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JOURNAL OF INTERNATIONAL AFFAIRS

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# PERCEPTIONS

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*Martin Ortega*

the members of an enlarged Union will have the required sensitivity concerning Europe's Mediterranean neighbourhood. Enlargement will probably lead to much attention being paid to the consequences of admitting new members, and to their borders. And yet it will be in the Union's economic, security and also moral interests not to overlook the Mediterranean.

Finally, the conflict between Israelis and Palestinians is having a negative effect on the Euro-Mediterranean partnership as well as on the political atmosphere in the region as a whole. The persistence of the conflict is preventing regional rapprochement, spreading mistrust and frustration, holding back economic growth and heightening the terrorist threat. The EU should therefore play a greater role in the search for a peaceful solution to that conflict. Admittedly, since the end of the war in Iraq the Quartet's 'road map' has been published. The EU attaches much importance to this new hope for a negotiated settlement. Nevertheless, in the absence of a clear desire for peace on both sides, the role of external mediators will become more important. The Union should be aware of this and use all instruments at its disposal to assert the principles to which it and its member states subscribe.

## SUSAN STRANGE GOES TO THE EASTERN MEDITERRANEAN

(An alternative approach to an explanation of the international  
political economy of Turkish-Greek relations in the Eastern  
Mediterranean)

M. Fatih Tayfur\*

The Turks have never defined or conceptualised the Mediterranean region as a totality, and thus there is no comprehensive understanding of the Mediterranean in Turkish foreign policy.<sup>1</sup> In general, the Turks perceive the Mediterranean region as being composed

\*Department of International Relations, Middle East Technical University. This essay is a byproduct of the ongoing multidisciplinary project on the Eastern Mediterranean carried out within the Middle East Technical University, Faculty of Economics and Administrative Sciences.

<sup>1</sup> Interviews with Turkish Foreign Ministry officials, January 1999, January 2000, August 2001 and April 2003.

of the Middle East, Greece and Cyprus, the Balkans and Europe. This means that the concept of the Mediterranean, in fact, indicates the "Eastern Mediterranean" in the dictionary of Turkish foreign and defence policy thinking.<sup>2</sup> This can be explained by the fact that the Eastern Mediterranean is the setting for the unfolding of a variety of issues and problems perceived as being vital to Turkish political, economic and security interests, e.g., the problems with Greece, (and Syria until recently), the Cyprus issue, Iraq and the Kurdish issue, the Arab-Israeli conflict and its spill-over effects in the region.<sup>3</sup>

In the post-Cold War period, in response to the dramatic developments in the international environment, however, the meaning and definition of the Eastern Mediterranean in Turkish strategic thinking has been enlarged. Now, the Eastern Mediterranean is redefined as a totality, together with its immediate neighborhood, composed of the Middle East, the Balkans, the Black Sea, the Caucasus and even Central Asia. This is the geography that I have called the 'Greater Eastern

<sup>2</sup> M. Fatih Tayfur, 'Turkish Perceptions of the Mediterranean', *EuroMesCo Papers*, No.8, March 2000, p.6.

<sup>3</sup> On the other hand, relatively stable Western Mediterranean from which Turkey does not anticipate any serious threat is not considered a priority area by the Turks. However, recently the Turks have developed a new vision and formulate a new policy towards the Western Mediterranean. The Turks have declared their willingness to play a role and contribute to the harmonisation of civilisations in the Western Mediterranean through the means embedded in the "historical and cultural" past of the region. Yet it is argued that the EU is not sympathetic to give Turkey such a role in the Western Mediterranean (Interviews with Turkish Foreign Ministry officials, April, 2003).

Mediterranean' (hereafter GEMED) region - a region of turbulence, which is open and vulnerable to a number of actual and potential conflicts and external interventions, but at the same time a region full of considerable opportunities to be exploited by the Turks, Greeks and other regional actors in a period of large-scale structural and historical change.

Accordingly, this essay is a preliminary attempt to understand and explain the dynamics of the Eastern Mediterranean region and the behavior of the two contending parties in the Eastern Mediterranean, namely the Turks and the Greeks, in the post-Cold War period, mainly within the framework of an International Political Economy (IPE) approach developed by a prominent IPE scholar, the late professor Susan Strange. I believe that the IPE approach developed by Strange seems to provide us with extremely useful tools to understand and explain the dynamics in region and the behaviours of the regional actors in the GEMED in the post-Cold war period.

#### Susan Strange's structuralist approach to IPE

Susan Strange's multidisciplinary approach to IPE<sup>4</sup> proposes a framework "...in the notion of enveloping structures that...set the

<sup>4</sup> See Susan Strange, *States and Markets* (Pinter Publishers, London, 1988), and 'An Eclectic Approach' in C. N. Murphy and R. Tooze eds., *The New International Political Economy* (Lynne Rienner Publishers, Boulder, 1991), pp.33-49.

agendas and determined the range of options within which states, and other groups and individuals contested all the major who-gets-what issues of politics, both within the state and in the world economy"<sup>5</sup>. Strange defines these structures as "structures of power", and as an important determinant of power relations among people, groups or states. For Strange, there are primary and secondary power structures as such: while primary structures comprise "security", "production", "financial" and "knowledge" structures, secondary structures include the "transport systems (sea and air)", "trade", "energy" and "welfare" power structures.

In the competitive environment of the world economy, "structural power" is more decisive than "relational (bargaining) power", because "relational power" is the power of an individual, group or a state to get another individual, group or a state to do something it would not otherwise do; whereas "structural power" is the power that shapes and determines the structures of world political economy within which the states, institutions, groups or individuals have to operate. In other words, structural power is the power that determines how things shall be done, and is the power that shapes frameworks within which states, institutions, and individuals are interrelated.<sup>6</sup>

<sup>5</sup> Strange, 'An Eclectic Approach', op. cit., p.34.

<sup>6</sup> See, S. Strange, *States and Markets*, op. cit., pp.23-42.

Thus, different from mere economic or political power, structural power becomes the organising engine of its respective structural domain (security, finance, energy, etc.) for longer periods, and thus becomes more decisive than the outcome of relational (bargaining) power, in which the actors' choices are determined by the structure, and which is limited to a particular social, economic and political context.

Structural power, on the other hand, does exist in every individual structural domain. In Strange's framework, power, in other words, is not concentrated in and does not stem from only one source but can be found and derived from a number of structural domains. A state, for example, can exercise power (control) in any one, or more than one, (primary or secondary) power structures while may not be able to do so in others. Accordingly, whoever or whatever exercises control over the security of people; over the mode of production, determining what is produced by whatever combination of labour, capital, land and technology, and by what productive methods; over the supply and distribution of credit; over the accumulation, storage and communication of respected knowledge, etc. – such a state, group or individual will exercise structural power over the others. Similarly, whoever or whatever exercises control over the secondary power structures of transportation, trade, energy and welfare will also exercise structural power over the other states, groups or individuals. In fact, in real life these power structures are not independent from but overlap with each

other, meaning that whoever or whatever exercises control over any one of those structures may be able to exercise power over the other structures.

Another aspect of Strange's approach is that use of "bargaining power" (relational power) among the actors (states/governments, groups, individuals, etc.) takes place within a certain specific social, economic and political context created by the structures of power, meaning that in the bargaining process the range of options open to actors is already determined by the basic structures of the international political economy. However, in my opinion, while the actors may have structural power (or power to exercise control over structures) it seems that the end result is not totally independent of the actors' bargaining strategy and position. In other words, control over the structure(s) provides advantages and opportunities to some actors, but this may not totally determine the specific strategies of relational bargaining (use of relational power) that the actors follow in dealing with each other in the international political economy. This latter point becomes critical especially in the specific social, economic, and political context of the periods of change (particularly of large scale historical and structural change) in the world economy, in which the allocation of power among actors in all those structural domains, too, become open to change - "change [in the words of Strange] that shuffled and redealt the cards for the actors, redistributing such bargaining power as they had in dealing with each

other and changing the degree and nature of their vulnerability to the system."<sup>7</sup>

### Five observations

In the context of the above framework, in the remainder of this essay I shall focus on some of my observations in the GEMED region on five points that overlap and interact with each other. The first observation is that the global political economy has been experiencing a large-scale historical and structural change since the early 1990s, which has triggered off a process of reallocation of structural and relational (bargaining) power among the regional actors in the Eastern Mediterranean. Second, the leading structures of power in the GEMED region can be identified as the primary power structure of "security", and the secondary power structures of "energy", "transportation (sea and air)" and "welfare"- the power structures that closely overlap and mutually interact with each other. Third, one of the most important aspects of the political economy of the GEMED region is the rivalry between the two prominent regional actors, Turkey and Greece, over exercising some degree of control of the above-mentioned regional structures of power. Fourthly, the Cyprus issue is the most important chapter of this ongoing regional rivalry between Greece and Turkey for exercising (some degree

<sup>7</sup> See Strange, 'An Eclectic Approach', op. cit., p.36.

of) control over the regional power structures. And finally, both the Turks and Greeks, who are both, consciously or instinctively, aware of the opportunities provided by this large scale historical and structural change, have put their structural and relational (bargaining) powers into service at all levels to get the most out of the "who gets what" issue.

In fact, the established institutions and patterns of almost all kinds of postwar international interaction have been experiencing a change since the end of the Cold War. When we talk about the change in the post-Cold War period we refer to a large-scale historical and structural change because the characteristics of this process of change are different from the important but relatively small scale changes that took place during the Cold War period, such as the decolonisation movement, or the collapse of the Bretton Woods system. For instance, in the post-Cold War structural change, the 'sovereign equality' of the states, one of the basic principles of international relations, has been questioned and the principle of 'multilateralism', another basic pillar of the postwar international interaction patterns, has been seriously damaged seriously. This is clearly illustrated in American policy towards and in Iraq. Moreover, the established duties, roles and functions of primary postwar international institutions, such as the United Nations and NATO, have been variously questioned, undermined, or changed. Moreover, a new 'economic-financial-legal' framework has been proposed and promoted

for the foreign investment activities (Multilateral Agreement on Investment) of multinational firms or international investors. One can multiply such novelties in the international social environment, which means that, in short, a new 'international social order' is being constructed in economic, political and legal spheres. Thus, as the cards have been continuously reshuffled and redistributed for the actors in this changing post-Cold War international social environment, it is not surprising that the actors have been involved in a continuous effort to influence the "who-gets-what" aspect of international political economy.

Accordingly, in this changing environment, while the major external actors of the US and the EU tend to pay less attention to the established rules of international relations, international agreements and international legality that have provided the balance of structural power among actors for decades in the region, the attempts of both Turkey and Greece to have an effect on the course of events reshaping the power structures in the Eastern Mediterranean become more apparent. For instance, in the postwar period the Turks worked hard (and managed to a considerable degree) to make their country a major energy (oil) terminal in the region through promoting the idea of establishing a pipeline between Baku (in Azerbaijan) and Ceyhan (in southern Turkey) for the

transfer of Caspian and Central Asian oil to the world markets.<sup>8</sup> Moreover, the Turks established a number of regional cooperation schemes in the economic and security fields in the GEMED region. For instance, they initiated the Black Sea Economic Cooperation Region (BSEC) - among the Black Sea littoral states and neighboring regional countries (mainly the countries from the Balkans and Caucasus) - and the Black Sea Naval Cooperation (BLACKSEAFOR) in the field of security, which includes only the littoral states of the Black Sea. The Turks also established the Economic Cooperation Region (ECO) between Turkey, the Central Asian Republics, Iran and Pakistan, and moreover, the Developing 8 (D-8), which includes Turkey, Iran, Egypt, Pakistan, Bangladesh, Nigeria, Indonesia and Malaysia. Furthermore, in this period the Turks continued to emphasise their European orientation, and took important steps on the way to their country's accession to the EU. Greece became involved in similar enterprises in this period. The Greeks became the major foreign investors in the Balkans and attempted to make their country a business, transportation and telecommunications hub, a financial, banking and trading centre, and also an energy-exporting centre etc., in the GEMED region.<sup>9</sup> However, perhaps the most important achievement of the Greeks in affecting power structures in the Eastern

<sup>8</sup> See M. F. Tayfur and K. Göymen 'Decision Making in Turkish Foreign Policy: The Caspian Oil Pipeline Issue', *Middle Eastern Studies*, Vol.38, No.2, April 2002, pp.101-122.

<sup>9</sup> For details see, M. F. Tayfur, *Semiperipheral Development and Foreign Policy. The Cases of Greece and Spain* (Ashgate, Aldershot, 2003), pp. 116-120.

Mediterranean in this period of large-scale historical and structural change has been to make the EU and the US put to the Cyprus issue at the top of their foreign policy agendas, through promoting the idea of the swift accession of the Greek Cypriot state in the EU as the "legal representative" of the whole island and as an effective means for a permanent solution to the Cyprus problem. The strong support given to this initiative by the EU and the US, and the consequent admission of the Greek Cypriot state into the EU as the "legal representative" of the island, has given the Greeks and opportunity to exercise a strategic and more structural and relational (bargaining) power over the other actors (mainly Turkey) in the Eastern Mediterranean region through exercising control over Cyprus.

#### Leading structural power domains in the Eastern Mediterranean

In my opinion the most important structures of power that play key roles in and reshape the Eastern Mediterranean in the post-Cold War period are the primary power structure of "security" and the secondary power structures of "transportation (sea and air)", "energy" and "welfare". In the ever-hanging environment of the post-Cold War period, both Turkey and Greece have aimed at increasing their ability to exercise structural and relational power in the GEMED through establishing (some degree of) control over these regional structural domains. Before

proceeding to explain the game of acquiring more structural and bargaining power between the Turks and the Greeks in the region it may be helpful to elaborate a little more on the characteristics of these power structures.

**Security structure<sup>10</sup>:** Security can be threatened by nature or by human beings, and the threat to security can be local or global, selective or general.<sup>11</sup> Thus, in any political economy environment there is a significant need for security for things to be done properly and thus to ensure the survival of that social system. According to Strange, "The security structure... is the framework of power created by the provision of security by some human beings for others... [and] those who provide the security acquire a certain kind of power which lets them determine, and perhaps limit, the range of options available to others."<sup>12</sup> Accordingly, whoever or whatever is in a position to exercise control over (i.e. to threaten or to preserve) people's security, especially from violence, possesses structural power. According to Strange, whoever or whatever offers protection against the possibility of violent conflict that threatens security is able to exercise power in other non-security domains as well.<sup>13</sup>

<sup>10</sup> See Strange, *States and Markets*, op. cit., pp. 45-61.

<sup>11</sup> Strange, *ibid.*, p.47.

<sup>12</sup> Strange, *ibid.*, p.45.

<sup>13</sup> See, Strange, *ibid.*, pp. 26-29.

The other power structures on which I will focus here are the secondary power structures of "transportation (sea and air)", "energy" and "welfare". According to Strange, the common feature of these secondary structures is that they are secondary to the "security", "production", "finance" and "knowledge" power structures, meaning that these primary structures largely shape these secondary power structures.<sup>14</sup>

**Transportation structure<sup>15</sup>:** Exercising controlling power over the transportation systems is a crucial issue because the transportation of volumes of goods and millions of people from one location to another is one of the salient characteristics of the contemporary international political economy, and at the same time is an important source of creating wealth and power. Especially with the internationalisation of production processes, and the resulting spectacular increases in movement of goods (international trade) and people (travelling) for business, tourism and other purposes, the ability to exercise control over the terms and prices of international transportation of goods and people has become an important source of wealth and power in the international political economy. Thus, whoever or whatever runs and exercises (some degree of) control over the international "sea and air transport systems"

<sup>14</sup> Strange, *ibid.*, p.135.

<sup>15</sup> See, S. Strange, *ibid.*, pp.137-160.

and their management can also exercise structural power in the world economy. Here, the security of the management of sea and air routes - in other words the safe, easy, quick orderly and comfortable transportation of goods and people - becomes an important issue. Thus, similarly, whoever or whatever provides security for the management of international "sea and air transportation systems" acquires the ability to exercise structural and bargaining power over the other actors.

**Energy structure**<sup>16</sup>: Energy is the vital component of production and transportation systems in the world economy. The issue of the uninterrupted supply of energy into the world economy (and national economies) is of vital concern to governments and producers. Thus, while energy becomes an important component of the security of states and production systems, the security of the production and transportation of energy to the world markets, on the other hand, becomes another crucial aspect of the energy structure. Accordingly, whoever or whatever exercises (some degree of) control over the production or transportation of energy (e.g. oil) in the international political economy will enjoy both structural and relational (bargaining) power.

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<sup>16</sup> Strange, *ibid.*, pp.186-206.

**Welfare structure**<sup>17</sup>: The welfare structure includes the benefits and opportunities available both through the market and the political intervention of states or other authorities. Whoever or whatever authority provides welfare to others - that is to say, gives benefits in the form of special rights, privileges as well as benefits of a material kind - will hold structural and relational (bargaining) power over the others. Here, the key questions that should be asked are 'which authorities intervene and to whose benefit?' and 'what kind of welfare is provided, to whom, and by what means?' Another fundamental issue in international political economy is how much welfare is allocated by the political intervention of authority - that is, with the support of another authority. That authority may be a state, an international organization, or a supranational entity etc., and the authority it exercises may stem from its coercive power or from its wealth. An interesting aspect of providing welfare to others does not necessarily mean allocation of resources in favor of the needy or poor; it could also be regressive by taking from the poor and giving to the rich.

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<sup>17</sup> *ibid.*, pp.207-225.

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### Strange's 'power structures' and the IPE of the Eastern Mediterranean

Broadly speaking, the power structures in Eastern Mediterranean region in the post-Cold War period are mainly under the control and competitive pressures of two major external actors, the US and the EU. However, in the context of the broader western alliances, both Turkey and Greece have been exercising some degree of controlling power over the above-mentioned "leading structural power domains" of "security", "transportation" and "energy" of the region and have been attempting to increase their controlling power within these domains in the region, against the background of historical rivalry.<sup>18</sup> In fact, viewed from a closer perspective, it seems clear that both parties of this rivalry (Turkey and Greece) have obvious (comparative) advantages and disadvantages vis-à-vis each other in attempting to exercise (more) structural and bargaining (relational) power in the "leading structural domains" of the Eastern Mediterranean.

<sup>18</sup> For detailed information on the historical development of this rivalry between Turkey and Greece in the Eastern Mediterranean, see M. F. Tayfur 'Akdeniz'de bir adamın kalın uçlu bir kalemle yazılmış hikayesi: Kıbrıs in O. Türel ed., *Akdenizde Bir Ada KKTC'nin Varoluş Öyküsü* (İmge Yayıncılık, Ankara, 2002), pp. 13-51.

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From the perspective of the security domain, it seems that Greece, an EU country, does not take a significant part in, and thus does not exercise any significant control over the security structure of the Eastern Mediterranean in the post-Cold War period. In other words, Greece is not a significant actor in providing security in the region. In fact, in the security domain of the GEMED, Greece is not expected by the West now to create or engender 'insecurity' in its external relations in the region. In the western alliance, until very recently Greece was considered as a trouble-maker and a country to be contained primarily because it was a party to a number of conflicts in the Balkans (in Yugoslavia, Albania, FYR of Macedonia etc.)<sup>19</sup>, and followed an extremely provocative policy by providing shelter for Abdullah Öcalan, the leader of the separatist PKK. Öcalan was the most wanted enemy of the Turks until he was captured by the Turkish security forces after he left the Greek embassy in Kenya in 1999; his organisation is accepted as terrorist by many western countries. Moreover, Greek support for the deployment of Russian S-300 missiles in South Cyprus, widely regarded as a provocative action that threatened the peace and stability in the Eastern Mediterranean during 1988, was another Greek and Greek Cypriot policy

<sup>19</sup> see K.R. Legg and J.M. Roberts, *Modern Greece, A Civilisation in the Periphery*, Westview Press, Boulder, Colorado, 1997); S. Larrabee, 'Greece and the Balkans: Implications for Policy' in G.T. Allison and K. Nicolaidis eds., *The Greek Paradox* (The MIT Press, Mass. 1997) pp.107-112; and S. Woodward, 'Rethinking Security in the Post-Yugoslav Era', in Allison and Nicolaidis, op.cit. pp.111-122.

engendering security in the region.<sup>20</sup> In fact, in terms of security issues, it seems that the most important achievement of the Simitis governments in Greece since 1996 has been gradually to draw a picture in the West that Greece would no longer be a source of insecurity in the GEMED region, first by decreasing the tension between Greece and its Balkan neighbors and later with Turkey, after the notorious Öcalan issue in 1999.

The GEMED region (including the Middle East, the Balkans, Black Sea and the Caucasus and, in some respects, even perhaps the Central Asian Republics) is extremely vulnerable to actual and potential internal and international politico-military conflicts and external interventions that could easily destabilise the whole region and whose spill-over effects could not be predicted. Therefore, the transportation of regional energy resources (Middle Eastern, Caspian and Central Asian oil and gas) to the world markets is a more prominent security concern.

<sup>20</sup> In fact, in the security domain of the region, Greece was considered a country to be contained by the West during the Cold War period too. The unilateral abolition of the Constitution of the Republic of Cyprus by the Greek Cypriot President Archbishop Makarios in 1963 was supported by Greece; the uncompromising policies of the George Papandreou government for the reestablishment of legal authority in Cyprus (1964-1965); the provocation of the Greek military government in 1974, leading to Turkish intervention in Cyprus in; the period of Andreas Papandreou, the legendary late Prime Minister of Greece (1981-1989 and 1993-1996), his disruptive policies in both the then EEC and NATO, and his strong anti-American and anti-Turkish foreign policy in the region, are all worthy of mentioning in this regard. For A. Papandreou's policies see J.C. Loulis, *Greece Under Papandreou: NATO's Ambivalent Partner* (Institute for European Defence and Strategic Studies, London, 1985)

Turkey, a country which is out of the EU group, is on the other hand one of the main actors in the security structure of the international political economy of the GEMED region in the post-Cold War Period.<sup>21</sup> Turkey, sharing sea and land borders with almost all these regions, has been playing a stabilising role in the Middle East, the Balkans, the Black Sea and the Caucasus since the Cold War period, and has been providing security for the energy transportation routes in particular (e.g. for the transportation of the Middle Eastern, Caspian and Central Asian oil and gas to the Eastern Mediterranean). Because of its geographical location and its central role in the security structure of the region, the energy transportation in the region at present and in the future essentially necessitates security being provided by Turkey. Thus, Turkey exercises some considerable degree of control over the security structure of the region (including providing stability in the region) through its military and also non-military and technical capabilities and potential stemming from its geographical location, shared historical past and culture with the regional countries, and the modernist, (though with reservations) democratic and secular ideology.<sup>22</sup> In general, at the present, one can say

<sup>21</sup> see S. Larrabee, 'The United States and the Mediterranean', paper presented at the EuroMesCo workshop on 'Building the Euro-American Partnership in the Mediterranean', Porto, 22-23 June 1998; and I. Lesser, 'Changing the Mediterranean Security Environment: A Transatlantic Perspective', paper presented at the same meeting.

<sup>22</sup> For instance, the policy followed by Turkey towards the Balkans during the disintegration of Yugoslavia and the consequent Balkan crisis and wars, and also towards the Caucasus and the Central Asian Republics during the dissolution of the Soviet Union in the first half of the 1990s, contributed very much to the security and stability in the region.

that Turkey has a (comparative) advantage in the (primary) power structure of security in the GEMED while Greece has a disadvantage.

Depending on their degree of control over the security structure of the Eastern Mediterranean, and especially over the security of the oil routes, it seems that the Turks demand some degree of structural and more relational (bargaining) power in the secondary power structure of "energy". In this respect, one of the critical developments in the post-Cold War period has been the promotion of the project of transporting a considerable amount of the Caspian and Central Asian oil (and gas) resources to the (Eastern) Mediterranean through the construction of oil and gas pipelines from Baku in Azerbaijan to Ceyhan in the Mediterranean coast of Turkey<sup>23</sup>, which is already an energy terminal for a smaller amount of the Iraqi oil (Kerkük-Yumurtalık/Ceyhan oil pipeline). From the start, this project was endorsed by the Americans, and accordingly Ceyhan and the Gulf of İskenderun were designated as the major energy terminal in the Eastern Mediterranean. When added to their power to exercise control over the security of the transportation of the Middle Eastern oil (and the international "trade" of commercial goods as well) to the world markets, the Baku-Ceyhan oil pipeline project has indeed provided an invaluable opportunity for the Turks to

<sup>23</sup> Turkish town of Ceyhan is next to the well known NATO/American military air base in İncirlik in Adana.

increase their controlling power in the "energy" and "security" structures in the region.

Beside Middle Eastern (Iraqi) oil, the designation of Ceyhan as a major energy terminal for the Caspian and Central Asian oil has, on the other hand, enormously increased the significance of controlling the Eastern Mediterranean geographically. The Turks are indeed the major beneficiary of this enterprise because they have been geographically controlling the Eastern Mediterranean both from the East-West and North-South directions: in the East-West direction, with the Turkish coast stretching from the Gulf of İskenderun, adjacent to the Syrian coast on the Mediterranean, to the territorial waters of the Greek island of Rhodes; in the North-South direction, where the coast of the Turkish Republic of Northern Cyprus (TRNC) becomes an invaluable geographical asset in the hands of the Turks in terms of exercising a controlling power both in the "security", "energy" and "transportation" structures in the international political economy of the Eastern Mediterranean and the GEMED.

The "transportation structure" is another leading aspect of the international political economy of the Eastern Mediterranean. The transportation activities in the region refer to the transportation of internationally marketed commercial goods, but probably more than that,

the transportation of the Middle Eastern oil to the world economy. As has been mentioned, the flow of Caspian and the Central Asian oil (and gas) to the Gulf of İskenderun will considerably increase the amount of energy transported from the Eastern Mediterranean waters. In the "sea transportation" structure Greece, together with the Greek Cypriots, enjoys undisputable superiority and has exercised structural power not only in the Eastern Mediterranean but in the political economy of world sea transportation for decades (perhaps centuries). The decision by the US after the Second World War to put the transportation of a huge amount of Middle Eastern oil to world markets in the hands of Greek (and Greek-American) shipowners such as A. Onassis, and S. Niarchos, if partly due to the bad political and economic conditions in Greece in the immediate postwar years, was primarily because of the sacrifices of the Greek shipping elite during the war and their long established experience in sea transportation. On the other hand, as has been often and strongly emphasised for decades by Professor Mümtaz Soysal, of Ankara University, the Turks has no influence whatsoever in the sea transportation domain in the Eastern Mediterranean region even though their country is a peninsula surrounded by seas.

"Air transportation", on the other hand, is a relatively new but very important and increasingly developing sector in the transportation of goods, but mostly of people for the purposes of business (commercial,

academic etc.) and tourism. As business and tourism activities have increased (and will probably increase more in the future), exercising a controlling power over the "air transportation" structure in the region (through exercising control over the air space and flying people to and from the Eastern Mediterranean region<sup>24</sup>, which is a paradise for almost all tourism activities as well as being a probable new business hub in the future due to potential developments in other structures) has become an important concern in the international political economy of the region. The Greeks, unlike their successful performance and absolute authority in sea transportation, have had a negligible impact on the air transportation structure in the region, because both Olympic Air and the "Cyprus Airlines of the Greek Cypriots" have been unsuccessful enterprises in the GEMED (and world) airline markets. On the other hand, Turkish Airlines has been remarkably efficient, successful and competitive in the world air transportation sector since the late 1980s; thus, the Turks are exercising (together with "Cyprus Turkish Airlines") a considerable degree of structural power or authority not only in the Eastern and Greater Eastern Mediterranean region but in the European and to some extent in the (Central) Asian markets.<sup>25</sup>

<sup>24</sup> This point may be helpful in partly explaining the meaning of the conflict between Greece and Turkey over the Aegean air space.

<sup>25</sup> The Turks exercise considerable authority in air transportation because they control the air space between the Black Sea and the Middle East and from the Middle East to the Aegean Sea.

Moreover, in the near future, the wealth produced and the power generated through the "security", "energy", "sea" and "air transportation" activities in the region would most probably be reflected in the other domains of international political economy of the Eastern Mediterranean. The wealth produced from these activities would be transferred to banks and other financial institutions, to be extended as credits to investors (financial structure) who will invest in the production domain. In other words, for example, with Ceyhan becoming a major terminal for "energy", complementary secondary activities to the energy related activities, such as the development of functional seaports in the vicinity of the Gulf of Iskenderun and the storage of the energy, the establishment of specialist insurance and banking services etc., would create new employment and open new areas and opportunities for business and for both domestic, regional and international entrepreneurs. Furthermore, as a result of the financial transactions that would accompany economic activities, it is likely that in time, at least, an intermediary 'financial centre' will be developed in the Eastern Mediterranean area, processing, crediting and transferring the wealth derived from the GEMED region.

At this point the strategic importance of the island of Cyprus and particularly of its northern coastal line becomes apparent.<sup>26</sup> Cyprus becomes an extremely strategic and significant geography as regard to the "security" in the Eastern Mediterranean region and the "transportation" of the "energy" (oil and gas), and "water" resources and of "internationally marketed goods". The political authority that controls Cyprus, particularly its northern coastal line, thus enjoys strategic advantages in the "security", "energy" and "transportation" domains. Furthermore, because of its strategic geographical location vis-à-vis the "security", "energy" and "transportation" structures, Cyprus will be a major beneficiary of the wealth produced from these activities, and will be a natural location for the complementary activities that will be developed in the region.

These developments naturally add to the disturbance of Greek 'national interests' in the Eastern Mediterranean since the 20 July 1974 Turkish intervention in Cyprus, triggered off by the Greek coup aiming at the unification of Cyprus with Greece.<sup>27</sup> In fact, the Greek coup of 15 July 1974 had aimed at establishing Greece as an 'organic member' of

<sup>26</sup> For an analysis of the strategic importance of Cyprus, see E. Özveren 'Geo-strategic Significance of Cyprus: Long-Term Trends and Prospects', *Perceptions*, Vol. VII, Number, 4, pp.35-50.

<sup>27</sup> The Greek Coup of 15 July 1974 aimed the unification of the island with Greece indeed provoked the Turks to implement the terms of the international agreements that established the Republic of Cyprus with a limited sovereign capacity in 1960. In fact, the Constitution of the Republic of Cyprus was unilaterally abolished by the Greek Cypriot President Archbishop Makarios in 1963; by 1974 the Turks had already attempted to intervene on the island twice (in 1964 and 1967), but in both cases were prevented by the political and diplomatic pressures of the US.

the Eastern Mediterranean via unification (*enosis*)<sup>28</sup> but, on the contrary, it led to Turkish intervention and served the entrenchment of the Turkish interests in Cyprus and the region. Thus, in the post-Cold War period the significance of Cyprus in the Eastern Mediterranean for both the Turks and Greeks, to a great extent, stems from the fundamental question of "who-gets-what" from the opportunities provided by the large scale historical changes in the structures and the environment of the postwar international system. Since July 1974 the Turks have been controlling the crucial area on the sea between the Turkish coast and the northern coastal line of Cyprus; thus they exercise full control of the territorial waters and the air space between Turkey and the TRNC. In fact, control of this area, stretching broadly from the Gulf of İskenderun to Antalya in Turkey and from there to Güzelyurt to Karpaz in the TRNC, means control of the "security" and "transportation" of "energy" resources, "water", "goods" and "people".

In the ever-changing environment of the post-Cold War period, with the emergence of new opportunities in the structures of the international political economy of the Eastern Mediterranean which could create more wealth and power for the actors in the region ("energy" being the most notable one), the ongoing and long-established

<sup>28</sup> Since mainland Greece is more than 1000 kilometers away from Cyprus (the heart of the eastern Mediterranean), sometimes it is not considered "an organic member" of the Eastern Mediterranean.

regional conflict of authority between Turks and Greeks has increasingly dominated the political economy of the GEMED and, not surprisingly, the conflict of authority over Cyprus has been placed at the heart of this disagreement. In the words of Susan Strange "...it is not, intrinsically, the coexistence of multiplicity of authorities in a political economy that may threaten the structure of security. It is disagreement between them about the limits of their respective authority".<sup>29</sup> Accordingly, the disagreement between the Turks and Greeks in the post-Cold War period about the limits of their respective authority in the Eastern Mediterranean (in order to exercise more control of structural and relational power), has become a major question in the region. For the first time in his history, the EU has taken an active role in this conflict of authority, partly due to the membership of Greece in the Union.

In this regard, recently a new development that threatens the Turkish 'national interests' has arisen as a result of the EU's heavy involvement in the process of reshuffling the limits of authority among the actors in the Eastern Mediterranean (between the Turks and Greeks in particular), which would directly affect the nature and the form of exercising control over the structural power domains in the region. The EU's involvement in the Turkish-Greek disagreement over the limits of their respective authority in the Eastern Mediterranean (and in Cyprus) in

<sup>29</sup> Strange, *States and Markets*, op. cit., p.48.

the post-Cold War period may include the EU's own desire to exercise control over the structures of power in the region. On the other hand, the Greeks have taken advantage of their EU membership and Turkey's lack of it to convince the EU to make the Greek Cypriot state a full member in the Union, as the representative of the whole island, in order to affect the 'conflict of authority' with the Turks in the political economy of the Eastern Mediterranean in their own favor. It seems that one of the means that the Greeks have utilised effectively in this process has been the (structural and relational) power of the EU in the "welfare structure".<sup>30</sup> The Greeks, who do not have any direct controlling power over the welfare structure in the region by themselves but do have some indirectly through membership of the EU, seem to have managed to mobilise a significant number of Turkish Cypriots against the long established official Turkish and Turkish Cypriot policy of establishing "an equal political partnership" state between Turks and Greeks on the island by assuring the Turkish Cypriots that they will be given a "higher level of welfare" (the level of welfare that Turkey is not and will not be able to provide) in return for their support for membership of the Greek-

<sup>30</sup> According to Susan Strange, resource transfers are not the only form in which welfare is provided. It is more than that. Strange defines "welfare" as "...a broad all-embracing term that it has to include both the benefits and opportunities available through the market and the benefits and opportunities made available through the political intervention of states or other authorities. It is impossible in political economy to separate the 'economic' kind of welfare from the 'political' kind." See S. Strange, *States and Markets*, op. cit., p.207.

controlled "Republic of Cyprus" in the EU as the "main authority" and representative of the whole island.

This development, on the other hand, has become possible only in the environment of the large scale historical and structural change of the post-Cold War period, in which the rules and norms of international law and the established practices of the international interaction patterns may not be as respected as they were during the postwar period. Accordingly, Greece's success in convincing the EU to accept "Cyprus" (a country whose constitution was violated and abolished by the Greek Cypriots, and thus has not been in force since 1963) in the Union without an agreement on both a legitimate political authority and a Constitution between the constitutional partners of Turkish and Greek Cypriots, can be seen at least as a lack of concern, if nothing else, for international law and international agreements that established the "Republic of Cyprus" with a limited sovereign capacity in 1960. The 1960 Constitution rules out the integration or political, or economic union of the "Republic of Cyprus" with any state or international institution unless both Turkey and Greece are the members of that very organisation. Accordingly, since Turkey has not yet been a member of the EU, the decision to make "Cyprus" an EU member, again, disregards the international agreements signed in the postwar period. Moreover, it can also be argued that the EU's decision to enlarge towards "Cyprus" is also

contradictory to the EU's principle of not accepting those countries with political and border problems into the Union. In this regard, in the post-Cold War international political economy, in order to exercise more control over the structural domains in the future, while Turkey is willing to build "new limits of authority" in the Eastern Mediterranean on the pillars of established international legitimacy and balances, the other actors, in conformity with their aspirations to exercise more control over the power structures in the incoming world order, tend to pay little attention to the political and legal structures of the changing international environment.

In fact, one can say that implementing such policies with little respect to existing international law and agreements can only be possible in times of large scale historical and structural change, in which the building blocs of the existing system are removed from their seats and the actors exploit all the means available to establish and consolidate their interests in the incoming new order.

#### A Tentative Proposal

In defining the political economy environment of the Eastern Mediterranean in the framework of Susan Strange's 'power structures' approach in the post-Cold war environment, three major points can be

emphasised. First of all, the world is experiencing a large-scale structural and historical change, meaning that a 'new world political economy order' is in the making. The Greater Eastern Mediterranean region is one of the crucial geographies of this ongoing change. On the other hand, the Eastern Mediterranean is at the heart of the GEMED because it is a major seat for the wealth and power generated in the Middle East, the Black Sea, the Caucasus, the Balkans, and even in Central Asia. Thus, the ability to exercise control in (Strange's) power structures in the Eastern Mediterranean provides its holder an important advantage in influencing "who-gets-what" issues.

Secondly, the leading power structures of the Eastern Mediterranean region are the "security", "energy" and "transportation (sea and air)" structures. Thirdly, Turkey and Greece are the two major actors striving to expand their "respective limits of authority" over the power structures of the Eastern Mediterranean and this creates intensified "conflicts of authority" in the region between them in the post-Cold War period. Such conflicts arise when one authority (Turkish or Greek) challenges the (alleged) 'domain' or 'rights' of another (again Turkish or Greek respectively) and when that challenge is accepted by the other side.<sup>31</sup> Along these lines, it is not unrealistic to say that 'Cyprus' is the most striking issue among the Turco-Greek "conflicts of authority" over

<sup>31</sup> See S. Strange, *States and Markets*, op. cit., p.49.

the power structures in the Eastern Mediterranean, because there is no one effective legal political authority on the island accepted by the parties.

After defining and operationalising the international political economy of the Eastern Mediterranean in the framework of Susan Strange's approach, I would finally like to make a tentative proposal that might contribute to the efforts and might provide a start for overcoming the difficulty of "conflicts of authority" over the power structures between Turkey and Greece in the Eastern Mediterranean. Inspired by the 'law of comparative advantage' in economics I suggest that, since the capacities and the capabilities of Turkey and Greece differ in the power structures of the Eastern Mediterranean, both countries may opt to specialise in those power structures within which they perform best while leaving the other structures to be managed by the other. Accordingly, one can say that in the three leading power structures of the Eastern Mediterranean, namely, "security", "energy" and "transportation" - each closely interrelated with and supporting the other - while Turkey specialises in the "security" and "air transportation" domains in the region, the "sea transportation" domain for both "internationally marketed goods" and "energy" (oil and gas) can be left to the Greeks. In this regard, furthermore, while Turkey provides all kinds of convenience, logistics and security for the transportation of the Caspian,

Middle Eastern, and Central Asian oil and gas by the Greek commercial vessels and tankers, the Greeks may find it stimulating to support and cooperate with Turkey in air transportation in the GEMED. In the next stage, perhaps after developing a sense of mutual confidence as a result of cooperation in the previous stage, the two countries may choose to consider to share the benefits generated in other power structures of "production", "finance" etc., through further cooperation in the GEMED. Finally, a further step may be to look for the ways to integrate the other like-minded (cooperative) regional actors in the structural power network of the GEMED region.

This is a simple but an alternative starting point to reshape the political economy of the Eastern Mediterranean and GEMED. I believe that this simple logic, if further examined and enriched, may provide Turkey and Greece, -at least, with an opening to be dreamed of in a period of a large-scale historical and structural change which is full of risks and uncertainties and disappointment and frustrations. The outcomes of other alternatives can be cataclysmic and therefore ought not to be appealing enough for both Turks and Greeks.