indeed, there was an apparent sympathy in the Iranian media for the PYD. It was then claimed that Iran had brokered an implicit agreement between the PYD and the Assad administration, which handed over the north of Syria to PYD/YPG control in return for the latter’s rejection of participation in the Syrian opposition, and to stand against the mounting Turkish influence in the area. 

Meanwhile, by the late 2014, extremist ISIS militants took over most of the territories previously held by the Free Syrian Army and the Nusra Front, surrounding most of the southern borders of Turkey. From then on, ISIS fired rockets onto Turkish towns across the border. Kilis town especially, close to the border, was badly damaged by the ISIS rockets. In addition, the International Coalition led by the United States, established to fight ISIS in September 2014, started to provide military assistance to the YPG forces. The PYD/YPG that had previously controlled three ‘cantons’, actually Kurdish enclaves, in the north of Syria since the regime forces’ withdrawal in July 2012, established a front organization called the Syrian Democratic Forces (SDF) that included a number of Kurdish, Armenian, Assyrian and Arab ‘parties.’ Ensuring the military support of the International Coalition, i.e. the United States, the PYD/SDF forces swept ISIS from most of the territories that it had captured earlier, and thereby expanded the territories under their control. The expansion of the PYD seized territories stretching from Hasekeh to Afrin on the southern flanks of Turkey, amplified the Turkish government’s anxieties with the establishment of a ‘terror corridor’ as a cordon cutting Turkish access to the Arab peoples, which triggered its military response.

The military raids of the Turkish forces inside Syria targeting both the PYD/YPG and ISIS positions caused more anxiety on the part of Iran. Turkey justified its incursions through the presence of terrorist groups, both the PYD/YPG and ISIS, across the border. Besides occasional air strikes and artillery shelling, the Turkish armed forces staged two major operations, in partnership with some Syrian militia affiliated with the Free Syrian Army, Operation Euphrates Shield which began in August 2016 was aimed at sweeping ISIS forces away from an area between the towns of Jarabulus and Azez, adjacent to the Turkish border. The second major operation, code name Olive Branch,
targeted the PYD controlled Afrin canton in January 2018 and swept the PYD/YPG forces more than 40 kilometres away from the border.

The Iranian officials watched the Turkish military raids inside Syria apprehensively, and labelled them an attempt to create a buffer zone in that area. In response to the Turkish air raids against ISIS targets in July 2015, the spokesperson of the Iranian Foreign Ministry, Marzieh Afkham called for effective cooperation on anti-terrorism measures and respect for the sovereignty of the Syrian government. Deputy Foreign Minister Hossein Amir Abdollahian warned, the ‘creation of a buffer zone inside Syria is a violation of the country’s territorial integrity and sovereignty.’ Likewise, the hardline members of the Iranian parliament, including Hossein Naqavi and Nozar Shafiyee, blamed Turkey for supporting ISIS and then using it as pretext to fight the PKK and create a buffer zone in the north of Syria.

The insistence of the PYD on building an autonomous region in Syria, and the development of close relations between the PYD and the United States, however, lessened the Iranian opposition to the Turkish military operations. Soon after the rise of debates on the likelihood of a federal administration for the future of Syria in early 2016, the then prime minister Davutoğlu visited Tehran, where he told his Iranian interlocutors that they ‘should not leave the fate of the region to extra-territorial powers.’ In a similar vein, the Turkish Foreign Minister Mevlüt Çavuşoğlu, who met his Iranian counterpart M. Cevad Zarif in Istanbul on March 19, lashed out the PYD’s declaration of a federal region, and said, ‘They want to divide Syria. With Iran, we support the territorial integrity of Syria’. Indeed, Operation Euphrates Shield began soon after the exchange of visits of the Iranian and Turkish foreign ministers in August 2016.

In response to Operation Euphrates Shield, the spokesman of Iranian foreign ministry, Bahram Ghasemi argued that the fight against terrorist groups in Syrian territories, should take place in coordination with Damascus. His criticisms against the Turkish military deployment continued. In a press conference, he stated that the adoption of any approach that defied the political authority of a country’s central government was not acceptable. He added that the continuation of a Turkish military presence on Syrian soil would further complicate the situation. Turkey deepened its military involvement in Syria through Operation Olive Branch in January 2018. Some militia forces affiliated to Iran, then supplied the YPG in Afrin and mobilised to stand against the Turkish military march. The Spokesman of the Iranian foreign ministry reiterated his country’s concerns about the Turkish military activities, the necessity of respecting the sovereignty and the territorial integrity of Syria, and asked for a quick end to the military operations.

Although Iran was highly concerned with the Turkish military incursions, its response was relatively moderate. Mahan Abedin, assessed the Iranian government’s position as ‘cautiously supportive’ towards the operation. Indeed, Ghasemi, said that his government expected ‘Turkey to remain committed to the Astana peace talks.’ Turkey and Iran, along with Russia achieved a good level of coordination in decreasing military clashes and promoting political solutions to the Syria crisis. Hence, Iran has not dared to endanger the process by antagonising Turkey. Additionally, Iran has also shared some of the Turkish concerns about the empowerment of the PKK affiliated forces in Syria. Although Iran and the Assad administration courted the PYD for a while for various purposes, the growing relationship between the PYD and the United States has
turned into a source of profound concern for Tehran. American officials, especially after Donald Trump came to power, have publicly stated on several occasions that the primary aim for their military presence in Syria was to counter Iranian influence. Iran subsequently further valued its cooperation and coordination with Turkey, which paved the way for the Astana process.

Astana Process

Turkey’s approach towards Syria which was based on the overthrow of the Assad administration, reached a stalemate by late 2014. Firstly, the callous activities of some extremist groups, ostensibly part of the Syrian opposition, led to domestic and international criticism of Turkish support for the opposition. Secondly, the US refusal to take military action against the Assad regime, even after its use of chemical weapons in August 2013, disappointed Turkey. Consequently, the Geneva Conference which had envisaged the establishment of a transitional regime in Syria could not proceed. In the meantime, the initial partnership between Turkey and Saudi Arabia faded away, after the latter’s support for the Sisi coup in Egypt. As a result, the Syrian opposition fragmented into further smaller groups with different patrons, and lost some of their strongholds. Moreover, the PYD consolidated its authority in the northern Kurdish ‘cantons,’ while the rise of ISIS in Syria and Iraq turned into a serious threat to Turkish interests. Combined with the aforementioned developments, the Turkish government was encouraged to search for regional collaborations for the resolution of the Syria crisis. On the other hand, the military involvement of Russia in the Syrian war theatre to support the Assad regime, gradually marginalised Iran’s position in Syria. Both the rise of ISIS, and the growing relations between the PYD and the United States also emerged as major challenges to Iran. The spectre of sectarianism across the region also tarnished Iran’s image across the Middle East. Against this background, the Iranian government welcomed the trilateral negotiations between Iran, Russia and Turkey, a mechanism that was founded in Moscow in December 2016.

In accordance with the Moscow Declaration of December 2016, representatives of the Syrian opposition and the Assad administration, along with Iranian, Russian and Turkish delegations met in Astana. By 2019, eleven rounds of meetings had been held at expert level. There have been two tracks within the framework of the Astana process. The first was the establishment of the de-escalation zones, which were expected to provide a comprehensive cease-fire between the belligerents. In due process, Iran, Russia and Turkey were recognised as the guarantors of de-escalation, and formed a joint monitoring body to enforce the ceasefire in the de-escalation zones. Additionally, they agreed the deployment of Iranian, Turkish and Russian troops in Syria to observe the conditions and violations of the cease-fire. The second track of the process has been directed to find a political, ‘Syrian solution’ to the crisis. In this respect the parties have been engaged in forming a specific committee consisting of pro-Assad and pro-opposition figures to draft the future constitution of the country and the transition process.

Besides the expert-level meetings, leaders of the respective countries held four summits. The first summit was convened in Sochi on November 22, 2017. In the aftermath of the summit, the Syrian National Dialogue Congress that consisted of the representatives of opposition and the Assad administration, was held in Sochi, in January 2018, when the participants agreed to form a constitutional committee. The
second summit of the Astana process was held in Ankara on April 4, 2018. At the end of the Ankara summit, the Presidents issued a joint statement. It is highlighted that ‘the Astana format’ was the only effective international initiative which helped to reduce violence across Syria. Leaders also confirmed their ‘commitment to the sovereignty, independence, unity, territorial integrity and non-sectarian character of Syria.’ In reaction to the US military support for the YPG under the guise of the SDF, the Presidents stated, ‘they rejected all attempts to create new realities on the ground under the pretext of combatting terrorism and expressed their determination to stand against separatist agendas aimed at undermining the sovereignty and territorial integrity of Syria as well as the national security of neighbouring countries.’

The third tripartite summit was convened in Tehran on September 7, 2018. The issue of Idlib was the burning question in the agenda of Tehran Summit. The Pro-Assad forces’ encirclement of Idlib, an opposition-held northwestern provincial capital of Syria, raised concerns in Turkey and some Western countries for a new round of violence close to Turkish-Syrian border and latent effects of the flight of hundreds of thousands of civilians toward Turkey. The presence of Al-Nusra forces along with some extremist militias in the same area made the question more complicated. Based upon the negotiations between the parties in Tehran, Russia and Turkey signed a bilateral agreement in Sochi, in October 2018, to preserve stability and a ceasefire around Idlib.

Although the bilateral agreement between Turkey and Russia, which apparently sidelined Iran, raised some concerns in Tehran, the Iranian government remained committed to the Astana process.

At the fourth summit held in Sochi on February 14, 2019, a draft list of the prospective members of the constitutional committee was on the agenda. Additionally, the three Presidents addressed a wide range of topics from the maintenance of a ceasefire, to the withdrawal of American troops from the northeastern part of Syria, to the return of Syrian refugees, to the promotion of a political solution to the crisis on the principle that the Syrians would decide their own future.

Although they repeatedly stated their commitment to territorial integrity of Syria and the maintenance of the Astana process, the Iranian and Turkish divergence and mutual misgivings have remained. For instance, the Iranian government did not publicly protest or censure the Turkish military troop deployment inside the Syrian territories. However, as stated by Erdoğan, their declarations and statements hinted Iran’s anxiety about the presence of Turkish troops in Syria. Indeed, in his remarks at the joint press conference held subsequent to the fourth trilateral summit in Sochi, Iranian President Rouhani highlighted the ‘temporariness’ of the military presence of the guarantor states in Syria. He reiterated the Iranian position that sovereignty of the Syrian government should be restored ‘all over the country’, which implicitly included Turkish military operation zones alongside the northeastern part controlled by the US-PYD forces and Idlib. Iran’s promotion and support for Assad’s position disguised as support for a legitimate central government, and its call for withdrawal of all foreign forces from Syria, proved the continuing Iranian discomfort and anxieties related to the Turkish military presence in that country. In return, Turkish officials have frequently hinted at their discomfort with Iranian activities in Syria.
Iraq

Turkey and Iran shared similar concerns with regard to the American intervention in Iraq in 2003, which resulted in some sort of understanding between Tehran and Ankara as illustrated by several rounds of meetings of Iraq’s neighbours. Soon after the American occupation, Iranian and Turkish interests fundamentally diverged with regard to the future of Iraq. Although they both continued to be anxious about a potential Kurdish independent statehood in the north of Iraq, Iran was equally disturbed by a potential Turkish military deployment in Iraq.\footnote{Several rounds of discussions for a Turkish troop deployment in Iraq between the United States and Turkey did not yield effective outcomes. Conversely, American forces in Iraq severely constrained the Turkish military and intelligence activities in the north of Iraq.}

In the meantime, Turkey developed intimate bonds with the Iraqi Sunnis and clarified its position for the establishment of a unitary regime and inclusive government in Baghdad. It was eager to ensure a strong representation of the Sunnis in the new regime. This attempt, however, was effectively understood by Iranians as its opposition to the Shiite dominated government, partially engineered by Iran.\footnote{Indeed Turkey was concerned about the consolidation of sectarian politics and a growing Iranian influence in Iraq that would make it subservient to the interests of Iran.}

Despite their differences, Ankara and Tehran supported the transition of power to the Iraqi authorities. For a while, Turkey appeased the Nuri Maliki government in Baghdad so that they agreed on the establishment of High-Level Strategic Cooperation Council in 2008. The Turkish government was then engaged in developing close ties with the Iraqi Sunnis as well. However, the Turkish support for al-Iraqiya list led by Iyad Allawi in the parliamentary elections in 2010 created some disputes in Ankara-Baghdad relations. Although al-Iraqiya list won the election with a slight majority, Maliki succeeded in leading the next government by ensuring Iranian support, which strained Turkish-Iraqi relations. In the meantime, Turkey deepened its relationship with the KRG to the dismay of the Maliki government and Iran.

In late 2011, the confrontation between the JDP and Maliki governments reached its zenith, when the latter ordered the arrest of Tareq al-Hashemi, the Sunni Vice-President, alongside a number of respected Sunni ministers. Turkey provided refuge to al-Hashemi and condemned the Maliki government for pursuing a sectarian agenda. Due to the Iranian backing of Maliki, the Iraqi-Turkish row easily turned into Turkish-Iranian rivalry. In late 2012, Iraqi opposition groups staged meetings protesting the Maliki government, in which some activists carried placards favouring Turkish Prime Minister Erdoğan. Combined with the JDP government’s apparent support for the Iraqi opposition and the public sympathy of some Iraqis for Erdoğan highlighted Iraqi and Iranian concerns with potential Turkish activities in the region.\footnote{To complicate the picture further, Turkey signed a landmark energy deal with the KRG, which would facilitate its export of oil to international markets. However, because of the ongoing dispute between Baghdad and Erbil over the utilisation of the oil and gas reserves in the north of Iraq, the Maliki government reacted strongly against the deal. While the Erdoğan-Maliki brawl was going on, ISIS suddenly seized Mosul, attacked the Turkish consulate and took the diplomats and staff hostages in June 2014. Soon afterwards, it quickly marched towards Baghdad. Turkey blamed Maliki for fuelling sectarianism, which prepared the ground for the rise of ISIS. Turkish-Iraqi relations were normalised}
only after Haider al-Abadi replaced Maliki as the new prime minister of Iraq in September 2014.

In an attempt to reverse the sectarianism that haunted the country, Abadi was occupied with reaching a compromise with the Sunni leaders of the country and the KRG. He paid an official visit to Ankara in December 2014 and restored Turkish-Iraqi relations. However, the Turkish military activities in the north of Iraq soon turned into a new row in bilateral relations. As part of the global campaign against ISIS, the Turkish armed forces started to train the Kurdish peshmerga and Iraqi forces. In December 2014, Ankara and Baghdad reached a conciliation for the establishment of a military base in the town of Bashiqa, near Mosul, as part of the joint efforts to train the Sunni fighters Hashd al-Watani (National Mobilisation Forces aka Ninewa Guards), and the Kurdish forces. However, reinforcements of Turkish troops in Bashiqa in late 2015, drew criticism from the Iraqi government, which was arguably, encouraged by Tehran. When Abadi asked Turkey to withdraw its troops from Iraq, ahead of the expected military operation to liberate Mosul from ISIS control in October 2016, President Erdoğan reacted angrily, confronted Abadi, and stated, ‘we will go our own way, everyone should know this.’

Against this background, the Iranian government stood with Abadi. President Rouhani implicitly criticised Turkish activities in the north of Iraq as a ‘dangerous intervention’ that was not coordinated with the central government in Iraq. Indeed, as Ali Akbar Velayeti stated, for Iran, ‘Iraq is more important than all of other Arab countries [including Syria].’ Turkish military activities in Iraq were considered by Tehran to be detrimental to the sovereignty of the Baghdad government. Considering the Turkish nationalists’ claims over Mosul and Kirkuk, Iran was especially worried over the Turkish military deployment so close to that area.

Meanwhile, the Iraqi government mobilised volunteers to fight ISIS, which eventually turned into Hashd al-Shaabi (the Popular Mobilisation Forces, PMF), promoted by the Shiite religious leaders. The Iraqi government also employed Iranian military advisors to train and lead the operations of the PMF, which became effective in reversing the advancement of ISIS and liberating some of the towns it had seized. Subsequently, the PMF was blamed by some critics for sectarian violence discriminating against the Sunni people of the liberated towns, and human rights violations. When the Iraqi forces turned north to liberate Mosul, the Turkish government publicly opposed the involvement of the PMF militias in the prospective operation. Turkey’s anxiety with the PMF mainly derived from two elements. Firstly, considering the critics against the sectarian actions of the militia in previous cases, the JDP government was critical of the employment of such a force for the liberation of Mosul, mostly populated by Sunni people. Hence, a potential sectarian contention might worsen the situation around the city, and culminate in a change of the demographic structure. For that reason, Turkish officials repeatedly called for preservation of the ethnic demographic structure of the province. Secondly, Turkey viewed that organisation as an instrument utilised by Iran to expand and consolidate its influence in the Sunni regions of Iraq. Although Hashd al-Shaabi was nominally subordinated to the Chief Commander of the Iraqi Armed Forces, in reality it consisted of numerous autonomous militia groups, some of whom had direct affinities with Iran. Hence, on an occasion in April 2017, President Erdoğan called the PMF a terrorist organisation. In the same speech, he drew attention to the links of Hashd al-Shaabi, and said, ‘Iran’s Persian expansionism has started to cause quite a headache.’ Unlike Turkey, the Iranian government encouraged and supported the
PMF’s participation in future operations and blamed Turkey for undermining the unity and territorial integrity of Iraq.

After long debates between the relevant parties and partly because of the pressure from America, the PMF militia was barred from taking an active role in the battle of Mosul between October 2016 and July 2017. Iraqi observation of the Turkish concerns throughout the operation and a series of diplomatic exchanges, eased the tension between Ankara and Baghdad. Meanwhile, Masoud Barzani, President of the Kurdistan Region in Iraq, designated September 25, 2017 as the date for the referendum for independence of the KRG. This decision sparked harsh reactions from both Baghdad and neighbouring capitals Tehran and Ankara, and compelled the three countries to set their differences aside and develop a joint position to prevent the independence of the KRG.

The referendum issue set the agenda of the visit of General Bagheri, the top Iranian commander, to Ankara in August 2017. Following this, the foreign ministers of Iraq, Iran and Turkey held a trilateral meeting in New York on September 20, 2017 to discuss the referendum plan of the KRG. At the end of the meeting they issued a joint statement. The ministers, through the joint statement, expressed their concerns with regard to the planned independence referendum by the KRG that would put Iraq’s hard-earned gains against ISIS at great risk. It was also argued that the planned referendum was ‘unconstitutional’ and ‘run[ned] the risk of provoking new conflicts in the region, that [would] prove difficult to contain.’ Consequently, they reaffirmed their strong commitment to the territorial integrity and political unity of Iraq, stressed their unequivocal opposition to the referendum and urged the KRG leadership to refrain from holding the referendum. Despite the warnings and threats from neighbouring countries to compel Erbil to cancel the referendum, which none of the international actors except Israel backed, the KRG held it on the planned day, and the majority of the Kurdish electorates voted for independence.

During Erdoğan’s visit to Tehran in October 2017, the Turkish and Iranian leaders reiterated their common opposition to the referendum and their commitment to the preservation of Iraq’s territorial integrity. They offered the KRG leaders a choice between declaring the referendum null and void, or facing isolation and the joint actions of Turkey and Iran to protect ‘political borders.’ Both countries closed their borders and airspaces to the KRG, and decided to support the Iraqi government’s measures to protect its territorial integrity and political unity. Moreover, Iraq, Iran and Turkey agreed to the establishment of a consultation mechanism between themselves for the coordination of their sanctions against the KRG. Soon after, the Iraqi armed forces staged major operations in order to take over control of Kirkuk and other disputed territories between Baghdad and Erbil in October 2017, fully backed by Turkey and Iran. Eventually, the KRG was forced to declare the suspension of the referendum results.

Consequently, the process of state building in Iraq subsequent to the American occupation tempted Iranian and Turkish interests and interference, which turned into a rivalry between Ankara and Tehran. Both countries competed to assure their friendship to the central government in Baghdad and other influential actors in Iraqi politics. They even competed to influence Iraqi Kurdish leaders. However, the age-old security anxieties of Turkey and Iran that have derived from the potential
independence of a Kurdish state led them to put their differences and competition aside, and to engage in joint efforts for the containment of the shared threat.

NOTES

32. For Turkish Middle East policy under the JDP see Şaban Kardaş, ‘Turkey Redrawing the Middle East Map or Building Sandcastles,’ Middle East Policy, vol.17, no.1 (2010); Meliha Altunşık and Lenore Martin, ‘Making Sense of Turkish Foreign Policy in the Middle East,’ Turkish Studies, vol.12, no.4 (2011); Nuri Yeşilyurt and Atay Akdevelioğlu, ‘Turkey’s Middle East Policy under the JDP Rule,’ Turkish Yearbook of International Relations, vol.40, (2009); Meliha B. Altunşık, “Worldviews and Turkish Foreign Policy in the Middle East,” New Perspectives on Turkey, vol. 40, (2009).


41. Jenkins, Occasional Allies, Enduring Rivals ..., p.33.


47. ‘Anıtkabir’i istemedi ‘çalışma ziyareti’ oldu,’ Hürriyet, 2 August 2008, http://www.hurriyet.com.tr/gundem/animvakabir-i-istemedi-calisma-ziyareti-oldu-9568694 (accessed on 5 February 2019). Although Ahmadinejad’s visit was directed to Istanbul instead of Ankara arguably due to the protocol rules in 2008, that rule had not been implemented in the previous visits of Turkish and Iranian presidents to each other. When former Iranian President Hashemi Rafsanjani paid official visits to Turkey in 1991 and 1996, he was not asked to pay homage to the mausoleum of Kemal Atatürk. Likewise, that protocol rule was not observed in later visits between Turkey and Iran.


54. Bayram Sinkaya, ‘The ‘Fall’ of Turkey-Iran Relations,’ ORSAM Foreign Policy Analysis, 20 September 2011.


56. Larrabee and Nader, Turkish-Iranian Relations in a Changing Middle East, p.11.

73. In that particular year, Turkey exported around $10 billion in return for its imports that realised around $12 billion. A considerable part of that export ($6 billion-worth) consisted of precious materials and gold. Ambargo Sonrası Iran Ekonomik ve Ticari Etki Analizi, p.17.
75. Economy and Foreign Trade Report 2016, p.67.
76. Actually, the two countries have also worked together on electricity production and transportation. The energy ministries of the two countries signed a protocol in August 2007 that envisaged the construction of power plants in Iran by Turkish companies, the connection of power networks between the two countries, and the Turkish purchase of electricity from Iran at amount of 6 billion KWh per year. The agreement actually intended to supply some border towns
on the Turkish side through Iranian power networks. However, the bulk of Turkish-Iranian energy relations has been dominated by gas and oil. ‘Türkiye ile İran elektrikte işbirliği yapacak,’ Hürriyet, 10 April 2008, http://www.hurriyet.com.tr/gundem/turkiye-ile-iran-elektrikte-isbirligi-yapacak-8665985 (accessed on 5 February 2019).


82. Ambargo Sonrası Iran Ekonomik ve Ticari Etki Analizi, p.22.


89. In order to overcome financial constraints for the shipment of payments for oil and gas, Iran accepted Turkish lira. Later it converted the sum into gold in Turkish markets and imported that gold through couriers into the country. The American administration instituted additional measures to curb this gold-for-energy trade with Iran. Wald, ‘Turkey and Iran: Energy, Economics and Politics in the face of Sanctions,’ p.142; İnat, ‘Ekonomik İşbirliği Örgütü’nün 30. Yılında Türkiye-İran Ekonomik İlişkileri,’ p.20-22.


94. According to that law, all privatisation contracts with consortiums in which majority shares were held by foreign companies necessitated the approval of Majlis. Akdevelioğlu, ‘Türk şirketlerinin İran’da Yatırım Girişimleri, TAV ve TURKCELL Örnekleri,’ p.152.


97. ‘Turkey’s Unit International says agrees $4.2 billion deal to build Iran power plants,’ Reuters, 4 June 2016, https://www.reuters.com/article/us-turkey-iran-energy/turkeys-unit-international-
says-agrees-4-2-billion-deal-to-build-iran-power-plants-idUSKCN0YQ0BV (accessed on 5 February 2019).


104. ‘Büyükelçilik Müşaviri: İran ve Türkiye ticareti Amerikan baskınsı atlatmasına artacak,’ Milliyet, 26 February 2018, http://www.milliyet.com.tr/buyukelcilik-musaviri-iran-ve-turkiye-izmir-yerelhaber-2621411/ (accessed on 5 February 2019). Some of the ‘Iranian-owned’ companies registered in Turkish sources till 2003 have been established by Iranian exiles that fled to Turkey for various reasons, in order to ensure resident permits in the country. Automatic right for resident permits was removed in June 2003, which led a considerable decrease in the number of Iranian-owned companies. After the intensification of sanctions, many Iranians relocated their operations to Turkey. Despite the increasing number of companies, their investment amounts were considerably low. Most of the Iranian companies are based in Istanbul, mostly dealing with wholesale or retail trade. Despite the media reports for impending Iranian investments in Turkey, they were not realised. Jenkins, Occasional Allies, Enduring Rivals ..., p.63-65.


111. ‘Iran-Turkey currency swap entered into force, with the opening of the first letter of credit by Bank Mellı Iran,’ Central Bank of the IRI, 21 April 2018, https://www.cbi.ir/showitem/17705.aspx

114. Ambargo Sonrası İran Ekonomik ve Ticari Etki Analizi, p.189.
120. Özcan, ‘İran-Türkiye Turizm İlişkileri.’
121. Larrabee and Nader, Turkish-Iranian Relations in a Changing Middle East, p.19-20.
125. Evanthia Bella, 'Turkish and Iranian interests and policies in the South Caucasus,' Norwegian Peacebuilding Research Center, Policy Brief, April 2013.
128. Weitz, 'Caspian Triangles: Azerbaijan’s Trilateral Diplomacy ..., p.8. Speaking after the Nakhchivan meeting in 2012, Iranian Foreign Minister Salehi indicated that there is a strong bond between the three countries “but this does not...mean that there is no disagreement between us.”


137. Banihashemi, ‘Understanding the AKP’s regional policy: An Iranian Perspective,’ p.116; Ahmadi and Ghorbani, ‘The Impact of Syrian Crisis on Iran-Turkey Relations.’


143. Sinkaya, ‘Federalism in Syria, PYD and Ambivalent Position of Iran.’


148. Ahmadi and Ghorbani, ‘The Impact of Syrian Crisis on Iran-Turkey Relations.’


154. Another pillar of the competition between Ankara and Tehran was over ensuring the sympathy of the Iraqi Turkmen. While Turkey supported the ITC to promote the Turkmen case, Iran tried to convince the Turkmen to focus on sectarian identity rather than on a linguistic one. Jenkins, Occasional Allies, Enduring Rivals ..., p.29, 31, 44.


The Future of Turkish-Iranian Relations

Although successive states and governments have ruled over the contemporary territories of Turkey and Iran, they have been neighbours for over five hundred years. Over time, they have not only experienced numerous wars, fierce competition and instances of intimate relations, but also developed and maintained a culture of diplomacy. That diplomatic culture, based on the preservation of the ‘fine line’ between cooperation, friendly competition and fierce rivalry, has been partly dictated by geopolitics, history and structural differences between the two countries, and partly shaped by the ruling elite.\textsuperscript{162} Geopolitics has played a crucial role in Turkish-Iranian relations throughout history.\textsuperscript{163} Located on two edges of a key geographic area bridging Asia and Europe, political power in these respective territories emerged as barriers limiting the expansion of the other’s influence. Rising imperial powers based in these countries tempted them to advance against the other, which led to numerous confrontations throughout history. The declining power of the rival imperial states based in these two countries lessened the expansionist tension and facilitated relatively stable, and closer relations between the two countries. Geopolitics in modern times has dictated new concerns and provided new opportunities to Turkey and Iran. Modern Turkish and Iranian states have emerged as middle powers roughly equivalent to each other. Vulnerable to external interventions and internal challenges, Turkey and Iran have prioritised the preservation of the status quo on their borders and in their neighbourhood.\textsuperscript{164} In this respect, there have been two long-term and fundamental challenges to the status quo and security of the respective states; the Kurdish question and the Azerbaijan question. The Kurdish people have dispersed into four countries in accordance with the post-War settlements subsequent to WWI. Various Kurdish movements revolted against this status quo in each country mostly seeking autonomy, which was regarded by the regional states, that is Iran and Turkey, as a fundamental challenge to national security and territorial integrity. Additionally, the countries that have been hosting a considerable Kurdish minority population have dreaded the idea of an independent Kurdish state in the region, which emerged as a perception of a common threat that has brought regional states together. However, regional states have a practice of
exploiting the Kurdish revolts in neighbouring countries either to force concessions from neighbouring hostile regimes, or for the purpose of ensuring their own national security. As a result, throughout the twentieth century and after, the Kurdish question has emerged as source of both contention and cooperation between the regional countries. Considering the persistence of regional geopolitics around the Kurdish people and the challenges to that status quo, we can safely argue that the Kurdish question will continue to be an influential issue in the future of Turkish-Iranian relations.

The history of the Azerbaijan question arguably dates back to the Golestan and Turkmenchay treaties between Iran and Russia in the early nineteenth century, which culminated in the division of ancient Azerbaijan between Russia and Iran. The rise of Turkish nationalism among the Azerbaijani people in the early twentieth century, and the temporary independence of Azerbaijan that remained beyond the borders of Iran, turned the Azerbaijan question into a security issue for the Iranian establishment. Since then, successive Iranian governments have had misgivings with the potential Turkish incitement of nationalist and separatist feeling among the Azerbaijani people, who constitute the largest minority group in Iran. The independence of the Azerbaijan Republic along with some other Turkic states in Central Asia following the collapse of the Soviet Union, has not only revived the Turkish interests in these countries, but also the conventional Iranian fears of Pan-Turkism. Although Turkish and Azerbaijani governments have consciously avoided stirring unrest among the Turkic people in Iran, the Azerbaijan question remains an important concern on the security agenda of Iran.

The geopolitical location of Turkey and Iran also compels them to maintain at least a minimum level of cooperation between their respective governments. Firstly, as adjoining neighbouring states they need to coordinate their actions for the protection of their borders and for the security of the border areas. Indeed, the issue of border security and the related Turkish-Iranian dealings have been on the agenda since the turn of the twentieth century, and it will likely continue to be.

Secondly, they need to use routes passing through the other's territories for transportation of goods either for the purpose of exportation or importation. Trade, transportation and issues related to the safety of trade routes were on the agenda of bilateral relations even at the height of the imperial rivalry between the Ottomans and the Safavids, and continues to be an influential factor in contemporary Turkish-Iranian relations. A considerable amount of Iranian imports from the Western countries, and its exports to European markets are transported via Turkey. Likewise, a considerable amount of Turkish trade with the Central Asian countries passes through the Iranian territories. For this reason, it is not surprising that the Joint Economic Council meetings between Iran and Turkey that were institutionalised in the mid-1980s have emerged as the most persistent pattern in Ankara-Tehran relations.

Finally, the new energy geopolitics has started to effect Turkish-Iranian relations, especially since the mid-twentieth century. The growing share of oil as an energy source in contemporary economic structures has led Turkey, an oil poor country, to be dependent on oil imports. Considering the rich reserves in Iran, successive Turkish governments have approached Tehran to match its needs for oil. Likewise, the growing share of natural gas in present-day economies since the 1990s has again led Turkey to turn towards Iran, which has the second largest gas reserves. Thus, Turkish dependency on energy imports has coincided with Iranian search for markets for its oil.
and gas, which has reinforced Turkish-Iranian energy dealings. Until a fundamental transformation of energy geopolitics, energy trade will be on the agenda of both Ankara and Tehran.

Additionally, Turkish-Iranian relations are not immune to the effects of regional developments and great power politics. Following the establishment of nation-states in their respective countries in the early 1920s, either because of their preoccupation with internal challenges, or because of the dominant role of the great powers around Turkey and Iran, both countries avoided seeking influence beyond their borders. Subsequent to the rise of Cold War, both Ankara and Tehran allied with the United States against the Soviet threat, which culminated in close relations between them. However, Iran's reversal to anti-Americanism after the revolution of 1979 adversely affected Turkish-Iranian relations. Moreover, the geopolitical changes in the Caucasus and Central Asia in the aftermath of the dissolution of the Soviet Union, and the geopolitical transformation of the Middle East following the two Gulf Wars, gave Turkey and Iran an appetite to increase their influence in these areas. Thus, Ankara and Tehran entered into a fierce regional competition that continued with an inability for either to dominate over the other, or for the return of great powers, or for the rise of common threats. Considering the imperial background and cultural influences of both states which reach beyond their political borders, we could estimate that the geopolitical transformations and emerging power vacuums in the common neighbourhoods of Turkey and Iran, will likely lead to revival of regional competition in different forms in future as well.

Against this geopolitical background, the different religious and ethnolinguistic identities of Iran and Turkey are argued to play effective roles in Turkish-Iranian relations. Although both countries have multicultural societal structures, there is a dominant Persian linguistic identity and Shiite religious identity in Iran against the predominantly ethnically Turkish and religiously Sunni identity in Turkey. However, rather than playing a defining role per se, as evidenced by the lack of continuous fighting between the two countries, identity differences are mostly regarded as part of geopolitical considerations. Thus, identity differences have played a complementary role in the regional rivalry between Turkey and Iran, and their security concerns. Therefore, sectarian and national differences between the two countries will continue to remain in the future, however, they will likely play their role in the case of a regional competition coloured with sectarianism.

In this regard, the role of elite and political leaders has come to play relatively more effective roles through their assessments of geopolitics, and their foreign policy preferences. That is why any shift in leadership in either country may culminate in considerable changes in Turkish-Iranian relations. In this respect, successive JDP governments have opted for enhancing Turkey's relations with Iran for different economic, strategic and political reasons. They have employed rationalisation, institutionalisation, and compartmentalisation strategies to deal with Iran, which have facilitated the steady growth of Turkish-Iranian relations. The rationalisation process has led to a downgrading of ideological considerations from the agenda of bilateral relations that facilitated the focus on potential opportunities and issues of common interest. The frequency of diplomatic exchanges has increased considerably and has culminated in the formalisation of a number of agreements, and the institutionalisation of diplomatic relations (See Tables 1 and 2). Finally, the compartmentalisation strategy has added a multi-dimensional perspective to Turkish-Iranian relations and brought
relieving issues of cooperation from the adverse effects of contention in various fields. While regional context has mostly played a conducive role for the improvement of Ankara-Tehran relations, at times, it has also instigated competition between the two countries. Nevertheless, the rationalisation, institutionalisation and compartmentalisation have not meant the removal of all obstacles and the conciliation of all differences between the two countries. Indeed, as Jenkins highlighted, there is an asymmetry and a contrast between the repeated enthusiasm in the public declarations of officials to further bilateral relations and commitments to future cooperation, and a failure to translate that rhetoric into action. Moreover, there have been considerable fluctuations in Ankara-Tehran relations throughout the seventeen years of JDP power in Turkey,\textsuperscript{166} which indicates the limits of an analysis which solely relies on elite preferences.

Actually, through the decades of neighbourhood, Turkey and Iran have developed a complicated relationship that defies simplistic explanations based exclusively on geopolitics, geo-economics, identity, and elite preferences. It is possible to detect two simultaneous but contrasting trends in Turkish-Iranian relations, one tilting towards competition and the other tilting towards cooperation.\textsuperscript{167} The compartmentalisation strategy employed by the respective governments in Ankara and Tehran to separate issues of contention and conciliation, have facilitated the maintenance of a \textquoteleft fine line\textquoteright between cooperation, friendly competition and fierce rivalry. The level of cooperation or rivalry between them is shaped by the mutual or clashing interests of the two countries which are influenced by geopolitics and elite preferences.\textsuperscript{168} This diplomatic culture is likely to continue into the foreseeable future of Turkish-Iranian relations.

**Appendix**

**Table 1. Visits paid by High-Level Iranian officials to Turkey, 2002-2018**

<table>
<thead>
<tr>
<th>Official</th>
<th>Date</th>
<th>Occasion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mohammed Reza Aref, Vice-President</td>
<td>29 Apr. 2003</td>
<td>State visit</td>
</tr>
<tr>
<td>President Ahmadinejad</td>
<td>Aug. 2008</td>
<td>State visit</td>
</tr>
<tr>
<td>President Ahmadinejad</td>
<td>Nov. 2009</td>
<td>OIC – ISEDAK Summit</td>
</tr>
<tr>
<td>Mohammad Reza Rahimi, Vice-President</td>
<td>5 Jan. 2010</td>
<td>Meeting of Afghanistan’s Neighbors, Istanbul</td>
</tr>
<tr>
<td>President Ahmadinejad</td>
<td>7 June 2010</td>
<td>CICA Conference, Istanbul</td>
</tr>
<tr>
<td>Mohammad Reza Rahimi, Vice-President</td>
<td>15 Sept. 2010</td>
<td>State visit</td>
</tr>
<tr>
<td>President Ahmadinejad</td>
<td>23 Dec. 2010</td>
<td>The ECO Summit</td>
</tr>
<tr>
<td>President Ahmadinejad</td>
<td>8 May 2011</td>
<td>UN Conference on Least Developed Countries</td>
</tr>
<tr>
<td>Official</td>
<td>Date</td>
<td>Occasion</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Mohammad Reza Rahimi, Vice-President</td>
<td>5 Oct. 2012</td>
<td>State visit</td>
</tr>
<tr>
<td>President Rouhani</td>
<td>9 June 2014</td>
<td>State visit- 1&lt;sup&gt;st&lt;/sup&gt; meeting of the HCC</td>
</tr>
<tr>
<td>President Rouhani</td>
<td>15-16 Apr. 2016</td>
<td>OIC Summit in Istanbul, 3&lt;sup&gt;rd&lt;/sup&gt; meeting of the HCC in Ankara</td>
</tr>
<tr>
<td>Ishaq Jahangiri, Vice-President</td>
<td>19-20 Oct. 2017</td>
<td>State visit to Ankara and D-8 Summit in Istanbul</td>
</tr>
<tr>
<td>President Rouhani</td>
<td>13 Dec. 2017</td>
<td>Extra-ordinary Summit of OIC, Istanbul</td>
</tr>
<tr>
<td>President Rouhani</td>
<td>3-4 Apr. 2018</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Iran-Russia-Turkey Summit meeting within the framework of Astana process</td>
</tr>
<tr>
<td>President Rouhani</td>
<td>19 May 2018</td>
<td>Extra-ordinary OIC Summit, Istanbul</td>
</tr>
<tr>
<td>President Rouhani</td>
<td>19-20 Dec. 2018</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; meeting of the HCC</td>
</tr>
</tbody>
</table>

Source: These events are collected from various news reports and chronologies on Iranian-Turkish relations. It excludes visits of speakers of parliament, foreign ministers, and ministers.

Table 2. Visits paid by High-Level Turkish officials to Iran, 2002-2018
President Abdullah Gül 13 Feb 2011 State visit

PM Erdoğan 28-29 Jan. 2014 State visit – Joint declaration for the establishment of High-Level Cooperation Council (HCC)

President Erdoğan 7-8 Apr. 2015 State visit – 2nd meeting of the HCC

PM Davutoğlu 4-5 Mar. 2016 State visit

President Erdoğan 4 Oct. 2017 4th meeting of the HCC

President Erdoğan 7 Sept. 2018 3rd Iran-Russia-Turkey Summit meeting within the framework of Astana process

Source: These events are collected from various news reports and chronologies on Iranian-Turkish relations. It excludes visits of speakers of parliament, foreign ministers, and ministers.

Table 3. Turkey-Iran Trade Relations, 2002-2018 (million $)

<table>
<thead>
<tr>
<th>Years</th>
<th>Turkish Export</th>
<th>Turkish Import</th>
<th>Total Trade Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>300</td>
<td>918</td>
<td>1,218</td>
</tr>
<tr>
<td>2003</td>
<td>523</td>
<td>1,857</td>
<td>2,380</td>
</tr>
<tr>
<td>2004</td>
<td>803</td>
<td>1,950</td>
<td>2,753</td>
</tr>
<tr>
<td>2005</td>
<td>905</td>
<td>3,469</td>
<td>4,375</td>
</tr>
<tr>
<td>2006</td>
<td>1,057</td>
<td>5,623</td>
<td>6,680</td>
</tr>
<tr>
<td>2007</td>
<td>1,380</td>
<td>6,600</td>
<td>7,980</td>
</tr>
<tr>
<td>2008</td>
<td>2,028</td>
<td>8,199</td>
<td>10,228</td>
</tr>
<tr>
<td>2009</td>
<td>2,024</td>
<td>3,405</td>
<td>5,403</td>
</tr>
<tr>
<td>2010</td>
<td>3,042</td>
<td>7,644</td>
<td>10,687</td>
</tr>
<tr>
<td>2011</td>
<td>3,590</td>
<td>12,461</td>
<td>16,051</td>
</tr>
<tr>
<td>2012</td>
<td>9,922</td>
<td>11,964</td>
<td>21,887</td>
</tr>
<tr>
<td>2013</td>
<td>4,193</td>
<td>10,383</td>
<td>14,577</td>
</tr>
<tr>
<td>2014</td>
<td>3,888</td>
<td>9,833</td>
<td>13,721</td>
</tr>
<tr>
<td>2015</td>
<td>3,665</td>
<td>6,096</td>
<td>9,761</td>
</tr>
<tr>
<td>2016</td>
<td>4,966</td>
<td>4,699</td>
<td>9,665</td>
</tr>
</tbody>
</table>
Table 4. Exchange of Tourists between Turkey and Iran, 2002-2018

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of Iranian tourists visiting Turkey</th>
<th>Number of Turkish tourists visiting Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>432,281</td>
<td>N.A.</td>
</tr>
<tr>
<td>2003</td>
<td>494,977</td>
<td>180,000</td>
</tr>
<tr>
<td>2004</td>
<td>631,522</td>
<td>250,000</td>
</tr>
<tr>
<td>2005</td>
<td>957,245</td>
<td>210,000</td>
</tr>
<tr>
<td>2006</td>
<td>865,942</td>
<td>140,000</td>
</tr>
<tr>
<td>2007</td>
<td>1,058,206</td>
<td>140,000</td>
</tr>
<tr>
<td>2008</td>
<td>1,134,965</td>
<td>150,000</td>
</tr>
<tr>
<td>2009</td>
<td>1,383,261</td>
<td>200,000</td>
</tr>
<tr>
<td>2010</td>
<td>1,885,097</td>
<td>301,581</td>
</tr>
<tr>
<td>2011</td>
<td>1,879,304</td>
<td>293,683</td>
</tr>
<tr>
<td>2012</td>
<td>1,186,000</td>
<td>258,072</td>
</tr>
<tr>
<td>2013</td>
<td>1,196,801</td>
<td>203,039</td>
</tr>
<tr>
<td>2014</td>
<td>1,590,664</td>
<td>161,610</td>
</tr>
<tr>
<td>2015</td>
<td>1,700,385</td>
<td>163,500</td>
</tr>
<tr>
<td>2016</td>
<td>1,665,160</td>
<td>243,559</td>
</tr>
<tr>
<td>2017</td>
<td>2,541,968</td>
<td>N.A.</td>
</tr>
<tr>
<td>2018</td>
<td>2,001,744</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

NOTES

163. Özdamar and Özcan, ‘Uneasy Neighbors...’
165. Sinkaya, 'The Kurdish Question in Iran and its effects on Iran-Turkey Relations.'
166. Gareth Jenkins, Occasional Allies, Enduring Rivals: Turkey’s Relations with Iran, Central Asia Caucus Institute, Silk Road Paper, May 2012, p.6-7.
167. Sinkaya, ‘Iran and Turkey Relations after the Nuclear Deal: A Case for Compartmentalization’.