

TURKEY AND ITS NORTHWEST BORDERLAND REGION: INTERDEPENDENCE WITHIN SOUTHEASTERN EUROPEAN RELATIONS

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Abstract: This paper examines the relationship between Turkey and the countries in Southeastern Europe in terms of complex interdependencies. The study uses Buzan and Waever's Regional Security Complex Theory as a theoretical framework, in which Southeastern Europe is viewed as a regional security sub-complex. Sectors of interdependence are reviewed and examined in relation to the region, including the military, political, economic, societal, and environmental segments. The study focuses on the economy in more depth and sees it as a sector the development of which can promote and increase not only social welfare but also the stability of the region. In this sector, EU Member States are considered key players with respect to the region, although Turkey may also step up its efforts in the post-Covid period. The EU and Turkey represent two different poles in Southeastern Europe, geographically and economically. Ankara has strong positions mainly in the Balkan countries that are more dependent on Turkey and have significant Muslim minorities.

Keywords: Turkey, Southeastern Europe, Balkans, EU, interdependence, geopolitics, regional security

Introduction

This paper examines the relationship between Turkey and the countries of Southeastern Europe, including the varying degrees of complex interdependence in their respective relations. For a comprehensive approach, the author extends the examination to the sectors of interdependence based on the Regional Security Complex Theory (Buzan & Waever 2003).

Since the stability of Southeastern Europe also affects the security of the EU and Turkey, the internal processes of the region that make a Regional Security Sub-Complex are important to examine. In addition, external factors such as the current migration crisis or other regional security and economic challenges have weighed on the region and may have a negative impact on the wider environment, including Europe, by further increasing the vulnerability of the region. The key argument of the paper is that there is a strong interdependence between the two regions, i.e. Europe (the EU) and Southeastern Europe, including Turkey. The EU can further strengthen the stability of the region through additional economic incentives and soft power capabilities. This paper shows that Turkey has not developed economically significant dependence of several states in the Balkans, despite its active and expansive foreign policy.

The paper first provides an overview of the Regional Security Complex Theory, applying it to Southeastern European relations, and then it presents the military, political, economic, societal, and environmental sectors of interdependence. From among these, the economic sector is detailed further, with an insight into the existing economic dependence of EU-Southeastern Europe on trade and economic relations between Turkey as a key regional player and other countries of Southeastern Europe. In this context, the main policy recommendation of the study is that further increased activity and interdependence in the sector can help the stability of the region (Oneal & Russett, 1999; Schneider & Barbieri, 1999). The most effective way to achieve this could be deeper integration between the EU and the Southeastern European region, as a result of which the creation of economic opportunities would reduce the risk of security-related issues in the region and thus the negative impact of these on Europe.

The studied area is of strategic importance due to its 'borderland' nature, as its geostrategic location may have an impact on the security of the surrounding Regional Security Complexes (primarily in Europe). Many historical examples demonstrate that conflicts in or arising from the region spread to other regions and thus generate a larger, more complex conflict process. Countries in Southeastern Europe have also followed different paths of development and can be described as fragmented not only within the region but also in terms of external players, since some countries are members of political or military organizations (the EU, NATO), while others are not.

Theoretical Background

The international security structure is analysed by the international relations literature from several different theoretical aspects. The three principal theoretical perspectives on the post-Cold War security order are the neorealist, globalist, and regionalist perspectives. The neorealist perspective is state-centric (Waltz, 1979; Walt, 1987; Jervis, 1982; Mearsheimer, 1990). According to this perspective, the global political and security structure is determined by the distribution of material power in the international system. In contrast, the globalist perspective opposes the statist, power-political understanding of the international system structure. Globalization thrives mainly on cultural, transnational, and international political economy approaches (Held et al., 1999; Woods, 2000; Scholte, 2000). The regionalist perspective, which encompasses neorealist and globalist elements, stems from territoriality and security (Buzan, 2003). This paper uses the regionalist perspective as its theoretical background.

The paper analyses the relations of the Southeastern Europe sub-region (the Balkans) from the perspective of complex interdependences. The best way to achieve this is to apply the Regional Security Complex Theory (RSCT), hallmarked by the Copenhagen School of International Relations (Buzan, 2003), which uses a comprehensive framework based on sectors and levels, including the idea of sub-complexes and insulator states. The study focuses on Turkey and presents the dependence of the sub-complex countries of Southeastern Europe on Turkey from Turkey's point of view.

The author hypothesizes that although Turkey plays a significant role within the Balkan sub-complex, it is still characterized by the insulator position used by Buzan and Waever (2003) (1). The research shows that the Balkans cannot be considered a separate Regional Security Complex (2), but it is part of the European RSC as a sub-complex, thus the EU has the greatest influence over Southeastern Europe in terms of regional security and economic interdependence, as well as economic development (3).

The concept of insulator is “specific to Regional Security Complex Theory and defines a location occupied by one or more units where larger regional security dynamics stand back to back. This is not to be confused with the traditional idea of a buffer state, whose function is defined by standing at the centre of a strong pattern of securitization, not at its edge (Buzan, 2003, p. 63).

Turkey as a middle power has a strategic role in current international relations. In RSC terms, Turkey is an insulator state, as it is situated at the intersection of three different regional security complexes (RSCs): Europe (including the sub-complex of the Balkans); the Middle East (including the sub-complexes of the Levant, the Gulf, and Maghreb); and the former Soviet Union (including the Baltic; Belarus, Ukraine, and Moldova; the Caucasus; and Central Asia) (Kazan, 2003, p. 90–91). Even though Turkey is a part of all three RSCs as an active participant, according to the Copenhagen School, it is from the position of an ‘outsider’ (Barrinha, 2014, p. 166). The Regional Security Complex Theory also states that Turkey can only be promoted to a great or superpower status if it first becomes a regional power, and to this end, it needs to belong to an RSC. This means that the country would have to intensify its security relations with one of the RSCs around its borders, shifting its position from a peripheral security role to a central one (Barrinha, 2014). This paper examines to what extent Turkey can be considered a dominant player in terms of economic interdependence and to what extent it seeks to play such a role in the Balkan sub-complex.¹

The security approaches developed by Buzan and the Copenhagen School have appeared in a number of studies, the most important of which is *Security: A New Framework for Analysis* (Buzan et al. 1998). Based on an analysis of the new security challenges, it proposes to

broaden the concept of security and distinguish five sectors (sector theory). In addition to the military, this new concept of security includes the political, economic, societal, and environmental sectors. A significant advance in the theory is the recognition that, according to the authors, the security sectors can only be separated in theory, but in practice, they are closely interconnected, and the processes taking place in them interact with each other. In the theory, however, in addition to sectoral relationships, it is also necessary to examine the levels of each sector (level theory). Security issues in each sector can be attached to four levels: global, inter-regional (interaction between a region and its neighbouring regions), intra-regional (state-to-state relations), and sub-state levels (domestically within the states of the region). Security problems in the economic and environmental sectors tend to occur primarily on a global scale. However, the most effective tools to address these are available at the state or local level within the states, so the examination of the intra-regional level is important. At the same time, security problems in the military, political, and societal sectors typically occur at the regional level. Based on these experiences, Buzan has developed the concept of security complexes, defining a Regional Security Complex (RSC) as

a set of units (group of states) whose major processes of securitization, desecuritization, or both are so interlinked that their security problems cannot reasonably be analyzed or resolved apart from one another” (Buzan et al., 1998, p. 201).

In security complexes, interdependence develops between states that can be characterized by friendly co-operation and hostility.

According to the next development, International Systems in World History (Buzan and Little 2000), the interactive capabilities of states play a decisive role in the formation of the international system. It no longer makes sense to separate political, military, and economic international systems from one another because these create a single system. The presence of foreign direct investment (FDI) as a source of economic development has become important for many countries (Buzan & Little, 2000). At the same time, weak states, like most Balkan countries, are forced to absorb more and more external influences. Interdependence has increased as a result of the dense network of

international relations and interactions, and economic, political, military, and social structures are closely linked with one another. The above-mentioned findings on interactions provided an additional basis for understanding and further developing the Regional Security Complex Theory (RSCT).

One of the most important books for the paper is *Regions and Powers: The Structure of International Security*, in which Buzan and Waever (2003) present the Regional Security Complex Theory, which is applicable to all regions of the world. The work shows that the security of each actor in a region interacts with the security of the other actors. There is often intense security interdependence within a region, which makes intra-regional security an interesting area of study. Buzan emphasizes that security regions form subsystems in which most of the security interaction is internal. Within these subsystems, states respect their neighbours and ally with other regional actors. The regional level includes a so-called 'Half-level', which can be called sub-complexes. A sub-complex has the same definition as an RSC, with the difference that a sub-complex is part of a larger RSC. The Southeastern Europe region (the Balkans) is a good example for a sub-complex that represents distinctive patterns of security interdependence. Within the Balkans sub-complex, Turkey takes up an insulating position (Buzan & Waever, 2003, p. 392), which is of great importance for the region. The insulator state is located at the geographical boundary of two or more RSCs, but it is not strong enough to 'merge' different RSCs and form a coherent strategic arena. The Regional Security Complex Theory, the idea of sub-complexes and insulator states, is used as the main theoretical basis of this paper. Also relevant to the study is Daniel Gagan's *Europe and its Southern Neighbors: Interdependence, Security and Economic Development in Contemporary EU-MENA Relations*, which applies the RSCT to Euro-Mediterranean relations.

Analysing concepts that examine the relationship between economic interdependence and conflict in *Globalization and Peace: Assessing New Directions in the Study of Trade and Conflict*, Gerald Schneider and Katherine Barbieri (1999) point out that asymmetric relations cause economically underdeveloped countries to become unilaterally dependent on the economically developed world. One-sided dependence gives rise to tensions and conflicts, influencing democratic

peace. In particular, democratic systems do not initiate war against each other partly because of their economic interests and their trade relations. In Schneider and Barbieri's view, foreign direct investment can contribute to peace between states under certain circumstances. Finally, in *Assessing the Liberal Peace with Alternative Specifications: Trade Still Reduces Conflict*, John R. ONeal and Bruce Russett (1999) examine bilateral trade in relation to states that are either neighbours or one of them is a major power. The study focuses on the impact of trade on conflict situations. Bilateral interstate disputes are analysed using mathematical methods, with the conclusion that economic interdependence significantly reduces the likelihood of violent conflicts.

Broader Interpretation of Security – Applying Sectoral and Level Theories of Interdependence to the Balkans

Interdependence has historically been a phenomenon that accompanies international economic relations, and its interpretation has expanded gradually. In Buzan's theory, interdependence is best described and examined by sectors and levels (Buzan et al., 1998; Buzan & Waever, 2003). Based on the sectoral approach, countries have different capabilities, which can be examined according to military, political, societal, economic, and environmental competencies. The levels denote the different geographical arenas where states operate, which can be global, inter-regional, intra-regional (regional), and sub-state (domestic) levels. The main analytical background of Buzan's Regional Security Complex Theory is the interaction of these sectors and levels.

This paper focuses on the Southeastern Europe Regional Security Sub-Complex, which covers EU Member State countries (Bulgaria, Romania, Greece, and Croatia), EU candidate countries (Albania, Montenegro, North Macedonia, Serbia, and Turkey), and potential candidates (Kosovo and Bosnia and Herzegovina). The study accepts Buzan's theory that the Balkans is a sub-complex within the European RSC, introducing the concept of the Regional Security Sub-Complex of the Balkans (RSSCB), accepting complex interdependence within the region. The paper does not justify the existence of the RSSCB,

but by accepting its existence, it examines Turkey's regional role within the sub-complex. The author agrees with Buzan's finding that Turkey is located between different RSCs, and consequently it has become important as an insulator state. Traditionally, an insulator state is expected to be relatively passive in international relations. This passivity appears in the Kemalist Turkish foreign policy doctrine 'Peace at home, peace in the world'. Earlier doctrine stated that Turkey did not seek territorial expansion at all (Mustafa Kemal quoted in Váli, 1971, p. 25, 27). However, at present, Turkey seems to be challenging the concept of insulator by playing an increasingly active role, which contradicts its insulator position.

When using Buzan and Waever's RSCT and applying it to the Regional Security Sub-Complex of the Balkans, the core structure of the theory, i.e. the notion of sectors and levels should be considered first. Considering levels, the Southeastern Europe region has global, inter-regional, intra-regional, and sub-state levels of importance. Without discussing all security-related issues at all the levels, a few examples are worth mentioning. Global importance can be assumed for several cases related to this geographical area, like the Balkan Wars or the international (great power) competition for influence in the region. The many inter-regional issues include European integration, migration, and the inter-regional impact of cross-border security issues, such as serious and organized crime. At the sub-state level, security issues of societal stability and ethnic conflicts can be emphasized. Religion and ethnic constellations have had a strong impact on state identity as well as Turkey's relation to the Balkans. Since this paper focuses on the interactions between states within a sub-complex (sub-region), the intra-regional level will be analysed in more depth, with the assistance of the other sectors of the RSC theory.

Buzan and Waever developed five important sectors of security: the (1) military, (2) political, (3) societal, (4) environmental, and (5) economic sectors, all of which have intra-regional significance in the state relations of the Balkans.

The military sector at the intra-regional level is of some significance in Southeastern Europe. Due to the recent war, low-intensity conflicts, as well as the weaknesses of states, the region poses a

constant threat to the countries of the region and the stability of the wider region, which can threaten European security as well. This perceived threat has led to several EU and NATO missions being sent to the Balkans with the purpose of maintaining stability in the region. Destabilization in Southeastern Europe can lead to security threats for the neighbourhood of the region, especially for the EU, and it can bring about migration, arms proliferation and smuggling, the spread of organized crime and terrorist organizations, and regional instability. The peak of NATO military involvement in the Balkans affairs came in 1999, with the Kosovo war, which triggered direct military action. All of this has led to the permanent NATO and EU military involvement in the Balkans, strengthening military sector reform and modernization as well as enhancing the cooperation between the Balkan countries and NATO. As for Turkey, since 1995 Ankara has taken part in all NATO operations in the Balkans and has deployed its military troops to cooperate with international security forces in Kosovo and Bosnia and Herzegovina.

The political sector of the Balkan countries is even more relevant at present. The Balkans is becoming attractive for a wide spectrum of foreign players. The role of the United States, the Western Alliance led by it, and the EU can be considered dominant in the region. For the US, security considerations are paramount, and it judges its partnerships in the region on the basis of attachment to and distance from the Atlantic Alliance. In relation to the EU, three categories can be distinguished: as mentioned earlier, there are EU member states (Croatia, Romania, Bulgaria, and Greece), candidate countries (Albania, Serbia, Montenegro, North Macedonia, and Turkey), and potential candidate countries (Bosnia and Herzegovina and Kosovo). As a political space, the Balkans is today as much a field of power gain and rivalry as it used to be, and the fact that the region is evidently rather fragmented politically contributes to this greatly. The security of the region and the prosperity of economic relations are crucial for Germany. Italy approaches the Balkans mainly from an economic point of view, but security issues are almost as important to the country. Russia is trying to counterbalance Western influence through its old partners, but its aspirations are only more pronounced on energy issues. Another influential actor in the region is Turkey, being part of the region and a member of NATO, as well as

a candidate for membership in the EU; however, its foreign policy in recent years has focused on developing a separate sphere of interest in the Balkans beside the Middle East, Central Asia, and Africa. This paper also interprets and analyses Ankara's practice of expanding its sphere of interest, drawing conclusions from it about the future geopolitical development of the region.

The societal sector is also important regarding regional security. Several individual projects are funded by the European Union (EC), other governments (e.g. Turkey) and intergovernmental regional organizations and agencies with the aim of developing the societal sector. These projects cover several areas of intra-regional societal cooperation with the involvement of local civilian organizations, charity organizations, and NGOs. In response to the migration challenges of recent years, a number of programs have been set up to help refugees. As ethnic and religious differences have often emerged in the conflicts of recent years, some of these projects may be appropriate tools for improving cultural understanding. The role of societal actors in Turkish foreign policy can be considered soft power. The appearance of various Turkish state agencies, such as the Turkish Cooperation and Development Agency, the Presidency for Turks Abroad and Related Communities, the Yunus Emre Cultural Centers, Diyanet, or the TIKA's increasing involvement in the region clearly shows Turkey's activity in this sector. The Turkish minority constitutes an increasingly important element of the social fabric of the Balkans. They constitute a measurable minority in four Balkan states: Bulgaria, Macedonia, Kosovo, and Romania (Egeresi, 2018, p. 161).

The environmental sector also needs to be understood in the context of the security of Southeastern Europe. Beyond the environmental problems of the countries (air pollution, water quality, drinking water supply, wastewater treatment, etc.) there are also common environmental problems like climate change. Cities in the Balkans rank among the worst in Europe in terms of air pollution. While safe drinking water is secured for most of the population, only a small share of urban waste water is treated before being discharged into the rivers and seas of the region. The Adriatic Sea, the Aegean Sea, the Sea of Marmara, and their coastlines are polluted by plastic

waste and other pollutants coming from the rivers and coastal cities. Multiple hotspots of pollution (contaminated soil, chemicals) are still a concern in the region. Addressing these problems requires dedicating sufficient institutional capacity at the regional, national government, and local levels. The recognition of these problems led to setting up the South Eastern European Regional Environmental Reconstruction Program in 1999.

Finally, the economic sector of Southeastern Europe relations can be considered the most important sector. The region has faced a number of economic difficulties over the past thirty years, which have significantly affected the economic performance of individual states. In the 1990s, as a result of the local and regional conflicts, the Balkan countries also suffered significant losses in terms of economic capacity and productivity (Gabrisch, 2015, p. 309). After the turbulent periods, the economic environment has become increasingly favourable as a result of consolidation due to the prospect of EU accession and the launch of Stability Agreements that aimed to establish economic stability in the Balkans. The Eastern part of the region, Romania, Bulgaria (2007), and the more developed Western state of former Yugoslavia, Croatia (2013) have become members of the European Union. These changes have contributed to the massive inflow of investments and economic growth in these countries. The remaining part of the Balkans (the Western Balkans) has also benefited from an improved economic environment. The financial crisis of 2009 weakened Greece's position in the region, with Turkey strengthening in the region (Fisher-Onar & Watson, 2013, p. 413). In this period, Ankara's image of sustainable economic growth, its successful handling of the financial crises created the right circumstances for economic power projection. Kirişçi (2009) argues that Turkey is a trading state that aims to expand economic relations in order to 'occupy' and dominate new markets for trade and investment. According to Pintér (2013) and Szigetvári (2018), the driving force of Turkish engagement in the Balkans is the country's economic considerations, although it also seeks interdependence in this area.

Table 1.
Analytical sectors of Southeastern Europe interdependence

Levels	Sectors of Southeastern Europe interdependence				
Global					
Inter-Regional					
Intra-Regional	Political: » Actors » Objects » Agenda » Threats » Dynamics » External influence	Military: » Actors » Objects » Agenda » Threats » Dynamics » External influence	Economic: » Trade » FDI » Development assistance (Aid)	Societal: » Actors » Objects » Agenda » Threats » Dynamics » External influence	Environmental: » Actors » Objects » Agenda » Threats » Dynamics » External influence
Sub-State					

Source: Gugan (2017, p. 536) and author

In conclusion, the paper relies on Buzan and Waever’s Regional Security Complex Theory to deal with a complex set of intra-regional interdependencies. Buzan and Waever’s original research framework is applied at the intra-regional level and examines the economic sector more in depth. Due to the importance of the economic sector, the paper focuses on the interdependence in the economic sector and the implications of this asymmetric relationship.

Economic Interdependence in Southeastern Europe – Turkey’s Perspective

This section examines the economic interdependence of the states of Southeastern Europe and Turkey, using three indicators: trade, foreign direct investment (FDI), and development assistance (aid). The five Buzanian

sectors (military, political, economic, societal, and environmental) can be explored according to Buzan's original issue areas (actors, objects, agenda, threats, dynamics, and external influence), but the economic sector can be examined through terms of economic interactions (trade, foreign direct investment, and development assistance) (Gugan, 2013, p. 19). According to Gugan (2017), economic interdependence can be measured most effectively by these three indicators. As Turkey's economic dependence on the other Balkan countries is not significant compared to the EU, Turkey's foreign policy and economic efforts to increase interdependence, as well as its efforts to increase economic influence, are also worth analysing.

According to Gugan (2017), the best tool for measuring economic interdependence is to examine the trade relations between regions and within countries. This will be applied to Turkey and other Southeastern European countries, creating an indicator of Turkey's share of trade with the Balkan countries. Since the imports of a country have an impact on the supply of goods available to its population, and the exports affect its income, the more engaged two countries are in these transactions, the more they depend on each other. It also follows that economic interdependence can be partially translated by examining the relative export-import ratio. The export-import ratio refers to the ratio of the value of exported goods and services to imported goods and services of the countries involved in international trade in the examined region. The paper uses Gugan's formula $[(\text{export}+\text{import ratio})/2]$ to determine the economic dependency of trade. Trade relations between Turkey and the other Southeastern European countries are asymmetrical, as shown by trade data from the Observatory of Economic Complexity and Trade Map. The countries of Southeastern Europe conduct most of their trade with the states of the European Union. Between 40-70% of imports and exports come from and go to the EU (Trade Map, 2019). From a different perspective, a relatively small portion of the trade of these countries is directed to partners other than EU Member States. Compared to the EU, trading with Turkey is relatively low in significance. This means that most of the Southeastern European economies do not depend on Turkey's exports or imports. This is true even though, for most countries, Turkey is among the top ten most important trading partners. Of the Southeastern European countries, Bulgaria (7.2%) is considered to be the most Turkey-dependent, while Croatia (1.2%) is the least dependent in the region, with

an average trade dependency of 3.8%. Conversely, the dependence is even lower for Turkey and the other Balkan countries, which are of little importance to Turkey in terms of both imports and exports. This means that the European Union is the most significant trading partner of Southeastern Europe. EU states tend to make between 40 and 68 percent of the Southeastern European countries' imports and exports, which shows that the EU plays a very important role in the economy of the Balkan sub-region. This sub-region is therefore EU-dependent, since it trades a significant amount with Europe, while other regional players such as Turkey, China, Russia, and the US play a less significant role in terms of economic dependency.

Table 2.
Economic dependency of trade in Southeastern Europe

Country	Turkey	EU	Russia	USA	China
Albania	4.3%	68%	1.5%	1.7%	5.7%
North Macedonia	2.9%	57%	0.8%	3.1%	2.6%
Montenegro	3.4%	40%	3.2%	1.2%	5.8%
Serbia	3.0%	54%	6.3%	1.4%	2.8%
Greece	4.8%	40%	3.7%	2.9%	4.9%
Bulgaria	7.2%	55%	4.9%	1.6%	3.6%
BiH	3.5%	58%	2.7%	1.7%	3.0%
Romania	3.6%	68%	2.7%	1.8%	3.3%
Croatia	1.2%	68%	5.1%	2.0%	2.5%
Mean	3.8%	56%	3.4%	1.9%	3.8%

Source: Observatory of Economic Complexity and Trade Map (2019)

Another good indicator of the economic interdependence between Southeastern Europe and Turkey is the role of Foreign Direct Investment (FDI) inflows from Turkey to the Balkan economies. FDI can be considered the main external financial contribution by economic players to the economic development of a country. According to Gugan (2017), FDI

not only brings the necessary capital for development to less developed countries, it also plays a significant role in technological and managerial transfers, and therefore facilitates economic progress. During the last decade, FDI inflows to the Southeastern European region have grown steadily. On the other hand, FDI inflows to the Balkans have still been lower than in other regions, such as Central and Eastern Europe (CEE). Weak and fragile economies have kept FDI flows away from the region, and global and regional powers have preferred to invest in more stable developing regions with better economic growth potential. The EU is the most engaged player in the Southeastern European economies, investing a significant portion of its FDI flows in the economies of the Balkans. In general, 50%-90% of the region's incoming FDI comes from the EU countries. In particular, Bosnia (88%), Croatia (84%), and Romania (83%) show the dominance of EU FDI.

Development assistance (aid) figures also show significant asymmetries in the Southeastern European region. One of the most important indicators of international development assistance is Official Development Assistance (ODA), which the author uses to examine Turkish advocacy and economic interdependence in Southeastern Europe. According to the OECD, the region received some 5 to 10 percent of Turkish ODA, and some Balkan countries were among the top 10 largest ODA recipient countries, such as Albania and Bosnia and Herzegovina in 2015 (4th and 7th, respectively), and North Macedonia and Kosovo in 2010 (4th and 10th, respectively). However, taking into account the fact that the Turkish ODA is usually concentrated in Asia (the Turkic Republics, Afghanistan, and increasingly in the Middle East), the Balkans usually receive the second largest amount of aid in a regional comparison. Turkey's development assistance in the Southeastern Europe region can be interpreted in relation to the countries of the Western Balkans. According to data from the OECD Development Assistance Committee, in 2018, five countries in the region received development assistance from Turkey: North Macedonia (USD 8 million), Albania (USD 5 million), Montenegro (USD 2 million), Serbia (USD 4 million) and Bosnia-Herzegovina (USD 18 million) through bilateral ODA funds. Although the financial flow of development assistance has never reached the levels of trade and FDI interactions, their impact on political relations is undeniable. In contrast, the same countries have received significantly more aid from the institutions of the European Union. In 2018, the recipients were North Macedonia (USD 145

million), Albania (USD 219 million), Montenegro (USD 166 million), Serbia (USD 687 million), and Bosnia (USD 140 million). The same trend can be observed for the two largest regional donors (the EU and Turkey) in the previous years, i.e. a considerably higher share of EU aid in the field of development assistance.

Summarizing the findings, Turkey's economic interests in the Balkans are obvious; however, the importance of the sub-region to Turkey is rather limited despite some minor growth in recent years. Turkish trade rather goes to bigger and geographically closer EU countries, whose share is around 70-80% in the total Southeastern European trade. The picture is more complex when we analyse the case of FDI. Turkish investment focuses on the EU countries in the region. However, as a whole, Turkey cannot compete with other EU players and challenge the economic position and importance of the EU in these countries. Thus, despite Turkey's strong commitment to expanding its economic influence over the region, this goal has not been achieved yet, even if tangible gains and increasing economic relations with the Balkans can be detected. The Balkans benefits from Turkey's presence economically, but the scope of trade relations and direct investment inflow is rather insignificant compared to the involvement of other countries in the region, for example, EU countries such as Germany, Italy, Austria, and Greece. This supports Egeresi's findings that Turkish capital prefers bigger markets compared to the small economies of countries with a few million inhabitants (2018, p. 83). The share of Balkan states' trade in the Turkish total trade has remained low. At the same time, Bechev (2012a, 2012b) argues that Turkish investments are growing in the Balkans. He points out that even if the Balkan countries are relatively unimportant for Turkey, Southeastern European countries trade relatively heavily with this middle power. Nevertheless, on the whole, Turkey cannot compete with other, predominantly EU players and cannot become a major trading partner of the region despite its strong commitment to enhancing Ankara's economic influence over the Southeastern European region. Based on this trend, it is primarily Kosovo and Albania that have the prospect to become dependent on Turkey in the near future. Based on the available datasets, we can come to the conclusion that the EU is the biggest aid supporter of the Balkans (i.e. the Western Balkan countries), giving around USD 1.1 billion to USD 1.3 billion on average during the last two statistical years (2017 and 2018), which is 20 times as

much as Turkey has provided (around USD 40 million). All this does not confirm the economic dependence of the Western Balkan countries on Turkey. Meanwhile, Turkish development assistance continues to play a significant role in creating a perception of Turkey as a great ally of these countries. Finally, we must not forget the fact that Turkey is not only one of the largest donors in the region, but it also receives significant development assistance, mainly from the EU, exceeding the total EU funding provided to the Balkan countries in one year.

The Future of Southeastern Europe Relations: Turkish Economic Interests and Policies in the Region Regarding Interdependence

When examining the future development of relations between the countries of the region and their interdependence, it is essential to take into account the geopolitical strategy of Turkey, which may determine the intensity of future relations between Ankara and other countries. In recent years, Turkey has reconsidered its foreign policy doctrine, indicating that the country defines itself as a regional power. One of the peculiarities of the new type of Turkish foreign policy activism is focusing on neighbouring regions that were formerly part of the Ottoman Empire, one priority area of which is the Balkans. The legitimacy of the aspirations can be traced back to the historical role the Ottoman Empire played in the region (Anastasakis, 2012, p. 186). From the point of view of the countries concerned, the Ottoman historical past still affects the Balkan countries today. While some of the Balkan countries (Albania, Kosovo, Bosnia and Herzegovina, North Macedonia, Montenegro) and some regions (e.g. the Sanjaks) have a more positive attitude towards the Ottoman times, among the population of other countries (e.g. Serbs, Bulgarians, Greeks) Turkish dominance in the region has negative associations (Gangloff, 2005, p. 1-2). This system of relations also influences the development of better ties between Turkey and the countries of the region.

During his 2009 Balkan tour, Turkish Foreign Minister Ahmet Davutoğlu made the direction of Turkish foreign policy clear. His speech in Sarajevo gave momentum to understanding and evaluating Ankara's ambition towards the region.

“We desire a new Balkans, based on political values, economic interdependence and cultural harmony. We will restore this Balkans. I emphasize the Ottoman heritage. The Ottoman era in the Balkans is a success story. Now it needs to come back... (Davutoğlu, 2009).”

According to Tanasković (2010), the Balkans is a key element in Turkey’s so-called Neo-Ottomanist policy. The main focus of the Turkish geopolitical doctrine is that Turkey should strengthen its economic positions in the surrounding regions, i.e. the Balkan countries, and thus promote business activity in the region. Turkish foreign policy towards the Balkans is based on three main pillars. The first is that Ankara seeks to strengthen good relations with the so-called “traditional Balkan countries,” such as Albania, Bosnia and Herzegovina, North Macedonia, and Kosovo. The second is the policy of new opening towards Bulgaria, Serbia, and Montenegro to improve relations, while the third element is to strengthen security and stability in the region, where Turkey can play an important role as a mediator, supporting and encouraging multilateral initiatives. By gaining ground in the Balkans, Turkey aims to increase the intensity of economic relations and expand its sphere of interest. To this end, Ankara has concluded free trade agreements and visa-free agreements with all the Balkan countries, thus supporting the development of economic relations (Szigetvári, 2018).

According to Djurica (2015, p. 46), from a Turkish investment perspective, the region of Southeastern Europe could play an increasingly important role in the future. Many Turkish companies have serious regional aspirations with their investments. The Turkish investment strategy in the region has numerous features, including the importance and priority of financial investment. The emergence of Turkish banks in the region has in many cases been preparation for the strengthening of subsequent economic ties and supporting further expansion. For Turkish investors, brownfield investments are more popular than greenfield investments due to fewer administrative barriers. However, due to positive changes in the investment climate and the possible progress of EU accession negotiations in some Balkan countries, both types of investment could lead to growth. Investing in the countries of Southeastern Europe offers Turkish companies

a relatively low-cost, low-risk, and high-return opportunity, a good starting point for further economic expansion, especially in the EU-27 markets.

Turkish investors in the Balkan region mainly invest in infrastructure, communications, finance, retail trade, tourism, and road construction. In addition, manufacturing is becoming more and more important for the Turkish partners, and in the future this may be one of the priority areas for investments (Szigetvári, 2018, p. 18). It should be noted that Turkish investors appeared in the region significantly later than investors from EU countries, which still puts them at a serious competitive disadvantage. In the case of strategic sectors such as the energy industry, Russia is in a better position than Turkey. Greece, as mentioned earlier, is a key economic competitor in the region, even though this role has declined significantly as a result of the 2009 financial crisis.

Romania, Bulgaria, and Croatia joined the EU in 2007 and 2013, respectively, creating special opportunities for foreign investors. Turkey is the third most important country in Romania in terms of investments, most of which have taken the form of small and medium-sized companies, and the number of these investors may increase in the future. Turkish investment activity in Romania has the primary goal of making better use of their own resources and capacities locally or acquiring new resources and capacities to gain a competitive advantage (Szigetvári, 2018, p. 19). The role of Turkish investors in the Bulgarian economy has grown significantly in recent years, and this trend is expected to continue in the near future. The total value of Turkish investments in the country exceeds USD 2 billion, with two Turkish banks and more than 1,500 small, medium-sized, and large companies operating in Bulgaria (Szigetvári, 2018). Based on the development of bilateral relations, interdependence between the two countries may increase. In contrast, Croatia is still less attractive for Turkish investment, although the country's accession to the EU could provide many opportunities for Turkish capital.

Turkey is among the largest investors in Bosnia and Herzegovina, Albania, and Kosovo. While similar activity can be observed from the perspective of Turkish investors in North Macedonia, Serbia and Montenegro are not considered a major target of Turkish capital. However, the economies of the latter may become valuable in the future for Turkish investment

purposes due to the progress of the ongoing EU accession negotiations. In 2019, the total value of Turkish direct investments in Serbia already exceeded USD 195 million, which was realized mainly in the textile and food industry, as well as the retail and entertainment industries. Serbia welcomes Turkish investors who, in contrast with their Western counterparts, invest even in the underdeveloped regions of the country, as they do in the Sanjaks. Evidently, Turkey's investments in the Balkans are driven by economic factors rather than political or cultural preferences. This means that for example, in addition to the traditionally good Bosnian relations, they will rather support and implement investment in Serbia. This is because Turkish companies are striving to get closer and thus have easier access to the European market.

Although the EU is the gravity point of the Balkan countries, the apparent slowdown of the accession process has reduced the integration enthusiasm of the Western Balkan countries. Since Turkey appears as a strategic competitor of the EU, Turkey's activity can gain greater importance in the future. Vračić (2016) and Dursun-Özkanca (2016) argue that the decline of EU commitment may also lead to the strengthening of Ankara in the Balkans. A growing interdependence between Turkey and certain Southeastern European countries (especially some Western Balkan countries) is seen in the increase in trade volume, trade agreements, and the presence of Turkish companies in the region.

Another approach is related to the cultural dimension of the relations between Turkey and the Balkan countries, which shows Turkey's special relation to the Muslim communities living in the Balkans. Anastasakis (2012, p. 186) and Egeresi (2013) argue that Ankara behaves as a protector of Muslim people because as a Muslim country it has a better understanding of these communities. Thus, Turkish involvement in the cultural and societal sector contributes to the stabilization of the region and can prevent further conflicts as well. Gangloff (2001) has highlighted Ankara's efforts to support religious education in the Southeastern European region as well as supporting Muslim communities. Öktem (2011) focuses on the growing Turkish influence over the region and concludes that Turkey will increase its efforts to exert control over Muslims in the Balkans in the near future.

Conclusion

In recent years Turkey has become more active on the international stage by diversifying its relations and taking a more definite position regarding international security and geopolitical issues, including international economy. This development in Ankara's foreign and security policy is related to the country's ambition to transform itself from an ambitious, emerging middle power into an influential global actor. According to Buzan's Regional Security Complex Theory, this is not yet the case - although there has been an intensification in Turkey's regional presence in the RSCs surrounding the country, this has not been limited to a specific RSC. Therefore, Turkey is still more of an insulator state.

Although Turkey is a special kind of insulator, the country is a very active and important political, economic, and military actor in all RSCs around it (see the Turkish activity in Syria, Lybia, Nagorno-Karabakh, or the Eastern Mediterranean region). Even though Turkey acts like a global power, Ankara's dominance in its Northwest Borderland Region (i.e. the Balkans) can be questioned. This paper confirms Buzan's findings that although the country plays an important role in the region, Ankara cannot compete with the EU or the US in shaping the future of the region, which is why it will remain an insulator state despite its leaders' drive to break out from this status (Buzan & Waeber, 2003, p. 394-395). However, Turkey's bilateral and multilateral policies indicate a clear preference for a further intensification and diversification of its international relations. Therefore, it is predictable that the scope and depth of Turkey's multi-regional engagement will increase in the coming post-Covid years.

Another finding is that Southeastern Europe cannot be considered a separate RSC in Buzanian theoretical terms, it is part of the European RSC instead. This is illustrated well by the fact that the internal dynamics of the region is not only affected but is practically determined by an external power, the European Union. The author agrees with Buzan's statement that this external power has imposed peace upon the region, otherwise the sub-complex would return to war and inner conflicts (Buzan, 2003, p. 378). Integration processes also show the convergence of the EU-European RSC and the Balkans sub-complex with one another,

which may even merge in the long run. In other words, the two regions do not act as separate security complexes in practice. As presented in the paper, this ambition is reflected well in EU initiatives and strategy papers. In agreement with other experts, the paper suggests that this vision should be translated into practice more effectively in order to deepen political and economic integration between the two parts of the European RSC.

After examining the five sectors of Turkey-Southeastern Europe interdependence (the military, political, societal, environmental, and economic sectors) within the Regional Security Sub-Complex of the Balkans, a different level of intra-regional interdependence is apparent in all of them. The detailed examination of the economic sector highlights that the interdependence is asymmetrical to a lesser extent between Turkey-Southeastern Europe and to a greater extent between EU-Southeastern Europe. Therefore, the EU has clear dominance in the economic sector. It is also shown that the EU is using this leverage with some efficiency to influence the economic development of the Southeastern European region. At the same time, the Southeastern European region has recently been considered one of the most attractive regions for Turkish investments as well. Although the largest share of Turkish FDI is directed towards more developed markets, Southeastern Europe has many advantages that make investments profitable for Turkish investors. Southeastern Europe serves as an intermediate market for Turkish firms, a means to internationalise their operation as they move towards more developed EU markets.

Based on these findings, this paper suggests that in the context of the discovered interdependence patterns, the best way forward in Turkey-Southeastern Europe and EU-Southeastern Europe relations is the enhancement of economic cooperation in the post-Covid period. Southeastern Europe's economic dependence on the EU shows that the economic problems of the region can only be managed and solved in the long run by an external force, and recently only the European Union is capable of making such an economic impact.

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Endnotes

- 1 This work uses the term Southeastern Europe, which includes Albania, Bulgaria, Serbia, Montenegro, Kosovo, Croatia, Bosnia-Herzegovina, North Macedonia, Romania, Greece, and Turkey, but it excludes Slovenia, Hungary, and Cyprus and will be used as a synonym of the term “the Balkans”.
- 2 The author uses Cox’s (1983, p. 60) notion for dominance, which refers to a state’s leverage over another state or group of states but not over a system.
- 3 Based on the geographic boundaries, the Middle East is also known as the Near East or Southwest Asia. In academia, the Middle East refers to the Arab states of Asia, the Arab states of North Africa, Israel, and the non-Arab states of Afghanistan, Iran, Pakistan, and Turkey (see Figure 1) (Surratt, 2000).