

Pursuit of National Interest: Turkey-Iran Energy Cooperation in 2002

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Abstract: *This paper tries to describe Turkey's efforts to obtain energy supplies in natural gas. Energy is a main requirement within country. Increased in energy consumption continues to occur on economic-based industrial country, one of them is Turkey. The increase of energy consumption has an impact on the problem of energy supply. To deal with disruptions to its domestic energy supply, Turkey is strengthening cooperative relations with neighboring countries, especially with Iran as the second largest natural gas producer in the world. Therefore, in 2002 Turkey began to carry out several strategies toward Iran to meet its domestic natural gas supply. Although relations between the two countries experienced ups and downs, in the end Turkey got additional gas supplies from Iran at the desired price.*

Keywords: Turkey, Iran, Energy Cooperation

1. Introduction

Energy is an important sector in human life and is a major factor in economic growth. Every country that has less energy reserves than its energy consumption will try to meet its domestic energy needs through imports. According to Caha (2006) Turkey has limited energy availability. Turkey's domestic energy production is only around 26 percent (Babali, 2012). Meanwhile, Turkey's energy needs are increasing after the economic crisis in Turkey in 2001 (Jarosiewicz, 2013). The increase in energy needs after the crisis because the Turkish government trying to stabilize the wheels of its economy. After the crisis, in 2002 the Turkish government began to deal with the problems of the economic crisis, one of which was by increasing the production of industrial goods (Bo, 2011). Currently, Turkey's main energy use consists of natural gas (35%), coal (20.5%), oil (27%), water (7%), and other energy (2.5%). Natural gas is the main energy needed by Turkey (Clemente, 2016).

According to Clemente (2006), although Turkey has limited natural gas reserves, Turkey chooses to use natural gas in important sectors because natural gas has advantages, including being cleaner, more flexible, and very efficient in use. The advantages possessed by natural gas have caused the demand for it in Turkey to increase. According to the International Energy Agency (IEA) Turkey's natural gas consumption reached 45 billion cubic meters (Bcm) in 2011. Turkey's natural gas production is inversely proportional to its consumption, then only a small part of Turkey's energy needs can be met by its domestic energy reserves. The increasing demand for natural gas in Turkey is also driven by an increase in population and people's living standards. The use of natural gas is not only focused on the industrial sector, but also includes the electricity and household sectors. Therefore, Turkey is increasing cooperative relations with other countries to support domestic energy supply. Therefore, Turkey makes a foreign policy

that leads to an economy-oriented approach that emphasizes increasing import-export activities with neighbouring countries, especially Iran (Hentov, 2011).

Cooperation between Turkey and Iran is not a new thing. Energy cooperation between the two countries began with the signing of a natural gas cooperation contract in 1996. However, due to domestic political problems in Turkey, there are obstacles in energy cooperation between the two countries. Through a change in the direction of Turkey's foreign policy from security-oriented to economy-oriented after the economic crisis, the Turkish government began to follow up on its energy cooperation relationship with Iran (Akan, 2011). According to the Turkish foreign minister, energy cooperation between Turkey and Iran mainly includes natural gas and crude oil. This is because Iran is a country that has the second largest natural gas reserves in the world. Meanwhile, Iran's crude oil reserves are the fourth largest in the world.

As neighbouring countries located in the Middle East region, both have geographical advantages. According to Wang Bo (2011) Iran's conducive location can control oil-rich energy in the Persian Gulf region, while Turkey's strategic location can access international routes in Asia and Europe. In addition, Turkey is also surrounded by five seas which include the Caspian Sea, Black Sea, Marmara, Aegean, and Mediterranean which are very closely related to trade and energy routes (EIA, 2015). Therefore, Turkey makes Iran a supplier for Turkey's domestic energy needs. Seeing the potential strategic geographical location of Turkey and Iran, Turkey's energy cooperation is not only to meet its domestic energy needs. But Turkey also has an interest in becoming an energy transit country to take advantage of the potential of Turkey's strategic location. Turkey has access to Iran as an oil supplier to Turkey and also an energy consuming country located in Europe.

This is evidenced by the location of Turkey which borders the Middle East, Russia, and the Caspian countries which have more than 70 percent of the world's oil and natural gas reserves, especially Turkey is also located in international waters (Bo, 2009). This strategic condition has placed Turkey as an important energy transit country in the world. As stated by the Prime Minister of Turkey, Turkey uses geostrategy to create a corridor between energy-rich countries and energy-consuming countries. In addition, the cooperation between Turkey and Iran is also aimed to make political relations between the two countries more harmonious. This is because Turkey seeks good political and economic relations with Iran to maintain regional stability, as well as ensure access to natural gas from Iran for Turkey (Elbasani & Saatçioğlu, 2011). Therefore, this research will further discuss the actions taken by the Turkish government to pursue its national interests in the energy sector, especially natural gas through cooperation with Iran.

2. Literature Review

There are three literature reviews that are used as references as well as comparisons in this study. The first article entitled Implications of the China-Russia Strategic Partnership in 2001-2010 on China's efforts in meeting energy security interests by Sri Rezeki (2011) describes the implications of a strategic partnership in China's cooperation with Russia to meet China's energy needs as a rapidly developing industrial country. in the international world today. Strategic Partnership is a collaboration that covers various fields. Of the many collaborations carried out by the two sides, China's main focus is on energy cooperation. Because the Chinese government really realizes that their inability to meet their domestic energy needs will disrupt the pace of China's economy. Therefore, China has begun to make serious efforts to find alternatives to meet its energy needs through cooperation with countries that have abundant

energy sources, such as Russia, which is one of China's destination countries in meeting its domestic energy needs.

The second research that became a literature review was the journal Joshua W. Walker (2007) entitled *Learning Strategic Depth: Implications of Turkey's New Foreign Policy Doctrine*. This journal focuses on the implications of Turkey's new foreign policy doctrine in establishing cooperative relations with other countries. Walker explained that Turkey actively utilizes its geographical assets and historical experience in making its foreign and domestic policies. Walker exhibits the fact that Turkey has been actively seeking for a way to create a relationship balance within its territory in order to keep their interdependence in an optimal manner globally and regionally. There is a strategic depth implication that can be seen within Turkey's relationship with other states especially states in the Middle East. It is hard to deny that by using their geographic advantage within the strategic depth concept, Turkey plays a more strategic role within the Middle East. Strategic Depth emphasizes the importance in having good relation with neighbouring countries. The existence of this good relation creates an easier access for these states to work together.

The last literature review was the report from, Elliot Hentov (2011) "Turkey's global strategy: Turkey and Iran". This report focuses on the normalization of relations between Turkey and Iran since 2002. Hentov said that although normalization was carried out in 2000, the transformation of bilateral relations was carried out in 2002. This is because Turkey's domestic politics has undergone very large changes since the elections in 2002 were won by the party. *adelet ve kalkinma* (AKP) as the new leader in Ankara. In addition to changes in domestic politics, the AKP also has a new foreign policy that has a vision to make Turkey a global power that will connect the east-west and north-south. Turkey's foreign policy is referred to as strategic depth which explains Turkey's role as a country that has a strategic location. So that Turkey can use these assets to improve its relations with neighboring countries, especially Iran.

Hentov also explained that the approach taken by Professor Davutoglu was accompanied by a substitution of foreign policy which previously was more security-oriented to an economic-oriented orientation. So that in terms of economic problems, Turkey increases its exports and imports with its neighboring countries, especially Iran. In terms of exports, Turkey exports industrial goods and infrastructure services to Iran. As for Iran, more than 80% of Iran's imports to Turkey are energy in the form of oil and natural gas. Therefore, during his reign, the AKP began to think about developing trade with Iran. As Ahmad Davutoglu said, Turkey needs Iranian energy as a contributor to Turkey's national interests.

In accordance to the two main research used as literature review, it could be concluded that the "Implications of the China-Russia Strategic Partnership in 2001-2010 on China's efforts in meeting energy security interests" by Sri Rezeki (2011) has a context relatable to this research. Both explains the exploration done to reach domestic energy need. On the other hand, the concept of energy security within Sri Rezeki's (2011) research also helps define energy security in details. The only different of Sri Rezeki's (2011) research with this one is the energy focus. The second research written by Walker (2007) similarity with this research is from the usage of the strategic depth concept, both are using this concept as a reference in the making of Turkey's foreign policy. The difference is that Walker only explains the implication of the strategic depth concept in a universal manner, whilst this research would focus more on how strategic depth influence the creation of the foreign policy written for the energy cooperation with Iran.

The last research from Elliot Hentov (2011) helps to understand about Turkey's foreign policy after the AKP victory which will be used to analyze energy cooperation with neighbor countries. The difference between this research and Elliot Hentov report is, Hentov only discusses energy cooperation between Turkey and Iran during the AKP administration, while this study will discuss more broadly the strategies used by the Turkish government to pursue its national interests in the energy sector through energy cooperation with Iran.

3. Methodology

Based on the brief explanation above, this research uses qualitative research methods. The discussion in this study will be delivered descriptively using words or sentences. The results of the study were obtained based on a logical analysis of the evidence and data used. The sources of data used in this research are secondary data obtained through books and scientific journals of academics or practitioners, data from official websites of the government or certain organizations, news journals obtained from the mass media, and other data that obtained from certain relevant documents to complete this research. In other words, this research does not make direct observations in the field and also does not communicate with certain parties who are in the object of research.

Every research in various fields of science requires identification of the unit of analysis. The unit of analysis is the behavior that will be described and explained in each study. Units of analysis can be individuals to social institutions. The unit of analysis in this study is the state unit. The state unit in this study is used to understand and analyze phenomena related to the problem under study. Turkey is a country that will be analyzed related to the issues discussed, namely the pursuit of national interests in the energy sector by the Turkish government in cooperation with Iran.

After the required data is collected, the next step in the research is to analyze the data. Data analysis aims to analyze the ongoing process of a phenomenon, analyze the meaning contained in the information or data so as to obtain a complete picture of the process. In qualitative research, data analysis techniques are usually carried out by going through several stages to be able to provide an overview of the problems in a phenomenon and existing facts, so that they can be understood and conclusions can be drawn. According to Lacey and Luff (2001) there are several general stages that are usually carried out in analyzing qualitative research data, namely familiarization, data transcription, organizing or grouping data, coding and data analysis stages.

Familiarization is done by exploring data which requires researchers to be familiar with and master the data as a whole by reading repeatedly the data of research findings. Followed by a data transcript which is the process of converting observational data into verbatim (written) form. The transcribed data is then categorized into themes that will be discussed. Through the coding stage, the data is identified and labeled according to the phenomena that occur based on the data obtained to make it easier to analyze.

In this study, the strategy undertaken by Turkey to pursue national interests in the energy sector will be described in the next chapter, namely the discussion chapter. In the discussion chapter, we will analyze the energy problems in Turkey and the cooperation between Turkey and Iran. Then enter the analysis of the strategy used by the Turkish government in 2002 to pursue national interests in the energy sector.

4. Conclusion

Turkey's Economic Growth and Natural Gas Demand After the Economic Crisis of 2001

After the 2001 crisis in Turkey, the Turkish economy grew rapidly. The economy in Turkey recovered quickly from the 2001 crisis as a result of clear medium-term planning, strong external assistance in the form of IMF programs, and balanced by firm domestic reforms. Macroeconomic stability was achieved through a tight fiscal and monetary policy. This was complemented by structural reforms in the areas of corporate restructuring and privatization, the business environment, trade liberalization, the labor market and in particular with a comprehensive reform of the banking sector (BÜLBÜL, 2010). As a result, foreign and domestic investment soared, then this led to an increase in labor productivity.

Now the per capita income of Turkish citizens has doubled and made Turkey one of the high-income countries. Economic growth has accelerated thanks to improved public services and the number of new jobs in industry and services. This opened up new opportunities for Turkey's traditionally poor rural population to find new jobs after the severe crisis experienced in 2001. Poverty in Turkey has now decreased by 50% since 2002 and the middle class society in Turkey has more than doubled what it was. only 18% in 1993 to 41% in 2010 (Yazar & Erkaya, n.d). So in other words, prosperity in Turkey has been felt as a whole by its citizens. One of the reasons for the growth of the Turkish economy is the emergence of new jobs in the industrial sector.

The manufacturing industry sector is one of the main drivers of the Turkish economy, it is estimated that 24.2% of the total Turkish economy comes from the manufacturing industry. Not only the industrial and electricity sectors experienced an increase after the crisis in 2001, the household sector in Turkey also grew rapidly. Turkey's manufacturing industry includes textile manufacturing, electrical-electronics, chemical industry, and automotive industry. Then Turkey uses its geographical advantages to export its products to various countries from Europe to the Middle East (Bo, 2009). Along with the development of industry in Turkey, the expansion of the electricity network is also increasing. According to the Turkish energy minister, there was an increase in the amount of electricity consumption in Turkey from 2002-2010. In 2002 Turkey consumed 129 billion kilowatts of electricity.

This number increased in 2010 by 211 billion kilowatts. This increase is reflected in the large growth in power generation facilities under construction across Turkey. Between 2002 and 2011, Turkey built 300 new power plants in order to meet its soaring electricity demand. In addition, the increase in Turkish natural gas was also driven by several factors such as the use of natural gas in the manufacture of new infrastructure, rapid population growth, high growth in Gross National Product (GNP), new gas purchase contracts, free market regulations (price competition), world oil prices, projects involving costs and supplies from new sources, developments in the global natural gas market, and economic and political stability (within countries and regions).

This is the reason why Turkey needs to increase its natural gas supply. Therefore, Turkey must expend more political efforts to ensure its gas supply is secure. In other words, Turkey must often compromise in the international arena in order to maintain good relations with energy supply countries. Given Turkey's strategic location, there is no doubt that Turkey can increase its competitive position to acquire natural gas assets from its energy-rich neighbors. Currently, the majority of Turkish gas comes from Russia, Iran and Azerbaijan which are the three main suppliers (Akan, 2011).

In principle, Turkey will achieve its energy security if it increases and develops the diversity of its energy suppliers. Because success in efforts to safeguard and fulfill national interests in the energy sector will not only generate commercial benefits, but will also strengthen Turkey's position in regional politics. Turkey's future prospects can be seen through the close relationship between Turkey and energy supplying countries.

Changes in Turkey Foreign Policy 2002

In 2002 Turkey decided to formulate a foreign policy using the strategic depth concept. This concept gives Turkey a chance to exploit their geographical and historical depth. By using this concept, Turkey was able to focus their policy into one that is more economy-oriented through the improving its relations with the neighbouring states. The main difference with the policy before 2002 would be the fact that Turkey was focused more on peace-keeping and universal cooperation. It means that there shall be no bias or differentiation of one state with another. This old policy was also more security oriented. Turkey's cooperation during that era were all focused on security issues as such conflict and terrorism that might endanger Turkey.

The shift of policy in 2002 was mainly due to the domestic economical fallacy in 2002. With such concerning condition, Turkey tries to handle the problem by using their geographical advantage; being located in the energy route. This change is expected to be able to handle the economical concern faced by the state. Referencing to their foreign policy that optimized their geographical and historical depth, Turkey creates the 'zero problem with neighbours' policy (EMRA, 2011). This zero problem with neighbour policy is built from the idea that Turkey has the need to minimize problem and improve relation with nearest neighbour to simultaneously fulfil the state's economy interest, especially in the energy sector. With this newly improved relation, Turkey would get an easy access to creating more cooperation and securing their energy needs.

Improving economic well-being means the increase of energy need, forcing Turkey to use its geographical depth to expand its limited energy reserve. Turkey has after all, create a policy and has the location advantage to have a good relationship with its neighbour that has countless amount of energy supply. The utilization of Turkey's strategic position is on par with the new foreign policy concept: emphasizing on Turkey to create energy cooperation with their Middle Eastern state neighbour that are in abundance of energy. Mainly, Turkey creates a bilateral cooperation with Iran, a state with the second biggest natural gas energy reserve in the world. This position of Iran creates a huge boost in supporting Turkey's domestic interest and its huge natural gas consumption (Yazar & Erkaya, n.d). Witnessing the importance of energy for Turkey, energy has also been intertwined into the base concept of its foreign policy.

Turkey's Energy Policy Toward Iran

Having limited energy reserves with a growing economy and needing a lot of energy supplies, Turkey has finally found the opportunities offered by its unique geographical location. In recent years Turkey has taken advantage of this position to take advantage of its unique geography to the maximum extent. Turkey has placed a special role for its country which is located among countries rich in energy resources. By making full use of its potential, Turkey can protect its economic prosperity. Because countries that do not have abundant energy supplies, such as Turkey, will try to expand their energy supplies. This is because energy is often described as a direct threat to the national security or economic well-being of a country. Therefore, with few energy or gas reserves, it requires Turkey to maximize its geographic potential in order to be on good terms with its energy-rich neighbours.

The use of Turkey's strategic position is in line with its new foreign policy concept, which emphasizes Turkey to conduct energy cooperation with its energy-rich neighbours in the Middle East. In particular, in cooperation with Iran as a country that has the second largest natural gas reserves in the world. Iran's condition has the potential to support Turkey's domestic interests, which consume large amounts of natural gas. Because natural gas in Turkey occupies the first position as a source of energy used in various important sectors. Therefore, to support these needs, Turkey requires policies related to energy. It is aimed at achieving Turkey's economic prosperity. This is because economic prosperity rests on the provision of energy sources for the future. After all, energy is a tool used to achieve the ultimate goal related to the prosperity and welfare of people's lives in a country.

Seeing the importance of energy for Turkey, Turkey has formulated an energy policy that is closely related to its foreign policy. The Turkish Ministry of Foreign Affairs (MFA) and the Turkish Ministry of Energy and Natural Resources (MENR), are both involved in decision-making on important energy issues. This is aimed at anticipating conflicts of interest in energy policy and foreign policy related to domestic energy supply needs. Therefore, in 2002 Turkey began to make foreign and energy policies that are in line, so that these policies synergize with each other to pursue Turkey's national interests (Winrow, 2012). The policies taken by Turkey are also adjusted to the line of its foreign policy with a special focus on minimizing problems with countries in neighbouring regions (Aras, 2009).

Turkey then formulates three main policies in its cooperation with Iran over energy; first, energy source diversification, second, Turkey will act as energy transit state, third, Turkey will get affordable energy price for domestic consumption. The first policy implemented by Turkey is energy source diversification. This policy is implemented in consideration of the variety of energy, whether in its kind or supply, even if the main source would come from natural gas, Turkey still put great interest in other sourced energy. The increase of domestic energy demand has pushed Turkey to create this different source initiative. Diversification is a rational choice in order for Turkey to optimize its additional energy supply.

Turkey has also tried to create and improve its relationship with Iran, a country with 47 percent natural gas reserve, as it is the path of their foreign policy. The strengthening of relationship between Turkey and Iran is done by Turkey to reach its goal. The goal is for Turkey to have a close relationship with Iran so that they both can simultaneously improve their energy reserve and decrease Russia's natural gas domination. Diversification of energy is another way for Turkey through secure its energy supply through robustness as Turkey provides protection toward natural energy sources (EIA, 2015). Through this policy, Turkey can secure its relationship with Iran as the supplier of energy.

The second policy implemented by Turkey is energy transit. This policy is meant to put Turkey as an acting transit state so that it can secure its energy needs. To be an acting energy transit state means a huge market opportunity, especially for natural gas that is transited through infrastructures as such pipe, reserves space, etc. Turkey has also provided themselves with supporting infrastructure to prove that they are the most fitting energy transit state (EMRA, 2011). This means that Turkey provides the gas pipe that goes directly from Iran and over Turkey. On the other hand, Turkey has the acting job to connect the Iran gas toward other states that are willing to purchase the provided energy. This proves that Turkey has very wisely used their geographical depth. This policy has also gained great interest from Iran. Both states plan to actualize their cooperation for the first time in August 2007.

This plan was to include Turkey in developing Iran's gas field in South Pars and they suggested that Turkey could help transit the gas from Iran toward Europe. In 17 November 2008 Turkey and Iran joined in hand and signed a Memorandum of Understanding (MoU) of natural gas production and export. This MoU includes producing up to 16 Bcm/ year of gas from South Pars, half for Turkey's domestic need and the other half to be sold to Europe. Turkey will be the acting transit route from the gas supply. Iran's natural gas will then be transferred to Greece, Italy, and other European states. This gas pipe project is named Iran-Turkey-Europe *Natural Gas Project* (ITE). This pipe project impenetrate Iran toward Dogubayazit (Turkey) in the east, it then exits toward Greece from the Ipsala province of western Turkey. The ITE project plan starts in 2011 and the construction of pipe starts in 2013. The first pipe line ITE operation was in 2016 (EIA, 2015).

The third policy from Turkey is for them to get affordable price for domestic consumption. It is undeniable for every state to want affordable prices for their domestic energy consumption. Henceforth Turkey appeal for this policy toward Iran as the natural gas supplier (Deloitte, 2014). To support this policy, Turkey has to create a continuous and sustainable relationship with Iran. Thus, Turkey starts to resolve several obstacles that might obstruct the energy cooperation with Iran. The main obstacle would be the take or pay contract and the price offered by Iran. Iran's natural gas is nowhere near as cheap as other supplier. Turkey has to pay more than \$ 450 per thousand cubic meters of gas from Iran. Even though Turkey asked for appeal and a chance to haggle, the government of Iran has yet to accept its request. Turkey's attempt to improve its relationship with Iran can be seen as soon as in 2002. It could be observed by the surge of high diplomatic visitation. On those visitations, the two states would actively discuss about their future natural gas cooperation. The discussion within Turkey's Presidential visit in Iran was a form of observation in their agreement of Iran providing gas to Turkey for 25 years, 10bcm per year.

In the same year, Turkey negotiates the price and the policy of take or pay contract. This contract was designed for the seller and buyer, of which the buyer has to agree to buy an agreed upon amount of volume within a certain period, and pays for it whether if the buyer use all of the bought gas or not (Khatib, Barnes, Chalabi, Steeg, & Yokobori, n.d). Turkey's struggle with the contract was that Turkey had to pay for 87 percent of gas from the contract even though Turkey received less than 87 percent of gas. On the other hand, the decrease of natural gas import into both states had to be agreed upon as well. Other than the obstacle within the take or pay contract, Turkey also finds it hard to agree to pay for Iran's expensive gas. On the other hand, the transit of gas in 2002 had yet to be maximized by both countries as agreed upon.

The first pursuit done by Turkey was through negotiation, it reaps result even though it did not meet Turkey's maximal expectation. As known by the end of 2002 Turkey had successfully haggled a decrease in the take or pay contract. Within the agreed negotiation, the take or pay contract decreased from 87 percent to 70 percent. With that, Turkey was able to pay the natural gas contract for only 70% of the price if Iran did supply less than the agreed upon 10 Bcm. In 2004, Turkey's Prime Minister Recep Tayyip Erdogan visited Iran. His visit was meant to continue the agreement including Iran-Turkey gas export. During his visit, Turkey's Prime Minister emphasized their request toward Iran to lower Iran's price to a more affordable price point (Khatib, Barnes, Chalabi, Steeg, & Yokobori, n.d). He claimed that Turkey bought 95% of their energy from Iran and yet they are still subjected to pay such expensive price point.

Understandably Iran's gas price was 20 percent more than the general international gas market. On the other hand, with such expensive price, Turkey kept on receiving less gas than Iran agreed to send. The price dispute between Turkey and Iran related to natural gas continued

during 2004. Because the Iranian side refused to respond to the negotiations from Turkey by saying that the dispute over the gas price could not be resolved. As a result, the flow of natural gas from Iran was cut off for four days in December 2004 due to "technical reasons" (Rethink Institute, 2013). Hilmi Guler as Turkey's Energy Minister opined that in order to retaliate Iran's action, Turkey would take this matter to international arbitration. As the matter did not get resolved, Turkey had taken upon itself to submit the case toward the International Criminal Court (ICC).

The Turkish side filed a claim for a reduction in the price of gas imported from Iran by 35.5 percent to the ICC. During the arbitration process, the cooperation between the two countries continued. However, until 2008, the gas sent by Iran had not reached 10 Bcm per year according to the agreement. In 2005 Iran imported 4.3 Bcm of gas to Turkey. Then in 2006 gas flowed from Iran to Turkey amounted to 5.8 Bcm, because the gas delivery had problems due to weather and explosions from gas pipelines on both sides of the border. Meanwhile, in 2007 there was an increase in the volume of gas shipped but it still did not reach the maximum because Iran's natural gas exports to Turkey only reached a maximum of 6 Bcm (Shokri, 2015).

Finally in 2009, Turkey's pursuit of Iranian natural gas paid off again. The submission of the problems faced by Turkey to the ICC regarding the unstable flow of Iranian gas and violating the contract agreement, and Turkey having to pay for the unstable flow of natural gas at a high price above the international gas price, in the end got a decision from the ICC. The ICC requires Iran to give a discount of 10-15 percent from the price of natural gas it sells to Turkey. The price reduction of Iran's natural gas started in 2012, from \$ 500, it got reduced to \$ 416 per 1000 cubic meter (Shokri, 2015).

From the description above, we can conclude that the increase in the Turkish economy after 2001 caused Turkey to have to meet its increasing domestic energy needs. Of the various types of energy used by Turkey, natural gas is the main energy that contributes the most to Turkey's economy. However, Turkey does not have abundant natural gas reserves. This condition makes Turkey pursue national interests in the energy sector through cooperation with Iran as a neighbouring country that has the second largest natural gas reserves in the world. As explained in the analysis chapter, Turkey's pursuit of its energy interests is carried out through making foreign policies that emphasize strengthening relations with neighbouring countries, and making energy policies towards Iran which include energy diversification, making Turkey an energy transit country, and obtain affordable energy supply prices for the domestic economy.

Turkey's pursuit of Iranian natural gas began in 2002, starting with formulating its new foreign policy. With this new foreign policy, Turkey began to follow up on the obstacles that occurred in the energy cooperation agreement with Iran in 1996. The pursuit of energy interests by Turkey, which began in 2002, showed a result in the form of a decline in Iranian natural gas prices in 2009. Turkey's actions are a form of protection for its energy security. The successes and obstacles faced by Turkey show that it is necessary to make supportive state policies to pursue national interests in the energy sector, which aims to secure energy supplies for the welfare of the domestic economy.

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