TURKEY-IRAN RELATIONS: PRAGMATIC ECONOMICS & THE IDEOLOGICAL CEILING TO STRATEGIC RELATIONS

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INTRODUCTION & BACKGROUND

The relationship between the Republic of Turkey and its neighbour to the east, the Islamic Republic of Iran, has been mired with centuries of ideological and geopolitical friction. Remnants of two historically competitive empires—the Ottoman and Persian Empires—Turkey and Iran have seen centuries of waves of limited pragmatic cooperation and extreme ideological conflict. But even during waves of pragmatic cooperation, these unlikely friends find themselves limited by ideological impasses.

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As far back as the fifteenth century, during the Ottoman and Persian Empires, the former being a Sunni dominant empire and the latter a Shiite empire, Turkish-Iranian relations have been interwoven with geopolitical competition and ideological rivalry\(^1\). After the fall of the Ottoman Empire, Turkey’s first President Mustafa Kemal Atatürk pushed for revolutionary social and legal reforms creating the modern Turkish model of governance based on a secular democracy coupled with reform efforts that grew out of the collapse of the Islamic Caliphate. Neighbouring Turkey, in the early 1900s under the leadership of Reza Shah, Iran initially paralleled the secularisation reforms of Turkey. But by 1979, Iran radically changed course when it faced an Islamic revolution, a reaction that pushed back on secularism and foreign influence. The revolution ultimately formed the Islamic Republic of Iran, a theocratic autocracy\(^2\). Naturally, the two systems of

\(^1\)See Bayram Sinkaya, *Rationalization of Turkey-Iran Relations: Prospects and Limits*, INSIGHT TURKEY, Spring 2012, at 137 [hereinafter Bayram, Rationalization], available at http://file.insightturkey.com/Files/Pdf/insightturkey_vol_14_no_2_2012_sinkaya.pdf. The height of the ideological rivalry intensified during the Safavid dynasty (1486-1722). Bülent Aras, *Turkish Foreign Policy Towards Iran: Ideology and Foreign Policy in Flux*, J. OF THIRD WORLD STUD., Spring 2001, at 105, 105. Ideological and sectarian enmity has existed for centuries between the Turks and the Persians. According to Elliot Hentov, author of *Asymmetry of Interest: Turkish-Iranian Relations Since 1979*, the Iranians viewed the Ottomans as controlling much of the Middle East, including “the holy sites not just at Mecca and Medina, but also of the Shia sites at Najaf and Karbala in Iraq. For the Persians, who had defined themselves as a Shia Islamic empire, the Ottomans were the Evil Empire”. Roland Elliott Brown, *Siamese Rivals: Iran and Turkey*, IRAN WIRE, 9 June 2014, at 2, http://en.iranwire.com/features/5813. Many predict that this divide exists today in the background of what appear to be better relations between modern-day Turkey and Iran. *Id.*


On 12 and 13 Feb 1979, the world witnessed the collapse of the monarchical regime. *Domestic tyranny and foreign domination*, both of which were based upon it, were shattered. This great success proved to be the vanguard of Islamic government—a long-cherished desire of the Muslim people—and brought with it the glad tidings of final victory. Unanimously, the Iranian people declared their final and firm decision, in the referendum on the Islamic Republic, to bring about a new political system, that of the Islamic Republic. . . .

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Our nation, *in the course of its revolutionary developments, has cleansed itself of the dust and impurities that accumulated during the*
government—one which developed from theocracy to secularism and the other from secularism to theocracy—regarded the other as a threat to their security and system of governance.

In more recent years, both Turkey and Iran have sought to expand their diametrically different models of governance beyond their contiguous borders. “Following the ‘Islamic’ revolution in Iran, Iran’s export of revolution policy . . . to make the Iranian regional environment safe for Iran’s power and for its revolutionary ideology increased the role of ideology both in Iranian foreign policy and in Turkey-Iran relations”\textsuperscript{3}. During the first decade after the revolution, Iran was forced to temper its foreign policy with pragmatism out of a necessity to transport goods through Turkey during the Iran-Iraq war\textsuperscript{4}. In the 1990s, however, the relationship between Turkey and Iran was marred by ideological discord “which ranged from minor episodes of derogatory exchanges by politicians and media to more aggressive actions such as Iranian support for Islamic fundamentalist groups in Turkey”\textsuperscript{5}. But by the turn of the twenty-first century, Turkey and Iran experienced a new wave of unprecedented rapprochement through pragmatism, but as tensions in the region grew this burgeoning relationship hit an ideological ceiling significantly limiting their ability for a strategic partnership.

With the ever-changing dynamics in the region, this article paints a picture of past, present, and the potential future of relations between Turkey and Iran. To fully understand current Turkey-Iran relations, this article briefly reviews the historical waves of pragmatism and ideological strife experienced since the Islamic revolution in Iran. The article then addresses the most recent rapprochement between the two countries, which has predominately occurred in the field of

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\textit{past and purged itself of foreign ideological influences, returning to authentic intellectual standpoints and world-view of Islam. It now intends to establish an ideal and model society on the basis of Islamic norms.}

\textit{Id. pmbl. (emphasis added).}


\textsuperscript{4}Id. at 2.

economic relations. Finally, the article addresses the regional conflicts after 2011 that spurred ideological and geopolitical tensions and looks at the implications for relations, assuming Iran reaches a nuclear agreement with the world powers.

I. 1990S: WAVE OF DISTRUST AND IDEOLOGICAL STRIFE

Ideological tensions between Iran and Turkey peaked in the 1990s resulting in the reciprocal withdrawal of ambassadors. Following the Cold War era, Turkey greatly feared the rise of political Islam and violent fundamentalism, both of which were burgeoning movements among Turkey’s fundamentalist Muslims. Iranians, having overthrown

6 Between 1989 and 1997, both countries twice recalled their ambassadors. Sinkaya, 1990s, supra note 3, at 2. Ömer Akbel, the Turkish Ambassador to Tehran, and his Iranian counterpart in Ankara, Ambassador Manochehr Mottaki, were called back to their respective nations’ capitals in April 1989. In 1997, in Sincan, a small town outside of Ankara, the mayor, an avid Islamist supporter and member of the Turkish Welfare Party, invited Iranian Ambassador M. Reza Bagheri to speak at an event called “Jerusalem Memorial Night”, an event to protest Israel’s existence. During Bagheri’s speech he encouraged the Turkish people not to be afraid of being labeled a radical and implored Turkey to adopt Shariah law as the basis of its legal system. MARK L. HAAS, THE CLASH OF IDEOLOGIES: MIDDLE EASTERN POLITICS AND AMERICAN SECURITY at 186 (Oxford Univ. Press. 2012). Immediately following this speech, the Turkish Deputy Chief of the General Staff labeled Iran a “terrorist state” that was trying to export the “Islamic revolution to Turkey”. Id. As a result, in February 1997, the Turkish military forced Iranian Ambassador M. Reza Bagheri to return to Iran. Id.; see also Sinkaya, 1990s, supra note 3, at 2 n.4. Iran reciprocated and expelled Turkish Ambassador Osman Korutürk. The “Sincan Affair”, as it has become known, led to the ouster of the Welfare Party (the precursor to the AKP party) and the acting Prime Minister Necmettin Erbakan. Turkish Kemalists saw the Sincan Affair as evidence that Iran posed an existential threat to the secular ideology of the Turkish state. A commonly used slogan in political protests echoed “Turkey will never be Iran”. See, e.g., Networks in Turkey and Germany, INTELLIGENCE ONLINE, 3 Feb. 1993 (Roughly a quarter million Turks marched against radical Islam chanting “Turkey will never be Iran” while mourning the assassination of well-known Turkish journalist Uğur Mumcu), available at http://www.intelligenceonline.com/threat-assessment/1993/02/03/networks-in-turkey-and-germany.63677-EVE?createok=1#2.

7In 1997, the Turkish army led what is called a modern-day coup to force Prime Minister Necmettin Erbakan to resign out of fear he was directing the country toward political Islam. Unlike other military coups of Turkey’s past, the army refrained from seizing complete power and allowed secular politicians to form a new government. In the run-up to the 1995 parliamentary elections, Erbakan had advocated withdrawing from the North Atlantic Treaty Organization, abrogating agreements with Israel, and
their government in a revolution less than a decade before, embodied this very threat. Those within Turkey’s borders who idealised the Iranian revolution created Turkish Islamists organisations and sought financial and logistical support from Iranian officials based in Turkey. Iranian officials did not initially refuse requests for such support, further intensifying the deterioration in Turkish-Iranian relations. By 1993, Turkey’s minister of the interior declared that members of radical Islamist organisations in Turkey had undergone training, both military and theoretical, by Iranian security forces, traveled on Iranian documents, and participated in attacks on Turkish citizens and Iranian opposition in Turkey. Iran on the other hand took a cautious approach to Turkey’s growing military influence over politics, an influence which it viewed as stifling the growth of political Islam and responsible for oppressing Muslims in Turkey.

Difficult Turkish-Iranian relations were further compounded by regional geopolitical competition. After the fall of the Union of Soviet Socialist Republics, both Iran and Turkey competed to gain political and ideological influence in the newly created Muslim Caucasus. The Muslim Caucasus includes Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, and Tajikistan. A majority of these newly independent Muslim states shared ideological, cultural, linguistic, and ethnic affinities with the Turks but were geographically positioned on Iran’s border. Thus, Iran feared the growth of Turkish nationalism spreading to these developing states. Yet, while Turkey had ethnic ties to a majority of these new countries, Iran had geographical proximity developing closer ties with such Middle Eastern countries as Syria and Iran. See Encyclopedia Britannica Online, Necmettin Erbakan, http://www.britannica.com/EBchecked/topic/191078/Necmettin-Erbakan (last accessed on 27 Jan. 2015).

8Sinkaya, 1990s, supra note 3, at 3.
10Sinkaya, 1990s, supra note 3, at 17.
12Five of the six newly independent Muslim states, with the exception of Tajikistan, spoke Turkish as its dominant language. Azerbaijan shared the closest affinities with Turkey, but with a large Azeri population inside of Iran (20–25%), Iran feared a strong Turkish alliance as a potential source to destabilise Iran from within by creating a separatist movement among Azeri Iranians. Sinkaya, 1990s, supra note 3, at 13; see also LARRABEE, supra note 11, at 17–21.
as its advantage and served as the most direct route for the newly independent states to transport goods to the Persian Gulf. In competition for strategic influence, both Turkey and Iran set out to promote their own models of governmental and economic structure. Their aggressive approaches to the Caucasus deepened the distrust and tension between Turkey and Iran. But, despite their initial hopes that these newly independent Muslim states would become strategic allies in the quest to spread their model of governance, ultimately, neither country was positioned to unseat the prominence of Russian influence.

Further complicating Turkish-Iranian relations, Iranian internal and external politics began to shift and settle in the early 1990s after a decade of war and turmoil. Iran entered the eight-year long war with Iraq almost immediately after its revolution in 1979, leaving little time to legitimise its presence as an Islamic Republic in the region. On 4 June 1989, shortly after the end of the Iran-Iraq war, Iran’s revolutionary leader Ayatollah Khomeini died. Internally, following Khomeini’s death, domestic alliances in Iran questioned the legitimacy of velayat-e faqih rule (i.e., ruling authority passing to the faqih or jurist in Islamic canon law in the absence of the divinely inspired Imam), the foundation of the Islamic Republic after the revolution. Externally, many countries had isolated Iran. The costs of the war combined with isolation contributed to a quickly deteriorating Iranian economy. Internally, these difficulties created competition between the pragmatists and radical conservatives—an internal conflict that exists still today.

This internal conflict in Iran has made foreign relations between Turkey and Iran complicated and, at times, highly unpredictable. During the 1990s, the Kemalists in Turkey greatly distrusted the revolutionary agenda of the radical conservatives in Iran. Notably, even in the 1990s, the more pragmatic Iranian foreign ministry and elected members of the executive branch had adopted a collaborative approach toward Turkey, recognising the potential gain.

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14 Id. at 96.
16 Id. at 13.
17 See infra notes 42–47 and accompanying text.
for Iran in areas of trade and security. But, these efforts were offset by conservative radicals within Iran’s governing authority, primarily the Iranian Revolutionary Guard Corps and the judiciary, who regarded Turkey’s relationship with the West and Israel as a threat. Thus, while the Iranian foreign ministry worked towards collaboration, the radical conservative elements undercut any progress by supporting Turkish opposition groups and the Kurdish PKK as instruments to destabilise Turkey.18

II. 2002–2011: WAVE OF ECONOMIC PRAGMATISM & RAPPROCHEMENT

A new wave of pragmatism followed in 2002 with the political shift in Turkey to the Justice and Development Party (AKP) led government. Since then, Turkey and Iran have seen an unprecedented rapprochement. Iran’s conservative elements greatly welcomed the rise of the AKP, which they saw as a rise of Islam. This change in Turkish leadership helped “significantly reduce[] the secular-Islamic ideological tensions that had often led to heated accusations between Iranian and Turkish politicians after the 1979 revolution”19. A turning point in relations came when, on 17 June 2012, Turkish President Ahmet Necdet Sezer visited Tehran accompanied by a large Turkish delegation of industrialists and businessmen. “During that groundbreaking visit, the two sides agreed to sideline ideological differences, cooperate on security issues and embark on advancing economic and cultural interactions”20. Following the presidential visit, both countries took mutual pragmatic steps to improve security collaboration and economic growth, actions that ultimately resulted in rapprochement.

19NADAR HABIBI, TURKEY AND IRAN: GROWING ECONOMIC RELATIONS DESPITE WESTERN SANCTIONS, MIDDLE EAST BRIEF – CROWN CENTER FOR MIDDLE EAST STUDIES 1 (2012). As further proof of Iran’s belief that the AKP Party represented Islamic rise of power, Iran greatly welcomed the Turkish Parliament’s vote against allowing the United States to use the Turkish borders for invasions into Iraq. This vote came within a year of the AKP victory. Ziya, supra note 18, at 17.
20See Bayram, Rationalization, supra note 1, at 139; see also HABIBI, supra note 19, at 1.
Both countries were primed for rapprochement: Iran’s economic desperation after decades of isolation and Turkey’s increasing need for resources steered the two neighbours to common ground despite ideological differences. Aiding this rapprochement was the AKP’s new highly pragmatic foreign policy commonly referred to as the “zero-problem with neighbours” platform. Through this new foreign policy, Turkey sought to reconcile with countries in the region by increasing bilateral trade and cultural asset exchange. The AKP’s policy sought to mitigate regional tensions through “soft power” under the premise that as countries develop economic ties the risk of confrontation decreases. This policy, like the rapprochement, grew out of mutual necessity.

Contextually, Turkey faced domestic needs that required it to improve relations with Iran. According to the Turkish Foreign Ministry, “[o]ver the last decade, Turkey has been the second country, after China, in terms of natural gas and electricity demand increase.” As a result of Turkey’s limited domestic resources of oil and gas, it has become dependent on energy imports. As Turkey’s economy grew so did its need for oil and gas reserves. Turkey’s “close proximity to 71.8% of the world’s proven gas and 72.7% of oil reserves” positioned Turkey to serve as “a natural energy bridge between the source countries [including Iran] and consumer markets.” Likewise, Iran needed Turkey to serve as an energy bridge to export its abundant

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21 Ahmet Davutoğlu, Turkey’s Zero Problems Foreign Policy, FOREIGN POL’Y, 20 May 2010, http://foreignpolicy.com/2010/05/20/turkeys-zero-problems-foreign-policy. Then-Minister of Foreign Affairs Ahmet Davutoğlu is credited with formulating the “zero-problem with neighbours” platform of foreign policy, which was followed until recent years.

22 McCurdy, supra note 5, at 88.


24 Id. “Turkey can only meet 1.7% of its annual consumption from its domestic production [of natural gas]” and “only 11% of its consumption of [crude oil]”, thus making “Turkey [ ] dependent upon foreign suppliers such as Iran”. Serhan Ünal & Eyüp Ersoy, Political Economy of Turkish-Iranian Relations: Three Asymmetries, ORTADOĞU ETÜTLER, Jan. 2014, at 141, 151, 156 available at http://www.orsam. org.tr/en/enUploads/Article/Files/20141016_serhat.unal.euyup.ersoy.pdf.


26 Id.
Having come under heavy international sanctions, which closed off many of Iran’s traditional trade routes, Iran desperately needed new trade partners. During Iran’s isolation, Turkey has been able to supply Iran with necessities not manufactured in Iran. Many of Iran’s industries are reliant on Turkey (and China) to provide machinery and products that Iran has not been able to import through normal channels because of the international sanctions.

As a result of mutual necessity, bilateral trade has dramatically increased between the two countries since 2002. In 2002, bilateral trade between the two countries reached $1.2 billion dollars, and a decade later had stretched to a high of $22 billion, before dipping to $14.5 billion in 2013 because of international economic sanctions on Iran. Yet, even with this decline Iran serves as Turkey’s third largest export market. During a visit to Iran by then-Turkish Prime Minister Erdoğan in January 2014, the two countries signed a preferential

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27 In 2012, Turkey imported roughly 39% of all crude oil imports from Iran. OIL AND GAS EMERGENCY POLICY - TURKEY 2013 UPDATE, INT’L ENERGY AGENCY (2013), http://www.iea.org/publications/freepublications/publication/oil-and-gas-emergency-policy---turkey-2013-update.html. Note that Iran has at times been an unpredictable energy partner, cutting off gas to Turkey during some of the coldest months of the year. McCurdy, supra note 5, at 89. Turkey has intentionally diversified its import of energy resources, relying heavily on Russia and other countries. Id.

28 HABIBI, supra note 19, at 5–6.


30 Iran President to Visit Turkey for Trade; Syria on Agenda, REUTERS, 8 June 2014, http://www.reuters.com/article/2014/06/08/us-iran-turkey-rouhaniidUSKBN0EJ01J20140608.

31 This visit followed a train of diplomatic visits between the two countries. In September 2013, Cemil Çiçek, the speaker of the Turkish Parliament, visited Iran meeting with the nation’s top leaders, including the Supreme Leader Ali Khamenei. In November 2013, Turkey’s former foreign minister, Ahmet Davutoğlu, met with President Rouhani and Mohammed Javad Zarif, Iran’s foreign minister on their visit to Turkey. Ziya, supra note 18, at 16.
trade agreement with the goal of boosting trade to $30 billion by 2015\(^{32}\).

As shown in Figure 1, Turkish exports to Iran are considerably smaller than its imports from Iran. Turkish businesses are eager to export goods to Iran, but have struggled to increase exports due to international sanctions on Iran, the decline of the Iranian Rial, heavy tariff rates on goods, and competition from Chinese exports\(^{33}\). Turkey has been able to partially offset this trade deficit through increased Iranian tourism to Turkey\(^{34}\). Turkey and Iran memorialised this commitment to increase cultural exchanges in a memorandum of understanding on 11 February 2015\(^{35}\).

Like the dramatic increase in trade since 2002, as international sanctions made the business climate less hospitable for Iranian businesses elsewhere, Turkey has welcomed Iranian business at an exponential rate. Only 319 Iranian businesses existed in Turkey in

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\(^{32}\)Iran President to visit Turkey for Trade; Syria on Agenda, Reuters, 8 June 2014, http://www.reuters.com/article/2014/06/08/us-iran-turkey-rouhaniidUSKBN0EJ0I20140608.

\(^{33}\)HABIBI, supra note 19, at 4.

\(^{34}\)Id.

2002 compared to the 2072 by 2011, with a 41 per cent increase between 2010 and 2011 alone. Likewise, hundreds of Turkish companies have poured into Iran. Foreign direct investments of the Turkish nationals in Iran rose $163 million between 2002 and 2013. In the same period, direct investments of the Iranian nationals in Turkey amounted to $101 million. In 2014 alone, an estimated 174 Turkish companies invested more than $1.3 billion in Iran. As a result, both economies have become deeply dependent on these economic relations.

Despite the fact that both Turkey and Iran have taken pragmatic steps to boost economic relations, by compartmentalising any ideological tensions, the road has not been completely absent of challenges and ideological complications. Iran’s closed economy has posed significant challenges for Turkish exporters, including high tariff rates on consumer goods, frequent changes in tariff rates, delays in import permits, overpriced fuel during transport, and prolonged delays at customs gates. These practical hurdles have been compounded by internal tensions in Iran, particularly the struggle between Iran’s elected pragmatists who push for economic growth and its conservative fractions’ reluctance to allow foreign investments.

One of the most public displays of this internal conflict occurred in 2004, when the Iranian Revolutionary Guard shut down the Imam Khomeini airport in Tehran on its opening day and threw out staff from a Turkish-led engineering consortium that had retained the contract to manage the airport. In another important business venture, Turkcell, Turkey’s largest mobile phone company, had signed a three billion dollar contract to extend its network into Iran. But, the conservative-led Parliament quickly vetoed both the airport and

36HABIBI, supra note 19, at 5.
37Id. at 7.
38Ünal, supra note 24, at 150.
40HABIBI, supra note 19, at 1.
41McCurdy, supra note 5, at 91–92.
43McCurdy, supra note 5, at 92.
Turkcell contracts. The Parliament claimed that both contracts threatened Iran’s national security\textsuperscript{44}. As for Turkcell, the Parliament alleged the company had “Zionist links”\textsuperscript{45}. Beyond the cancellation of these two Turkish contracts these tensions also triggered the reformist Iranian President to cancel a trip to Turkey and other foreign companies to cancel investments in Iran\textsuperscript{46}.

As discussed above, these tensions reflect the fact that a pragmatist president (then Mohammad Khatami) was faced with conservatives at the head of the Revolutionary Guard, the Judiciary, and the Parliament in Iran. Even though elements within Iran and Turkey had taken practical steps toward strengthening economic ties and setting aside ideological differences, ideological tensions found a way to limit progress. This is in large part because of the natural limits of Iran’s foreign policy. All official foreign policy, no matter how pragmatic the president is, must be compatible with Imam Khomeini’s legacy, wherein Khomeini sought to rid Iran of foreign influence and saw confrontation with the West (with which Turkey has strong ties) and Islam as unavoidable as part of an effort to install an Islamic world system\textsuperscript{47}.

But relations between to the two countries are also affected by internal factions in Turkey—though to a much lesser degree. From an international perspective, Turkey’s “zero problems” policy had maximised its geo-economic interests and diplomatic presence in the region. But “[a]t the domestic level, Iran-Turkey relations have elicited strong reactions from secular circles, who remain deeply worried that an Iranian-style theocracy will emerge in Turkey, as well as from a substantial portion of religious Turks of Sunni orientation who are skeptical of Shiites”\textsuperscript{48}. Regardless of these internal tensions, out of necessity, Turkey and Iran, for the foreseeable future, seem committed to compartmentalise economic cooperation from internal politics and ideological differences—but even this has its limits.

\textsuperscript{44}Fathi, supra note 42.
\textsuperscript{45}McCurdy, supra note 5, at 92. Notably, “[c]onservative members of the Majlis later revealed that they vetoed the deal to weaken Reformist President Mohammed Khatami’s government”. Id.
\textsuperscript{46}Fathi, supra note 42.
\textsuperscript{47}Sinkaya, 1990s, supra note 3, at 6 & n.14.
\textsuperscript{48}Ziya, supra note 18, at 18.
III. 2011–PRESENT: HITTING THE IDEOLOGICAL CEILING OF STRATEGIC RELATIONS

By 2011, though unlikely friends, Turkish-Iranian economic relations had peaked; but this rapprochement hit a ceiling sparked by regional discord that fuelled ideological and geopolitical competition, and mutual distrust. As the future security of the region hangs in the balance in the wake of shifting political dynamics in the region, largely triggered by the uprisings in Arab countries, the diplomatic relations between Turkey and Iran remain under stress. Accordingly, Turkey has been forced to adjust its foreign policy from “zero problems with neighbours” to one that is more tailored to its security and geo-economic interests in the region. After almost a decade of rapprochement in which both countries put pragmatism before ideology, the relationship between Turkey and Iran has been hindered as of late by their different approaches to the conflicts in the region, Turkey’s continued role in NATO and ties to the West, and international sanctions on Iran⁴⁹.

The year 2011 marked the first of a series of revolutions against totalitarian dictators throughout the Arab world, sparking Turkey and Iran’s geopolitical rivalry. With the Arab Awakening, “[b]oth countries sought to frame the public euphoria that gripped the region during the unrest’s initial days within their own self-declared models of Islam and governance”⁵⁰. Prior to the Arab Awakening, as a result of the AKP’s “zero problems with neighbours” policy, Turkey experienced improved relations with almost every country in the Middle East. As dictators fell and the hopes for liberty and democracy grew, Turkey’s influence in the region grew as a model for economic growth in a working Islamic democracy⁵¹. In 2011, a pinnacle year of influence, “Turkey’s gross domestic product expanded 8.5 percent, a growth rate second only to China’s”⁵². As a result of its new influence, then-Prime

⁵⁰Ziya, supra note 18, at 18.
Minister Erdoğan was given the opportunity to promote the Turkish model—secular democracy in a dominant Islamic country—to Arabs in Cairo, a hub for much of the Arab Sunni world. Iran on the other hand, viewed the Arab Awakening, as Supreme Ayatollah Khamenei said, as “an ‘echo of the Iranian revolution’” and vied with Turkey for regional influence in order to export its Islamic model of governance. Tension between the two countries grew as they competed for geopolitical influence.

The euphoria of increased regional influence and improved relations for both Turkey and Iran quickly eroded after the Arab Awakening was blocked in Syria—the country with which Turkey shares its longest border. In Syria, Turkey found itself on opposing sides of the conflict with Iran. As the violent unrest escalated in Syria, Iranian and Turkish interests collided damaging the positive rapprochement gained over the previous decade. As Iran’s closest ally in the Middle East, Iran quickly sided with Syrian President Bashar al-Assad and his Alawite Shia government by providing financial, material, and diplomatic support. Prior to the uprisings, Turkey had pursued a closer relationship with Syria, despite its ideological differences. During the initial uprisings in Syria, Turkey initially took pragmatic steps to try and preserve its relations with Syria and encouraged Bashar al-Assad towards reform and democratisation. But, as the Syrian conflict turned into a sectarian civil war, stimulating rising tensions between Sunnis and Shiites in the region, Turkey realised such efforts were futile and shifted to active support for Syrian Sunni opposition forces. The calculation for Turkey was simple: “[sharing] a border with Syria of some 900 km, it was a question of

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56 Ziya, supra note 18, at 18.

57 ROYAL UNITED SERVS. INST., supra note 55, at 55.
national security and of managing the burden of humanitarian costs of the conflict. Ideological tensions and distrust quickly reappeared on the scene and Turkey and Iran struck the ideological ceiling on their developing relationship.

For Iran, the fall of Bashar al-Assad would threaten Iran’s prominence and security in the region; and thus, Turkey’s support for the opposition forces presented itself as a direct threat to Iran. The unrest in Syria endangered Iran’s (and its Shia proxies’) access to the shores of the Mediterranean, a route Iran frequently accessed to supply arms to Hezbollah. Furthermore, if popular demonstrations in Syria were to succeed in overthrowing the established government, Iran worried that demonstrations similar to those of the 2009 Green Movement might resurface within its borders.

Turkey’s support for Syrian opposition sparked sharp words from Iran and signaled deterioration between the two countries. One of the Iranian Revolutionary Guard Corps’ most influential papers vehemently pushed back on Turkey’s policies in Syria, claiming that if forced to choose between Syria and Turkey, Iran would always choose Syria. Press-TV, Iran’s English-speaking TV channel went so far as to claim “Turkey plotted the Syrian uprising.” Amidst the tensions over Syria, Ayatollah Hashemi Shahroudi, the former judiciary chief and advisor to Supreme Leader Khamenei, called Turkish Islam “liberal” or “American” Islam—not exactly the glowing support expressed from Iranian leadership in the initial years of the AKP leadership in Turkey. Ayatollah Shahroudi also claimed that “Turkey’s role in the Middle East furthers ‘liberal’ Islam rather than the ‘true’ Islam Iran propagates.”

Stirring greater tension, Iran viewed Turkey’s decision to side with the influential Gulf Cooperation Council (GCC) and Western states in Syria as a threat to its security—a position in direct conflict with Iran’s founding revolutionary principles to rid the region of foreign influence. The conservatives in Iran used this decision to stir up distrust for Turkish policies. But, the distrust was mutual. By 2012,

58Ziya, supra note 18, at 18.
59LARRABEE, supra note 11, at 9.
60Id.
61Id.
62Id.
63Id. at 9-10.
Turkish intelligence had signaled that Iran may be stirring up contention inside of Turkey. “In fact, in 2012, the Turkish intelligence agency clamped down on an alleged Iranian spy ring in Turkey.”

Then, in May 2013, a border town between Turkey and Syria experienced a terrorist attack that killed 53 people. Turkey blamed Syrian networks controlled by the Assad government, and thus indirectly tied to Iran, further deepening the conflict between Iran’s and Turkey’s opposing positions on Syria. More recently, the agreement made on 19 February 2015 between Turkey and the United States to supply weapons and training to moderate Syrian opposition forces who have taken on the Islamic State in Syria deepens Iran’s suspicious of Turkey’s alliance with the West.

Iran has frequently viewed Turkey as a proxy for western ideas, and Turkey’s involvement in NATO has recently deepened the growing crack between Turkey and Iran. In 2011, Turkey’s decision to allow NATO to build a radar system in Turkey as part of its early warning missile-defence system fuelled Iran’s suspicions. Despite assurances from Turkey’s leadership that Turkey would never let its airspace be used for aggression against Iran, the issue elicited “belligerent rhetoric from both sides.” Brigadier General Massoud Jazayeri, Deputy Head of the Iranian Armed Forces Joint Chiefs of Staff, threatened that “Turkey should rethink its long-term strategic interests and draw lessons from the ‘bitter historical experiences’ of

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64 Ziya, supra note 18, at 19.
65 Id.
66 Syria Conflict: US and Turkey Agree Syrian Rebels Deal, BBC, 19 Feb. 2015, http://www.bbc.com/news/world-middle-east-31511376. Throughout negotiations on Turkey’s role to combat the Islamic State in Syria, Turkey has proposed that any joint deal include plans to remove Syrian President Bashar al-Assad. Turkey’s military also successfully entered Syria on Saturday, 21 February 2015, to extract thirty-eight Turkish soldiers guarding the Tomb of Süleyman Şah, the grandfather of the founder of the Ottoman Empire. Iran promptly criticised the mission, warning that “any kind of aggression by countries in the region will pose a major threat to the security of the region”. Iran Warns Turkey Not to Jeopardize Regional Security After Operation in Syria, TODAY’S ZAMAN, 25 Feb. 2015, http://www.todayszaman.com/diplomacy_iran-warns-turkey-not-to-jeopardize-regional-security-after-operation-in-syria_373606.html.
67 ROYAL UNITED SERVS. INST., supra note 55, at 56.
68 Id.
other countries”\textsuperscript{69}. General Jazayeri further warned that “‘Ankara should rely more on the strength of its Muslim nation as well as the potency of Muslims elsewhere and assume a role geared towards improving security in the region’”\textsuperscript{70}.

As the mutual distrust between Turkey and Iran has grown, and the sectarian elements of the conflicts in the region have become more prominent, Turkey has shifted its foreign policy towards an objective of national security interests and peace in the region. In light of this shift, Turkey is also closely watching the events in Yemen after the Ansarolla Shiite opposition group took over the country in February 2015. Ansarolla, or “Houthis” as the followers are commonly referred to, adhere to a branch of Shiite Islam known as Zaidism and differ only minimally from Iranian Twelver Shia Islam\textsuperscript{71}. Allegations have been made that Ansarolla, like Hezbollah, is a proxy for Iran’s revolutionary agenda and that Iran has provided material support to the group for its aggression in Yemen. And, while the Iranian Foreign Ministry has repeatedly denied these allegations, elements of the Iranian conservative radicals have said otherwise. On 16 December 2014, “Ali Akbar Velayati, the foreign affairs adviser to Khamenei, asserted that Iran’s influence stretches now ‘from Yemen to Lebanon’”\textsuperscript{72}. What is clear is that many Shiites regard the Supreme Leader of Iran as the leading Shiite authority and pledge allegiance to the leader over ethnic or territorial allegiances. Thus, “Yemen is now within Iran’s sphere of influence and is viewed as a new member of the ‘axis of resistance,’ which encompasses Syria, Lebanese Hezbollah and Iraqi Shiite militants. This axis is an Iran-led alliance of state and non-state actors in the Middle East that seeks to primarily confront Western interests and Israel)”\textsuperscript{73}.

\textsuperscript{70}Id.
\textsuperscript{73}Id.
At present, what mutual trust had been gained between Turkey and Iran during the early 2000s has worn off. The hopeful euphoria of any strategic relations has come to a close, leaving only the economic relationship which was birthed out of mutual necessity.

IV. IRANIAN NUCLEAR DEAL & EFFECT ON TURKISH RELATIONS

Since 2002, roughly marking the beginning of the global dispute over Iran’s nuclearisation, “Turkey has viewed, and spoken of, Iran’s nuclear programme in less threatening terms than its NATO allies”74. The difference between Turkey’s and NATO’s positions is a difference in strategy and not over the end objective of prohibiting Iran from having nuclear weapons75. From the beginning, Turkey has insisted that the best approach to the Iranian nuclear issue is sustained dialogue. But, unlike other NATO members, Turkey has maintained that under Article IV of the Non-Proliferation Treaty76, which provides the “inalienable right” of signatories to use nuclear energy for peaceful purposes, Iran should be allowed to produce peaceful nuclear energy. By insisting that Iran has the right to enrich uranium, Turkey also defends its own right to similar future enrichment77. Although Turkey has encouraged Iran “to ratify and adhere to the IAEA Additional Protocol (an upgraded safeguards regime) and face strict export controls”78, Turkey has been instrumental in reducing the degree to which Iran’s economy has suffered under international sanctions79. Along with a loose border for access to sanctioned materials, Turkey also voted in 2010 against the imposition of further sanctions on Iran at

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74ROYAL UNITED SERVS. INST., supra note 55, at 56.
75See LARRABEE, supra note 11, at 27.
76Treaty on the Non-Proliferation of Nuclear Weapons, July 1, 1968, 21 U.S.T. 483, 729 U.N.T.S. 161. “Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of this Treaty”. Id. art. IV.
77ROYAL UNITED SERVS. INST., supra note 55, at 57. According to the Royal United Services Institute, a handful of Turkish officials have indicated that they would seek nuclear weapons in response to Iranian weaponisation. Two former commanders of the Turkish air force, Generals Halis Burhan and Ergin Celasim, have declared that “if Iran develops nuclear weapons, Turkey should do the same so as to be able to preserve the balance of power between the two countries and also in the region”. Id. at 58.
78Id. at 57.
79See HABIBI, supra note 19, at 5-6.
Thus, Turkey has compartmentalised the nuclear issue, like its economic relations, based in large part on how Turkey views its interests in the region.

Moreover, Turkey’s stance on Iranian nuclearisation has been dramatically shaped by its own internal economic interests. Since November 2013, when Iran entered into the Geneva interim agreement with the P5+1 countries, Turkey has been one of the biggest economic beneficiaries of the sanctions relief granted to Iran in the agreement. Prior to the interim agreement, nuclear sanctions on Iran had impaired political and commercial relations between Turkey and Iran.

In 2012, after years of rapid economic growth, sanctions took a major toll on Turkey’s economy, with exports to Iran plummeting and all but one Turkish bank refusing to process payment for Iranian customers. According to Arzu Celalifer, a professor of international relations at USAK—International Strategic Research Organisation— the burgeoning trade relationship took a sharp hit in 2012 due to international politics. “[W]hen new U.S. sanctions targeting Iran’s central bank in January [2012] sent Iran’s currency plunging, the [Turkish] lira began to surge, making the relative cost of some Turkish products almost double in price in the space of a few days, traders say.” It is estimated that Turkey’s trade losses due to the international sanctions for the first nine months of 2013 amounted to $6 billion.

Looking forward, if Iran’s economy—which is estimated to have a GDP of $500 billion—were to open up for global investment with the reduction of sanctions, Turkey is positioned to, at least initially, reap significant business investments and rapid growth of the

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80ROYAL UNITED SERVS. INST., supra note 55, at 56.
81Id. at 57.
84Id.
export market for Turkish goods and services\(^{86}\). According to some Turkish business leaders, “an end to the sanctions regime could open the way for exports of Turkish goods and services to Iran worth more than $90 billion in the medium term”\(^{87}\).

But it is unclear whether these initial gains would turn into long-term gains economically and politically. The longer-term implications of any international agreement might encourage economic as well as geopolitical competition between Turkey and Iran. “If an Iran that normalizes relations with the West, and especially the US, emerges from this diplomatic accord, Turkey could find its leadership aspirations and prestige in the Middle East gravely challenged by Iran”\(^{88}\). Moreover, a final agreement would give credibility to Iran’s status in the region.

By de facto recognizing Iran’s right to the full nuclear fuel cycle, the international community would be placing Iran in the company of responsible nuclear states like Germany, Japan, the Netherlands and Brazil, as well as the nuclear-weapons states. This would be a significant boost for Iran’s international prestige and could be seen as out-doing Turkey, a G20 and NATO member and EU candidate whose own nuclear energy program is still in its early infancy\(^{89}\).

As two theorists have hypothesised,

\[\text{[t]he agreement signed in Geneva may ultimately prove a great boon to Turkey, further opening a giant market to the east and reducing tensions between its largest ally and its largest neighbor. Yet, there is also a possibility that such an agreement could signal the ascendance of Iran as}\]


\(^{87}\)Kemal Kıriçci & Rob Keane, \textit{Is a Deal with Iran Bad for Turkey?}, NAT’L INT., 21 Jan. 2014, at 1, http://nationalinterest.org/commentary/deal-iran-bad-turkey-9740. \textit{But see} Ünal, \textit{supra} note 24, at 145 (discussing how the cement market in the region, which for years has been exclusively controlled by Turkey, is turning toward Iranian cement makers because of a cheaper price).

\(^{88}\)Kıriçci, \textit{supra} note 87, at 2.

\(^{89}\)\textit{Id.}
a major rival for regional power and global influence likely to challenge Turkey’s strategic advantages. 

In addition, the unleashing of Iran’s economy could “spur an economic boom akin to Turkey’s own last decade”. Since the interim nuclear agreement, international companies from countries all over the world have looked to Iran for potential future investments. Though some Turkish sectors may initially reap benefits from the boom, a complete reduction of international sanctions against Iran could spur economic competition between Turkey and Iran, ultimately damaging their economic relations, which have been based on mutual necessity. The opening of Iran’s economy for global investment and competition could create and imbalance of necessities—potentially eliminating Iran’s necessity for Turkish trade while Turkey’s necessity for energy resources would only continue to increase with time.

The future of Turkish-Iranian relations will likely dramatically shift at the resolution of Iran’s nuclear situation. Thus, while the two countries have been able to compartmentalise their economic relations—and likely will continue to do so as long as practicably feasible—a nuclear deal may ultimately drive the countries back into a wave of ideological and geopolitical strife.

CONCLUSION

The future of Turkish-Iranian relations will be determined by the persistence or conclusion of regional conflicts and the resolution of Iran’s nuclear situation. Despite divergent interests geopolitically, both countries seem willing to continue to compartmentalise their economic ties from the numerous areas of conflict. But, even with this commitment, looking forward, economic and political relations between Turkey and Iran will continue to be limited by an ideological ceiling. Economic relations will continue to outpace political relations, but even the economic relations will fall prey to the primacy of geopolitics and ideology. The two countries’ regional objectives will continue to birth distrust as both countries search for security and prominence in the region.

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90 Id.
91 Id.
Furthermore, as long as conservative factions in Iran’s government are driven by Islamic revolutionary ideology, Turkey will maintain a cautious approach in its relations with Iran. In the same manner, Iran will continue to approach relations with Turkey cautiously as long as Turkey maintains its membership in NATO and its ties to the West. Thus, no matter how strong their economic relations appear, Turkish-Iranian foreign relations will continue to be limited by ideological and geopolitical differences.