

**Bülül Selcuk:**  
**Why Europe Needs a Stable Turkey**

Despite political differences between Europe and Turkey, both sides are keeping up their economical connections, which were secured by the Customs Union agreement entering into force on 1. January 1996.

Currently, Turkey exports about 50% of its goods to Europe, while 70% of direct investments inside of Turkey come from Europe. Also, more than half of all tourists visiting Turkey are European. As tourism provides about 7% of the country's jobs, it is also really important for Turkey's social stability, especially in the Southern regions.



Let's begin with a brief look at history. After the fall of the Ottoman Empire, Western countries had to share influence in the Balkan region with Russia. This became apparent also in the Ukraine and Crimea crisis. After World War II, Turkish workers supported Germany's economic boom in the 1960s when foreign work forces were welcomed extensively, resulting in around 5.5 million Turkish nationals living in Europe today.

Yet after the 1960s, immigration policies became much stricter. The European Union avoids a massive inflow of Turkish workers and also illegal immigrants of the war plagued Middle East through its restrictive visa policies. It can afford to do so because the influx of workers from Eastern Europe currently still compensates for Europe's poor demographic development.

Yet Turkey is the most modern state of the Islamic world. It should be seen as an important mediator between Europe and the states in the Middle East that are dangerously leaning towards radical Islamism.

**1. Blue Stream II: a new opportunity**

Given the conflict with Ukraine as well as the country's instability and high debts, Russia's Gazprom would like to end gas transports through the existing gas-pipeline "Brotherhood". This is why Putin pushed for the South stream project, a pipeline

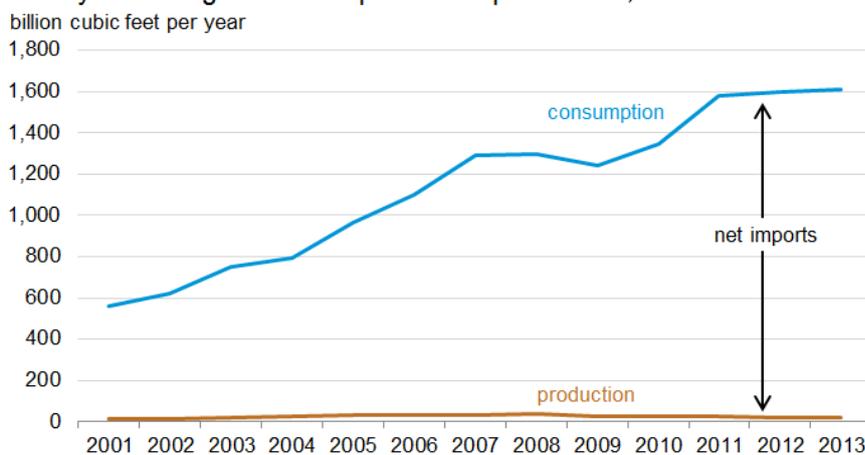
leading through the Black Sea and Bulgaria. It would have created about 6000 jobs and accounted for yearly income of around 400 million euro for Bulgaria.

However, the EU Commission did not allow South stream as its competition laws ban companies from being in charge both of gas production and gas transport. Putin then decided to advance Blue Stream II, a pipeline which is supposed to transport gas through the Black Sea and Turkey to the Greek border, combining Blue Stream II, TAP and TANAP (Trans-Adrian and Trans-Anatolian pipelines).

What are the effects of Blue Stream ii? First of all, there is a destabilising effect on Ukraine which will lose the income from the transit of gas between Russia and the EU. The gas flow to Central Europe will decrease. Yet overall, Europe will become less dependent on Russia once the TANAP gas pipeline is finished which will transport gas from Azerbaijan through Turkey to the European border.

Turkey will benefit from lower gas prices because it will no longer need to pay transit fees for gas transports through Ukraine, Romania and Bulgaria. The lower gas prices will result in an advantage for the Turkish economy, whose energy demand has tripled since 2001 causing high import costs.

Turkey natural gas consumption and production, 2001-13



Note: 2013 data are estimates.

Source: U.S. Energy Information Administration, *International Energy Statistics*, IEA

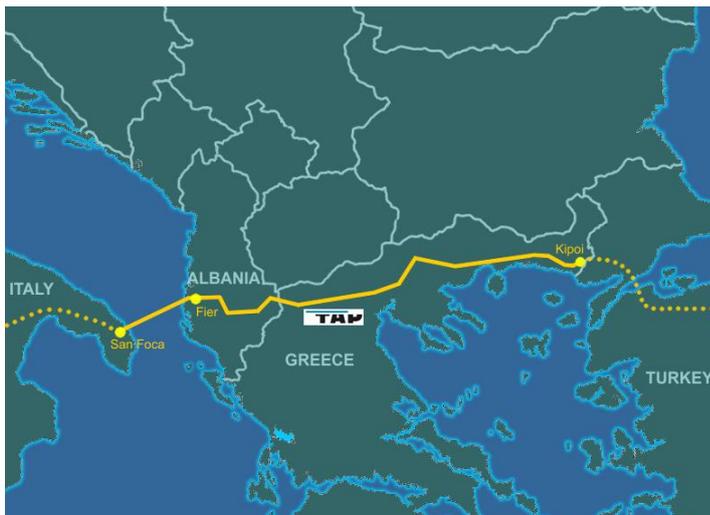


## 2 Challenges for the EU

Security will be one of the most important challenges with the Islamic State currently controlling territory that is dangerously near to the new gas pipeline TANAP. At least the risk of attacks by the Kurdish party PKK has lessened after Turkey's President Recep Tayyip Erdoğan paved the way for a peace agreement between the separatists and the Turkish military.

Fighting stopped in 2013, when PKK leader Abdullah Öcalan announced the peace negotiation from the prison where he is being held. This will hopefully end for good a conflict that over the last 30 years has cost 40,000 lives in South Eastern Turkey. Now, the region benefits from an economic upturn leading to more political and military stability in this area which will hopefully discourage the IS from interfering.

The next challenge is to organise the gas transport from Greek border to the Balkan states. To ensure more stability than we have seen in Ukraine, the EU should draw this region in closer, especially Albania. Some progress was made when Albania joined NATO in 2009 and also became an official candidate for accession to the European Union in 2014. But to avoid conflict with Russia of the kind seen in Ukraine, Albania's policies and economy should be integrated even more closely into the EU.



2-1: planned TAP-pipeline between Turkey and Italy

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