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A View from Ankara: Turkey's Relations with China in a Changing Middle East

Altay Atlı

During the global financial crisis of 2008, it was commonplace among pundits to quote Marxist classics in order to draw attention to the deficiencies of liberal capitalism and the lack of viable alternatives. “The crisis consists precisely in the fact that the old is dying and the new cannot be born,” wrote many, borrowing lines from the Italian political thinker Antonio Gramsci. “In this interregnum a great variety of morbid symptoms appear.”¹ While the Gramscian dictum suited the crisis of the global economy very well, it is perhaps even more appropriate as an explanation for the state that the Middle East region is currently in.²

The old is indeed dying in the aftermath of the popular uprisings that have collectively come to be known as the Arab Spring. Authoritarian regimes around the broader region have either collapsed or are on the verge of dissolution. But at the same time, the new cannot be born. During the Arab Spring there was optimism for the future, suggesting that the multiple strengths of the region, including a young and educated population and a strong resource base, would likely carry the countries in question toward greater economic and political stability. For the time being, however,

1. Antonio Gramsci, *Selections from the Prison Notebooks*, trans. and ed. by Quintin Hoare and Geoffrey N. Smith (New York: International, 1971), 276.

2. The term *Middle East* is used in this essay to denote the region that extends from Morocco in the West to Iran in the East, including both the Middle Eastern and the Maghreb countries. This region is often referred to as the Middle East and North Africa (MENA) or the West Asia and North Africa (WANA) region; it will be referred to in this study as the Middle East for convenience.

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the region is far from achieving these goals, as the political vacuum left by departing authoritarian regimes was filled, not by democratic consensus, but by a contestation between rival groups that has in most cases turned violent. A “new” Middle East does not appear on the horizon for the time being, and there are indeed “a great variety of morbid symptoms” on the stage, such as religious extremism, sectarian conflicts, military coups, and economic vulnerabilities.

Gramsci’s adage, however, carries a certain dose of optimism, too. The situation in the Middle East can as a matter of fact be seen as an “interregnum,” one that will sooner or later end and give rise to a new phenomenon. Although it is difficult to see beyond unpredictable short-term trends and envisage a long-term path that would restore the region to stability, there are certain patterns that have emerged over recent years that are likely to have an impact on the dynamics shaping the region. Certainly, not all of these patterns will contribute to a “better” Middle East, but they will all help build the “new” Middle East.

It is the aim of this essay to investigate one particular pattern that—among others—will contribute to the shaping of the Middle East in the years to come. China is actively engaging the Middle East, both economically and politically. The main nexus that binds Beijing to the region concerns economic security, as more than half of China’s oil and natural gas imports are sourced from the countries of the region. China’s dependence on the region is increasing, and the stakes are rising in the competition between global powers for securing their interests.

This essay offers “a view from Ankara,” investigating how Turkey’s relations with China have been evolving in recent years with a changing Middle East in the background. Studying the Turkish case is important for several reasons. First, Turkey is one of the rising powers in the region. It has not directly experienced the upheavals felt in the Arab world, so it is in a sense external to the regional developments. Yet at the same time it is integral to the region; what happens in the Middle East is of crucial concern for Turkey’s domestic affairs.

Second, Turkey is explicitly willing to translate its capability to influence the flow of events into policy outcomes. Under the Justice and Development Party (AKP), which has been in office since 2002, a proactive approach with

the ultimate aim of positioning Turkey as a regional leader in the Middle East has been a key pillar of Turkey's foreign policy. Although the Arab Spring process has proven—to the dismay of policymakers in Ankara—that there are a variety of factors and dynamics that shape the events in the region, many of which are outside Turkey's reach and control, Turkey remains a key player in the Middle Eastern theater of politics and economics.

Finally, Turkey is a meaningful choice for a study of relations with China within the Middle Eastern context because, in contrast to the majority of other actors in the region, hydrocarbons do not loom large in Turkey's relations with the China. In this sense, this essay hopes to provide an original contribution, one investigating a diverse range of linkages instead of an inevitable focus on energy, as has been the case with other countries.

This essay first examines the bilateral relationship between Turkey and China, starting with the economic realm and proceeding to the political context within which economic relations are pursued. Turkey is a part—geographically, culturally, and economically—of a greater Middle East, and the investigation of Turkey's relations with China at the bilateral level is a crucial part of broader attempts to understand China's role in the Middle East. The second part of the essay takes the analysis from the bilateral to the regional level, trying to answer the question of how China's positioning of itself in the post-Arab Spring Middle East interferes with Turkey's involvement in the region and what this means for the region itself.

Turkey's Economic Relations with China

Turkey has one of the most resilient economies in the region. Over the past decade the Turkish economy has not only achieved stable growth but also proven resilient against crises, particularly in a time when the entire global economy has been going through a period of turbulence.³ Between 2003

3. Postcrisis growth data of the Turkish economy are remarkable. According to figures released by the Turkish Statistics Institute, Turkey's economy expanded by 9.2 percent in 2010 and 8.8 percent in 2011, although growth slowed to 2.2 percent in 2012 due to high interest rates. The slowdown in 2012 was reversed in 2013, with Turkey's gross domestic product growing 3.0 percent in the first quarter of the year, 4.5 percent in the second quarter, and 4.4 percent in the third quarter. For the entire year of 2013, Turkey's economy is estimated to have grown between 3.8 and 4.0 percent. See Turkish Statistics Institute, "National Accounts," www.turkstat.gov.tr/PreTablo.do?alt_id=1063.

and 2013, Turkey increased the size of its gross domestic product (GDP, as measured in current US\$) from \$303.0 billion dollars to \$820.2 billion dollars,⁴ survived the global financial crisis largely unscathed, and became the sixteenth-largest economy in the world.

Despite this positive outlook, Turkey's economy has a number of structural shortcomings that jeopardize the sustainability of growth. These problems are centered on the core problem of a rising current account deficit, which had reached 7.1 percent by the end of 2013, at \$60.7 billion dollars. Current account deficit is a chronic problem for Turkey because the country's trade pattern is defined by a large and growing deficit itself. This deficit continues to widen for several reasons. First, Turkey finds it difficult to upgrade its exports by diversifying its product range toward higher-value-added goods with larger technology components and hence greater competitive edge in foreign markets. Second, imports continue to grow faster than the exports because Turkey is dependent on imports of hydrocarbons to meet its growing energy needs and also on imports of product components and "intermediate products," which are assembled into final products in Turkey and eventually exported to other markets. It is these dependencies that create vulnerabilities for Turkey's economy.

The current account deficit problem is amplified by the fact that—given the traditionally low domestic savings rates in the country—Turkey depends on foreign funds to finance its deficit, and most of the funds that are coming into the country are in the form of short-term portfolio funds seeking quick profits and not in the form of longer term funds or foreign direct investments.⁵ Long-term capital and foreign direct investment have longer time horizons, thus providing a more reliable source of finance for the host economy. Short-term portfolio capital, on the other hand, can swiftly leave the economy; relying on this kind of fund leaves the host economy in a fragile and exposed state.

At first sight, economic relations with China appear to be contributing in a negative way to Turkey's problems. As can be seen in figure 1, Turkey's trade with China is defined by an ever-widening trade deficit for Turkey. In 2013, Turkey's total trade with China was \$28.3 billion, of which only \$3.6

4. World Bank, "Turkey Data," data.worldbank.org/country/turkey.

5. Daniel Dombey, "Six Markets to Watch: Turkey," *Foreign Affairs*, January–February 2014, www.foreignaffairs.com/articles/daniel-dombey/six-markets-to-watch-turkey.

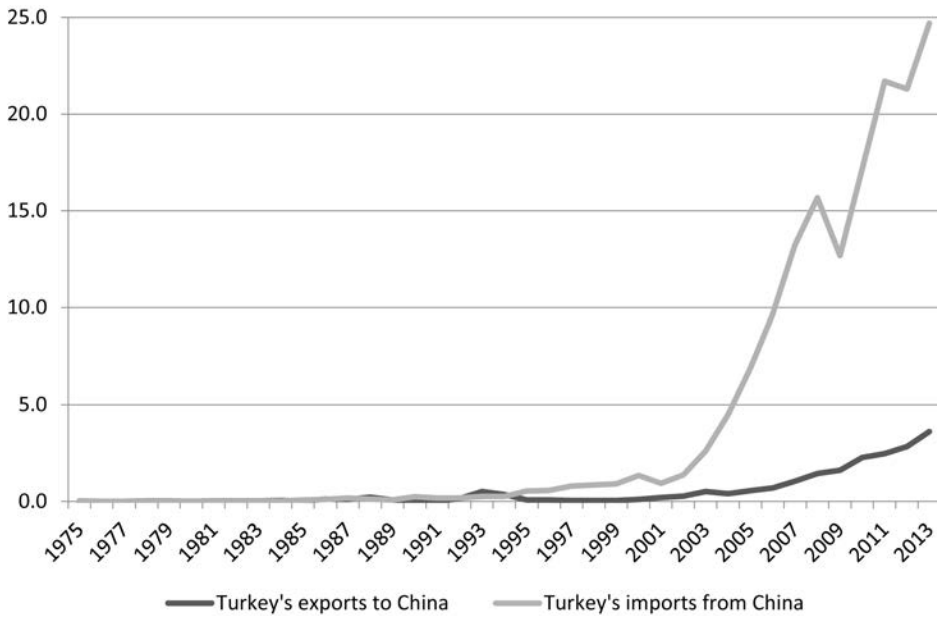


Figure 1. Turkey's Trade Deficit with China (US\$ Billions)

Source: Prepared by the author using bilateral trade data released by the Turkish Statistics Institute. Turkish Statistics Institute, "Export by Countries," www.turkstat.gov.tr/PreIstatistikTablo.do?istab_id=624; Turkish Statistics Institute, "Imports by Countries," www.turkstat.gov.tr/PreIstatistikTablo.do?istab_id=6245.

billion was Turkey's exports, with the remaining \$24.7 billion corresponding to Turkey's imports from China. In other words, for every \$1 worth of goods Turkey is selling to China, it is buying back goods worth \$7. Back in 2010, the two governments had decided to increase the trade volume to \$50 billion by 2015 and to \$100 billion by 2020.⁶ If the objective for 2020 is achieved, and the current export-to-import ratio remains unchanged, this will place an additional burden of \$75 billion dollars on Turkey's already problematic current account deficit.⁷

There are also advantages, however, that Turkey derives from its imports from China. One is the rise in Turkish consumers' purchasing power thanks to inexpensive Chinese products in the Turkish market. In the meantime,

6. "Türkiye Çin'le Stratejik Ortak Oluyor" [Turkey to become strategic partners with China], *Radikal*, 9 October 2010, www.radikal.com.tr/yorum/turkiye_cinle_stratejik_ortak_oluyor-1022807. All translations are by the author.

7. Altay Atlı, "Questioning Turkey's China Trade," *Turkish Policy Quarterly* 10, no. 2 (2011): 111.

producers are also reaping advantages from China imports. According to data obtained from the Turkish Exporters' Assembly, Turkey's dependence on imported intermediary goods is 45 percent, meaning that in order to produce \$1.00 worth of goods to be exported, Turkey needs to import \$0.45 worth of intermediary products. China is a source of cheap intermediary goods for Turkish producers, who in this way enjoy a competitive advantage in their own export markets due to the low costs for these intermediates. These advantages are, however, more than offset by the macroeconomic disturbances caused by the large current account deficit.

Facing this situation vis-à-vis China, Turkey through the 1990s and early 2000s made efforts to close the trade deficit, despite the apparent futility of this task. The trade deficit continued to widen in this period, and both policymakers and the business community remained within the confines of the false dichotomy of whether China is a threat or an opportunity for Turkey, which in turn prevented these stakeholders from devising a long-term vision through which Turkey can construct economic relations with China for the optimal benefit of the country's economy. While exports remained limited and imports continued to grow, Turkish companies have also failed to benefit from investment opportunities in China, and with the exception of small-scale individual enterprises such as restaurants and small shops, Chinese investment could not be attracted to Turkey.

This situation began to change in 2004 and 2005, and all stakeholders on the Turkish side began to adopt a more rational and more long-term vision with respect to relations with China. In this period, the proactive foreign policy paradigm implemented by the AKP government, prioritizing economy and business in international relations and engaging with all parts of the world instead of predominantly the Western bloc, as had been the case until the late 1990s, generated a policy dynamism from which relations with China benefited. In China's case this dynamism resulted in the formation of a "strategic partnership" in 2010,⁸ and a series of agreements signed and deals concluded in the same period provided hints of the form economic relations between the two countries would take in the coming years.⁹

8. "Türkiye Çin'le Stratejik Ortak Oluyor."

9. The most important agreements in this respect are the ones signed in October 2010 during the official visit of the Chinese premier Wen Jiabao to Turkey. These were the (1) Framework Agreement

It was not only the agreements that have led to a change in Turkey's dealing with China as an economic partner. Rather, the agreements themselves were the outcome of a paradigm shift among Turkish policymakers and the country's business community. Instead of focusing efforts to close the trade deficit, the new way to approach China entailed efforts to do the following:

Control the deficit by improving exports, both in quality and quantity, and making sure that imports serve the benefits of the Turkish economy.

Attract Chinese capital to Turkey as a source of funding the deficit.

Receive investment from China in order to benefit from the technology and knowhow that come along.¹⁰

In brief, Turkey is making efforts to balance its economic relationship, not by trying to close the trade deficit, but by receiving more Chinese capital and investment. So far, China is not one of the leading investors in Turkey. According to data released by the Turkish government, as of June 2014 there were 39,183 companies with foreign capital in Turkey, of which only 603 were Chinese enterprises.¹¹ Chinese data shows that the total amount of Chinese capital in Turkey at the same time was \$846 million, only a fraction of China's total outward foreign direct investment volume around the

for the Improvement and Deepening of Bilateral Commercial and Economic Relations, (2) Memorandum of Understanding (MoU) on Increasing Cooperation in Infrastructure Construction and Engineering Activities in Third Countries, (3) MoU on Joint Studies for a Medium- and Long-Term Plan for the Development of Bilateral Commercial and Economic Relations, (4) MoU on the Establishment of a Working Group on the New Silk Road Connection, (5) Rail Transportation Cooperation Agreement, (6) MoU on Cooperation in Transportation Infrastructure and Maritime Transport, (7) MoU on Cooperation in Knowledge and Information Technologies, and (8) Action Plan for Cultural Exchange and Cooperation between 2010 and 2013.

10. The China Report issued by Turkey's Ministry of Economy clearly illustrates how the Turkish government views the issue. "In order to contribute to the efforts of partially making up for the growing trade deficit between the two countries, China is expected to initiate greater overtures into Turkey in the form of investments, construction services, [and] projects in transportation, tourism, and energy sectors. The deepening of our relations in the field of investment constitutes a vital process with respect to the establishment of stable and lasting cooperation." T. C. Ekonomi Bakanligi, *Cin Halk Cumhuriyeti Ulke Raporu* [People's Republic of China country report] (Ankara: T. C. Ekonomi Bakanligi, 2013), 19.

11. T. C. Ekonomi Bakanligi, "30.06.2014 Tarihi Itibariyle Turkiye'de Faaliyette Bulunan Yabancı Sermayeli Firmalar Listesi" [List of companies with foreign capital active in Turkey as of 30.6.2014], www.ekonomi.gov.tr/upload/7C5320E0-B79B-B87F-B6DA3C5BE9608EA5/FirmalarHaziran14.xls.

world.¹² It is, however, important to underline that to these figures one should add contract work undertaken by Chinese companies, such as infrastructure construction activities, which do not count as Chinese investment but result in a rapidly increasing economic presence for China in Turkey. Together with these services, it can be argued that Chinese companies are doing a substantial amount of business in Turkey on projects that include the Ankara-Istanbul High Speed Railway, telecommunication infrastructure, infrastructure projects in energy and mining sectors as well as through investments in a number of industries including automotive, machinery, electrical products, steel, and chemical industries.

Turkey is willing to host even more Chinese companies and investment. In February 2012, Turkish and Chinese corporations signed twenty-eight agreements with a total worth of \$4.3 billion, most of which were related to joint investment projects. Chinese investment is important for Turkey not only in terms of the capital inflow generated but also in the technology and know-how it is expected to bring. At its current stage of economic development, Turkey needs not only to cover its current account deficit but also to make the technological leap and transform into a producer of sophisticated, high technology products instead of remaining as a contract producer of low- to medium-value-added products. Economic relations with China are planned to contribute to this transformation, and this is why the Turkish government explicitly prefers Chinese investments “to focus not on labor intensive sectors, but on those sectors that generate employment and value added, facilitate technology transfer and contribute to Turkey’s production process; and leading Chinese companies working in these sectors are expected to be active in Turkey.”¹³

Turkey has identified transportation infrastructure, energy, mining, metallurgy, machinery building, and light industry as priority areas for Chinese investment. Turkey’s minister of energy, Taner Yildiz, has recently announced that the government is negotiating with the Chinese a \$10 billion to \$12 billion dollar project that covers the processing of Turkey’s Afsin-Elbistan coal

12. “Cin’den Gelen Yatirim Yuzde 47 Artti” [Investment from China increased by 47 percent], *Vatan*, 8 October 2014, finans.gazetevatan.com/haber-detay/gundem/cinden-gelen-yatirim-yuzde-47-artti/5823.

13. T. C. Ekonomi Bakanligi, *Cin Halk Cumhuriyeti Ulke Raporu*, 20.

basin and the construction of thermal energy plan in the same region. This is a clear sign that Turkey will receive Chinese investments with higher dollar values in the near future. In some cases, the business deal involves Chinese money invested in Turkey, which is good for Turkey's deficit; in others it involves Chinese services and/or goods financed by Turkey's own resources, which is useful for Turkey's plans to improve its technological capabilities.¹⁴

At its current stage of development, Turkey needs to combine its domestic initiatives and progress in research and development with technology transferred from abroad. Within this context, it is vital to ensure that the technology imported into the economy helps to improve local technological capabilities and productivity. However, this is not always the case. As Serhat Cakir points out, "Developed countries are only selling you the technology. They do not give you the information related to the technology. This is why the competitive advantage always remains with the country that has developed the technology."¹⁵ At this point, China has emerged as a source of technology for Turkey, particularly because it can offer technologies and/or coproduction opportunities that Turkey's traditional economic partners in the West would not provide.

The missile defense system deal Turkey is negotiating with China is a good illustration of this case. In September 2013, the Turkish government decided to open negotiations with the China Precision Machinery Export-Import Corporation to jointly develop a long-range air and missile defense system. This decision irked Turkey's allies in the West because (1) the Chinese company was under US sanctions for violations of the Iran, North Korea, and Syria Nonproliferation Act, and (2) the missile defense system proposed by the Chinese company was said to be incompatible with the North Atlantic Treaty

14. In some cases, Chinese companies are supporting technological development in Turkey as a part of their operational procedures. For instance, the telecommunication company Huawei, which has been operating in Turkey since 2002, is providing infrastructure and equipment for Turkish landline and GSM operators. It is not only importing products from China and marketing them in Turkey; it also has research and development operations in Turkey. It has opened a research and development center in Istanbul in 2010, its largest center of this kind outside China. With the participation of Turkish engineers, this center designs and implements new technologies, while the laboratory the company launched in cooperation with Istanbul Technical University is also serving the purpose of joint technological development between Turkey and China.

15. Serhat Cakir, "Teknoloji Transferi Ama Nasil?" [Technology transfer, but how?] *Kanal 56*, 2012, www.kanal56.net/makale/doc-dr-serhat-cakir-odtu/teknoloji-transferi-ama-nasil/64.html.

Organization missile defense shield already installed on Turkish territory. The important point, ignored by the Western world, was that the Chinese offer was preferred by Turkey over American, Russian, and Italian-French bids not only because it was cheaper but also, and mainly, because among all the bidders the Chinese company was the one offering joint production with Turkey, while all the other companies proposed simply to sell the final products to Turkey without providing the latter with access to the technology itself. As of August 2014, negotiations between the Turkish and Chinese parties had reached the final stage, but the other bidders were given additional time until 31 December 2014 to revise their offers.¹⁶ Regardless of the end result of this tender, however, China has already emerged as a significant technology partner for Turkey.¹⁷

Turkey's economic rapprochement with China is not a sign of the country's alleged distancing itself from the West. Turkey is following a pragmatic path, and given its economic needs, it wants to cater to the demands of its economy in the most appropriate and fulfilling way possible, which requires diversifying its economic partners. This approach is perfectly rational in the economic sense, yet it is inevitable that political issues interfere with economic rationality, as has been the case during the recent missile defense system deal. Economic interactions do not take place within a political vacuum, and while Turkey prioritizes economic concerns in its relationship with China, it is necessary to investigate the political environment within which trade and investment take place.

The Political Framework of Turkey's Relations with China

It is almost routine for Turkish and Chinese statesmen to suggest at every joint occasion that "there are no political problems whatsoever between Turkey and China."¹⁸ While it is an overstatement to claim the total absence of

16. "Cin Fuzesinde Besinci Raunt" [Fifth round in Chinese missiles], *Hurriyet*, 27 August 2014, www.hurriyet.com.tr/ekonomi/27082805.asp.

17. It is important to remember that Turkey has been undertaking joint projects in the field of military technologies with China since the 1990s, albeit with less sophisticated systems, such as rockets and short-range surface-to-surface missiles.

18. An early example of this tendency took place in 2003 during the visit of Recep Tayyip Erdoğan—then in his capacity as the leader of AKP—to China. In a joint press conference with the

political problems between any two countries, it is nevertheless possible to argue that political relations between Turkey and China have been following a favorable path since the mid-1990s, creating a benevolent environment for the conduct of economic transactions. The key feature of the political rapprochement between Turkey and China is the increasing mutual understanding and cooperation between the governments on contentious issues that have hitherto undermined the relations, such as the Uyghur issue.

Uyghurs are the Turkic-Muslim minority group predominantly populating the Xinjiang Uyghur Autonomous Region in China's far west. Since the establishment of the People's Republic of China (PRC) in 1949, Uyghurs are reported to have experienced—and continue to do so—a number of challenges, such as the compulsory bilingual education for minority groups, restrictions on religious freedom, destruction of Uyghur heritage, and economic discrimination.¹⁹ There is no single Uyghur agenda and “while some Uyghurs want a separate state, others want to maintain cultural distinction within an autonomous relationship with China, and still others support integrating into the Chinese system,”²⁰ Uyghur dissidence, which has in many cases turned violent, is a reality and a key concern for the Beijing government. The government's response to violent outbreaks in the region has traditionally been heavy handed, and it “tamps down violence in the short-run but fuels a sense of injustice and mistrust among the Uyghurs in the long-run.”²¹

The Uyghur issue is not only a domestic question only for China. With the community in question having ethnic and religious linkages with the broader Turkic and Muslim worlds, it has become an international issue as well. For

Chinese premier Zhu Rongji, both Erdogan and Zhu used these words, and it has ever since become commonplace among statesmen of both countries to make this assertion. It is important to note the claim is also subscribed to by representatives of business communities, who frequently make the point that there are no political problems between the two countries, hence there are no reason for economic relations not to improve beyond the current stage. See Melis Kopal, “Cin ile Kanayan Yara Dis Ticaret Acigi” [Trade deficit the bleeding wound with China], *Al Jazeera Turk*, 2 June 2014, www.aljazeera.com.tr/al-jazeera-ozel/cin-ile-kanayan-yara-dis-ticaret-acigi.

19. Selcuk Colakoglu, “Turkey and China: Seeking a Sustainable Partnership,” SETA policy brief, Ankara, 2009, 8–10.

20. Elizabeth Van Wie Davis, “Uyghur Muslim Ethnic Separatism in Xinjiang China,” *Asian Affairs: An American Review* 35, no. 1 (2008): 16.

21. *Ibid.*

Turkey, the Uyghurs have always posed a policy dilemma, as Ankara found itself in a double bind, with sympathy for the Turkic-Muslim minority living under Beijing's rule on one side and the need to improve relations with a rising China on the other. There are a number of Uyghur diaspora associations operating in Turkey, and until the mid-1990s Ankara gave an almost free hand to them, including to those demanding the liberation of Xinjiang from the rule of the central government in Beijing.²² This support, however, began to recede in 1997, when, according to a senior Turkish diplomat quoted by Selcuk Colakoglu, Turkey chose to improve "friendly relations" with China and not to align with the separatist movement throughout Xinjiang, in order to improve relations with China and increase influence in the wider Central Asian region.²³ It was in this period that the Turkish government issued a decree imposing significant restrictions on the activities of Uyghur diaspora organization within Turkey.²⁴ In 2003, during Erdogan's visit to China, the policy priorities of the new AKP government on this issue were made clear when Erdogan stated that Turkey is concerned about separatist movements in the region and the support they enjoy in Turkey, pointing out that "as Turkey, we are supporting the One China policy. With regard to China's territorial integrity, Turkey does not have hesitation, but respect."²⁵

With respect to the Uyghur issue, Turkey has adopted a balanced approach, maintaining mutual understanding and cooperation with the Chinese government, condemning violence, and at the same time defending the economic and cultural rights of Uyghurs as citizens of the PRC. This approach serves Turkey's interests, including its economic interests, vis-à-vis China, and it also enables Ankara to protect and defend the cultural, social, and economic rights of the Uyghurs in the Xinjiang region without confronting Beijing.

22. Altay Athi, "The Future of Turkey's Relations with China," *Turkish Review* 2, no. 6 (2012): 99.

23. Selcuk Colakoglu, *Turkish Perceptions of China's Rise* (Ankara: USAK, 2014), 27.

24. The decree stated that Xinjiang Uyghur Autonomous Region must be dealt with within the territorial integrity of the PRC. The region in question is a sensitive point between the two countries, and some of the activities of Uyghur foundations and associations are causing serious discontent on behalf of the Chinese government and therefore they must not be supported in any way by the Turkish state. "Basbakanlik'tan Gizli Dogu Turkistan Genelgesi" [Secret East Turkestan decree from the prime ministry], *Hurriyet*, 4 February 1999, webarsiv.hurriyet.com.tr/1999/02/04/94416.asp.

25. Ergun Aksoy, "Erdogan'in Derdi Cin'le Iliskileri Gelistirmek" [Erdogan's concern is to improve relations with China], *Radikal*, 15 January 2003, www.radikal.com.tr/haber.php?haberno=62972.

Ankara opposes any kind of separatist action against the territorial integrity of China, and aims to have Xinjiang transform, in the words of President Abdullah Gul, into a “friendship bridge” between Turkey and China.²⁶

Turkish companies are now investing in the region, and the Chinese government provides incentives for Turkish entrepreneurs doing business in Xinjiang. The idea here is that a more developed Xinjiang, with economic support from Turkey, would not only improve the well-being of the Uyghurs but would increase Turkey’s leverage in defending the rights of the ethnic minority, at the same time contributing to stronger overall relations between Turkey and China.

The events that unfolded in the Xinjiang region in July 2009 provide an illustration of these guidelines of Turkey’s Uyghur policy. Protests that took place in the region’s capital, Urumqi, escalated into riots and violent clashes between the Uyghurs and the Han population of the region, which were eventually suppressed by the security forces, causing around two hundred deaths, almost all of them Uyghur. Turkey’s initial reaction was very sharp, with Prime Minister Erdogan calling what happened in Urumqi “almost genocide.”²⁷

These were unexpectedly strong words; however, they did not trigger a bitter response from the Chinese government. On the contrary, Chinese authorities preferred to play down the issue, and Turkish authorities in turn adopted a conciliatory tone. China invited Turkish businessmen to visit Xinjiang and explore investment opportunities there, and only three months after the incident, Chinese Premier Wen was in Turkey to sign the Turkish-Chinese Strategic Partnership Agreement with Erdogan. In brief, Turkey made it clear that it was going to support the Uyghurs’ economic and cultural rights, which did not necessarily imply support for separatist movements, and both sides reinforced a mutual understanding on Xinjiang as an economic hub for Turkey and China.

The positive political environment generated by the convergence between the two governments on the Uyghur issue found reflections in other areas of

26. “Cumhurbaşkanı Gul: ‘Uygurlar, Çin ile Ülkemiz Arasında Dostluk Köprüsü’” [President Gul: Uyghurs are a friendship bridge between China and our country], *T. C. Cumhurbaşkanlığı*, 29 June 2009, www.tccb.gov.tr/haberler/170/48020/cumhurbaskani-gul-uygurlar-cin-ile-ulkemiz-arasinda-dostluk-koprusu.html.

27. “Adeta Soykırım” [Almost a genocide], *Taraf*, 11 July 2009, www.taraf.com.tr/haber-adeta-soykirim-37438.

the bilateral political relationship as well. While Turkey's involvement with the Muslim minority in Xinjiang has for a long time been a source of concern for Beijing, this can be said to be changing, and a good illustration of this fact is the deal signed between China's State Administration for Religious Affairs, the Islamic Association of China, and the Department of Religious Affairs under Turkey's prime minister in 2011. According to this agreement, secondary- and tertiary-level students from China's Muslim communities will be enrolled in Turkey's religious high schools (*imam hatips*) and theology departments of universities, "without making any discrimination among students with respect to ethnicity." China's imams will be trained in Turkey and the two countries will cooperate on issues related to the *hajj* pilgrimage.²⁸ In other words, China's threat perceptions attached to Islam through the Uyghur issue are now replaced by Islam as a linkage binding the two countries.

A perhaps more significant outcome of improving political relations between Turkey and China is the intensive military exchange between armed forces of the two countries, which raises concerns in the Western world with respect to Turkey's political behavior as a NATO member. Military delegations have been exchanged between Turkey and China since the 1980s, but these visits significantly gained momentum after 2007, with a strategic partnership concluded in 2010 bringing further impetus to this field. Turkey invited China to its annual air force exercise, "Anatolian Eagle," which had hitherto been organized jointly with NATO partners in the West. In September and October 2010, four Chinese fighter planes arriving in Turkey via Pakistan, and Iran took part in the exercise as well, marking a milestone in Turkey's relations with China. Karen Kaya argues that this event took place at a time when Turkey's relations with the West and Israel were at a low point, and as "it is not clear what, if anything, it receives in return from China for such a move," for Turkey such cooperation with China is "not worth jeopardizing Turkey's relations with the United States and NATO."²⁹

This is indeed an important point, however, if one considers the operational cooperation in the military realm together with the recent developments in

28. "Diyanet Isleri Baskani Gormez Cin'de" [Head of religious affairs Gormez in China], *T. C. Diyanet Isleri Bakanligi*, 21 June 2011, www.diyamet.gov.tr/tr/icerik/diyamet-isleri-baskani-gormez-cin'de...-imzalan-an-protokolle-cin-turkiye-iliskilerinde-yeni-bir-sayfa-acildi/6875.

29. Karen Kaya, "Turkey and China: Unlikely Strategic Partners," Foreign Military Studies Office, Fort Leavenworth, KS, 2013.

the military industry, such as the latest missile defense system negotiations. It is possible to argue that what Turkey gains from military cooperation with China is an opportunity to diversify its relations and reduce its overreliance on the West. This is a pragmatic approach, albeit very complicated and carrying a number of risks, particularly vis-à-vis the established relationship with NATO and the West in general.

In sum, for Turkey, China is first and foremost an important economic partner, and improving political relations, particularly with respect to the Uyghur issue, help to create a favorable environment within which economic relations can be maintained and strengthened. This economic-political nexus between Ankara and Beijing is important for the future of the Middle East, as Turkey is one of the key actors in the region. However, another important issue is how Turkey and China will align their interests with respect to a changing Middle East, as improving bilateral relations do not necessarily result in harmony at the regional level.

Turkey and China within the Regional Context of the Middle East

The Middle East region is facing a number of challenges and shifting balances in the post-Arab Spring period. Referring once again to Gramsci, the old Middle East is dead, but the new Middle East is not born yet. The region is in the process of being reborn, with a variety of actors and dynamics influencing this process. In addition to the bilateral relations between Turkey and China, the way these two countries' are involved in the Middle East will also be a crucial factor determining the future of the region.

Under the AKP government, Turkey has made several overtures toward the Middle East, in every sense: economic, political, and cultural. Turkey shares a land border with three Middle East countries—Syria, Iran, and Iraq—and security is a major concern in this respect for the policymakers in Ankara. Turkey aimed—and to a large extent managed—to create a virtuous cycle “with greater security along the borders and growing economic interdependence between Turkey and the neighboring regions tending to reinforce to create a mutually beneficial process.”³⁰

30. Ziya Onis, “Turkey and the Arab Revolutions: Boundaries of Regional Power Influence in a Turbulent Middle East,” *Mediterranean Politics* 19, no. 2 (2014): 4.

However, the Arab Spring period exposed the limitations and shortcomings of Turkey's policies. Turkey attempted, but failed, to facilitate reform or regime change in Syria and to influence the direction of political change in Egypt, and even worse, Turkey's policies have caused a backlash, undermining the country's image of a benign regional power due to Ankara's excessive involvement in sectarian conflicts and domestic issues of several countries in the region.³¹ In the post-Arab Spring period, Turkey faces the need to realign its Middle East policy with reference to its own capabilities and the economic and political realities on the ground.

China, on the other hand, has adhered to its noninterference policy; it has abstained from the United Nations resolution that paved the way for a NATO intervention in Syria. This turned out to be, in Yun Sun's words, a "bitter lesson" for China, because abstaining from the decision had both political and economic costs for China.³²

It was perceived as siding with the authoritarian regime and China was excluded from participating in possible economic deals in post-Asad Syria. This disappointment led to a policy change by China. Beijing vetoed the UN resolution on Syria in 2012 and began to get involved in Middle Eastern affairs by opposing military intervention by external actors and facilitating a mediation processes, not only in the Syrian case but also in the Arab-Israeli conflict. China wants to be more active and more influential in the Middle East, because, as its dependence on hydrocarbons from the region increases, Beijing feels the need to have greater leverage in the Middle East in order to ensure its energy security in the face of rising competition in what still remains a highly volatile and instable part of the world.

The question is, then, whether Turkey's and China's involvement in the Middle East converge, reinforcing the already favorable relationship at the bilateral level, or whether they diverge and harm the bilateral relationship. In both cases, the outcome will be important for the future of the Middle East.

There are two areas of potential conflict that could lead to a divergence between Turkey and China with respect to the Middle East issues, one being

31. Ibid.

32. Yun Sun, "Syria: What China Has Learned from Its Libya Experience," *Asia Pacific Bulletin*, no. 152 East-West Center, Washington, DC, 2012.

political and the other economic. On the political side, divergence may occur over how to solve the crisis situations in the region, such as the Syrian civil war. There had been initial signs of divergence between Turkey and China on this issue. In February 2012, after China vetoed—together with Russia—the UN resolution on Syria, Ankara reacted in a very harsh manner, accusing these two countries of preventing a solution to the crisis, and “making it impossible to help the Syrian people.”³³ After these initial reactions, however, both Turkey and China have toned down their rhetoric. Both sides are now stressing the importance of cooperative action using multilateral channels, which not only reduces the likelihood of a conflict between Ankara and Beijing but also offers a more viable solution for the crisis in Syria.

On the economic side, the Middle East is important for both Turkey and China, and both are stepping up their economic involvement in the region. As mentioned, China’s dependence on Middle Eastern oil and gas is increasing. As of 2013, China was receiving 50.3 percent of its oil imports from the Middle East.³⁴ This is up from 38.7 percent in 2002 and is expected to reach 70 percent by 2020.³⁵ In order to secure the energy supplies, China pursues a multifaceted economic policy in the Middle East, concluding purchase agreements, buying shares in local energy companies, and investing in the region’s hydrocarbon production and transportation infrastructure. In the meantime, the Middle East is also a large and promising market for Chinese consumer products, and China has been increasing its market share in a large variety of products over the past several years.³⁶

In the energy market, Turkey’s aims are threefold: (1) satisfy the energy demand of its own growing economy, (2) act as an energy transit state, and (3) act as a significant energy hub.³⁷ Turkey is not a producer of hydrocarbons,

33. “Ortadogu’da Soguk Savas Donemini Sona Erdirmek Istiyoruz” [We want to bring the cold war era of the Middle East to an end], *Dunya*, 5 February 2012, www.dunya.com/ortadoguda-soguk-savas-donemini-sona-erdirmek-istiyoruz-145152h.htm.

34. Calculated by the author using data from British Petroleum, *BP Statistical Review of World Energy* (London: BP, 2014).

35. Muhamad Olimat, “Playing by the Rules? Sino-Middle Eastern Relations,” in Shaun Breslin, ed., *Handbook of China’s International Relations* (London: Routledge, 2010), 177.

36. Ted C. Liu, “China’s Economic Engagement in the Middle East and North Africa,” Policy Brief no. 173, Fridtjof N. S. Fride, Oslo 2014.

37. Gareth Winrow, “Realization of Turkey’s Energy Aspirations,” Turkey Project Policy Paper, Brookings Institution, Washington, DC, 2014, 1.

so in terms of oil and gas, it remains dependent on imports. According to 2012 figures, Turkey sourced 72.2 percent of its total oil imports from the Middle East.³⁸ Similar to China, Turkey is actively investing in the region to secure its energy supplies. As both Turkey and China are increasingly active in the Middle East's energy scene, competition over supplies remains a possibility, especially in countries like Iraq where both Turkey and China already have large stakes. Moreover, plans to turn Turkey into a transit state imply in most cases connecting the producers in the Caucasus with the consumers in Europe. Such pipeline projects may run against China's interests and priorities.

In the meantime, the Middle East is also important for Turkey's economy as an export market. The share of the Middle East in Turkey's total exports volume increased from 16 percent in 2004 to 30 percent in 2013, while the share of the European Union went down from 58.1 percent to 41.5 percent over the same period.³⁹ In this arena, competition can be expected directly between Turkish and Chinese products, as both of them enter the Middle East market with a competitive advantage derived from low cost—Turkish products enjoying low transportation costs and Chinese products enjoying low labor and other input costs. It is important to note, however, that competition between Turkey and China does not necessarily have to have a negative impact on the Middle East. How Turkey and China will interact within a changing Middle East will be important for the future in the region, and even divergence and competition in the economic field could bring benefits for the people of the Middle East.

Conclusion

Typing “the future of the Middle East depends on” in the search bar of Google, one gets many thousand returns, completing the partial sentence above with a large number of words and concepts, including “success of the Arab Spring,” “its young people,” “moderates,” “how societies treat their

38. US Energy Information Administration, “Turkey Analysis,” US Energy Information Administration, 17 April 2014, www.eia.gov/countries/cab.cfm?fips=tu.

39. Turkish Statistics Institute, “Foreign Trade by Country Groups,” www.turkstat.gov.tr/PreTablo.do?alt_id=1046.

women,” “the Palestinians,” “not oil,” and many more. The Middle East is indeed a complicated landscape, and its future in the aftermath of the popular uprisings and regime changes depends on several factors. One such factor, addressed in this essay, is the effect of the interaction between two key actors that are increasingly active in the region, both in political and economic sense.

Turkey’s bilateral relations with China are important for the Middle East because Turkey is historically, culturally, economically, and socially part of this region, and also because through its relations with Turkey, China can be said to be gaining a foothold in the Middle East. At this level, there is progress. Turkey views China as a good economic partner, one that can complement—not replace—traditional partners in the West, supply foreign investment to help finance the current account deficit, as well as technology and know-how. Ankara’s view is reciprocated by Beijing, which deems Turkey as a destination of its export products and large-scale construction and infrastructure services.

There has also been significant improvement in the political relations between the two countries since the 1990s. The Uyghur issue, which had for a long time been a source of discontent between the two countries, is gradually becoming a forum through which relations are facilitated. Progress in political relations is accompanied by increasing exchanges between peoples, militaries, educators, students, and artists.

This favorable picture at the bilateral level is, however, not fully reflected at the regional level. As both countries make efforts to reconfigure their Middle East policies in the aftermath of the Arab Spring, the way they do this and position themselves in the changing Middle East—both economically and politically—will have repercussions for the region. Politically, there had been a clear divergence between the two governments with respect to policies toward Syria, which has to some extent diminished. Economically, on the other hand, both countries are competing for Middle Eastern hydrocarbons and export markets, hence greater convergence can be expected in this field.

It is not possible to say whether convergence—or divergence—between Turkey and China in Middle Eastern affairs will be beneficial or harmful for the countries and the people of the Middle East, because it really depends on the particular case. While convergence in the economic field can be good

for the Middle Eastern countries by increasing competition, convergence in the political sphere can under certain circumstances lead to complications if it leads to polarization with other regional groups or global powers. In any case, the relationship between Turkey and China is one of the important factors impacting the dynamics of the region. The new Middle East is yet to be born. Even though Turkey and China are among the key players influencing the process, it is certain that the diverse Middle East will have to build itself anew.