

# Turkey in the Balkans: Taking a Broader View

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## ABSTRACT

Turkey's activism in former Yugoslavia is a continuation of the country's post-Cold War strategy in the broader context of South East Europe. It is driven largely by structural shifts related to the spread of democracy, Europeanization and globalization, rather than by ideology or Ottoman nostalgia. Despite its vanishing appeal, the EU remains essential in understanding Turkey's place in regional politics. The Union's expansion has deepened interdependence across South East Europe and transformed the Turkish approach: from power politics to a multidimensional policy reliant on trade, cross-border investment, and projection of soft power. Although Ankara is acting in a growingly unilateralist manner and could be viewed as a competitor in some Western capitals, Turkish policies are benefiting from Brussels and Washington's investment in the stabilisation and integration of the Western Balkans.

Ever since Foreign Minister Ahmet Davutoğlu delivered his famous speech on *Ottoman Legacy and Balkan Muslim Communities Today* in Sarajevo on October 16th 2009, talk is rife about Turkey's "return" to South East Europe. Examples abound: Ankara's involvement in Bosnia, its rapprochement with Serbia, the influx of Turkish investors, and the popularity of Turkish TV series across the region. Such activism is accompanied by a hype about "neo-Ottomanism," which fuels fears that today's Turkey is at best inspired by imperial nostalgia or, at worst, seeking to recover its erstwhile ascendancy over the lands of *Rumeli*. Pundits seek evidence in Davutoğlu's praise for the Ottoman Empire as a pacifier of the Balkans, placing the area, for once in its troubled and fragmented past, at the center of global politics in the 16<sup>th</sup> century. Such discourse, as well

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as the habitual reference by the Turkish Prime Minister Recep Tayyip Erdoğan to “brothers” in various Balkan countries (e.g. during the victory speech on the night of the June 12<sup>th</sup> elections when he declared that “Sarajevo won today as much as Istanbul,” or his trip to Macedonia in September), has caused uneasiness. Perhaps unexpected to the Turkish public or even the expert community, critical voices were heard even in Albania and Kosovo.<sup>2</sup> Observers see Turkey, whether represented by its leaders or NGOs and informal networks, as exclusively focused on Muslims in the Western Balkans. To be sure, there is also admiration. Ankara’s mediation between Serbia and the Bosniak leadership in Sarajevo has been applauded as a positive contribution to stability and reconciliation. But some analysts are not even convinced that Turkey has made such a difference. Tim Judah, of *The Economist*, put it bluntly: “there has been more talk than cash.”<sup>3</sup> In a similar vein, recent analyses have drawn a balance sheet of the achievements and actual impact of Turkish initiatives.<sup>4</sup>

But the debate in policy circles and media often plays down past experience and the fact that, for all Ottoman nostalgia and diplomatic assertiveness, Ankara’s current activism builds on past trends. The “Turkey is back” adage implies that there was once a period when relations with the Balkan states were all but severed and Turkey was completely absent from the picture. Was there really

Turkey has been linked to the Balkans: in its security strategy and diplomacy, geography, demography, and political *imaginaire*

a hiatus between the Balkan Wars of 1912-3 and the advent of AKP to power (or even the appointment of Davutoğlu in 2009)? Surely, such an image is simplistic, if not altogether wrong. Never in its republican history was Turkey distanced from the regional security complex of South East

Europe (add Greece, Bulgaria and Romania to former Yugoslavia and Albania, and reasons become fairly obvious). Even in periods of relative introspection, as the interwar decades, it was a pivotal player. Turkey’s role was as prominent in the first Balkan Pact of 1934 as in the first steps in multilateral cooperation in the mid-1970s. Not to forget the intricate diplomatic and military rivalry with Greece in the 1990s affecting the international politics of the post-communist Balkans. Turkey has been linked to the Balkans: in its security strategy and diplomacy, geography (roads to Western European export markets), demography (thanks to the presence of large Turkish and Muslim communities with direct links to large groups in Turkey itself), and political *imaginaire* (e.g. Turkish leftists in the 1960s and 70s drawing inspiration from neighboring countries).

It is true nonetheless that assertive diplomacy and greater visibility over the past three years marks a change in style, or perhaps even substance, of Turkey’s

Balkan policy. But this has less to do with the historical sentiments and world-views of the Justice and Development Party (AKP) than with adapting to global shifts and regional dynamics after the Cold War. First, one should consider the change of strategic landscape following the collapse of ex-Yugoslavia putting pressure on Ankara to respond. Turkey played a part in the early episodes of the Bosnian war, opting later on for a multilateral, risk-averse strategy under the aegis of NATO.<sup>5</sup> Joining the Peace Implementation Council after the Dayton Accords were signed in November 1995, it became involved in the tangled effort at state building in the ex-Yugoslav republic in concert with western allies. Secondly, and more significantly, starting from the 1990s, Turkey's ties with the entire region, and not just Balkan Muslims, have expanded in scope, deepened and now cover diverse functional and societal fields:

**Stabilization and EU integration have made the Balkans a more fertile ground for Turkish involvement**

not just defense and diplomacy as before, but also trade, investment, infrastructure development, energy, tourism, and popular culture. This shift whose effects we are witnessing at the moment reflects large-scale changes within both Turkey and broader South East Europe. They have to do with the end of communist regimes, the subsequent democratic transitions, the emergence of new states and, especially, the exponential increase of mobility of goods, services, people and ideas associated with Europeanization and globalization. To understand Turkey's present position, one needs not to return to the Ottoman times but to the 2000s. European integration, robust economic growth, increasing cultural attractiveness and the slowdown of the EU enlargement process have all enabled or pushed Ankara to pursue a more activist and unilateralist policy of engagement since 2009.

### **The Bright and the Dark Face of the Balkans' Europeanization**

It is beyond doubt that stabilization and EU integration have made the Balkans a more fertile ground for Turkish involvement. The 2000s have been a moderately good decade for the region. International intervention has largely contained violence in former Yugoslavia. True, ethnic tensions still simmer in various post-Yugoslav republics and the issue of borders and territories has not been fully resolved, notably in Kosovo. Yet, it is also fair to say that the policy agenda has moved far beyond issues of "hard security" and is now geared towards building functional institutions, the rule of law and fostering economic development. The abolition of the Stability Pact for South East Europe, originally a post-conflict reconstruction measure inaugurated by the EU in the wake of the 1999 war in Ko-

sovo, and its transformation into the Regional Cooperation Council in 2008 was a landmark step in that direction, laden with symbolism. With the involvement of the EU in the region, not just as a post-conflict troubleshooter but also an engine for integration, the Western Balkans have followed the scenario laid forward by

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the post-communist countries of Central and Europe in the 1990s. Now Albania and the countries that once made Yugoslavia are either inside the EU (Slovenia), on the verge of it (Croatia) or recognized as candidates (Macedonia, Montenegro, and very soon Serbia). Save Kosovo, they all have signed Stabilization and Association Agreements (SAAs) with the Union while their citizens enjoy visa-

free travel to the Schengen zone (in contrast to most people living in Turkey). For all its democratic deficits, unfinished business and present-day economic turmoil, the region is in far better shape than in the 1990s.

It is also worth noting that the Western Balkans are flanked, as of 2007, by EU territory. The accession of Bulgaria and Romania has driven the borders of the Union deep into South East Europe. Although Sofia and Bucharest are stuck in the EU's periphery, being excluded from the Schengen Area, barred from labor markets in several member-states until 2014, and with limited prospects or indeed desire to enter the Eurozone, their membership makes a difference. It strengthens the EU presence in the area, creates additional momentum for further expansion, and inserts the Union as a territorial conduit between Turkey and the Western Balkans.

But Europeanization has its dark side too. Since 2008 the global economic crisis shows that integration into the EU also generates vulnerabilities for institutionally weak and relatively poor countries dependent on the Brussels anchor. In Greece, the economic downturn has propelled a fiscal crisis of massive proportions threatening the stability of the entire Eurozone. Thanks to their underdeveloped financial markets, post-communist parts of the region have been spared the shockwave from the Western banks teetering on the brink, characteristic of the first episode of the crisis. Yet, they have been hardly hit by the subsequent credit squeeze fuelling, up to 2008, consumption and investment aided by local banks owned by large institutions inside the EU. The sluggish recovery or deepening recession in key export markets, Greece included, has slashed growth figures. The hunger for fresh money has made local governments eager to solicit new sources of foreign investment. No one is surprised nowadays when Chinese

companies purchase assets in Bosnia, Serbia, Bulgaria or Greece. Troubles next-door have bolstered the role of Turkey, which has emerged relatively unscathed from the crisis and has confidently pursued a foreign policy integrating political goals with business interest.

### How the EU Changed Turkey's Relations with the Balkans

The Europeanization of the Balkans has coincided in time with the golden era of EU influence over Turkish politics, society, and economy. In foreign policy, the Union has catalyzed a shift from a security-driven approach aimed at preventing external forces from disrupting the established social-political order inside Turkey to a more proactive policy based on diplomatic engagement, cooperative institutions, economic, and societal interdependence. Or, as analyst Ömer Taşpınar has put it, a transition occurred from an “Ankara type” to an “Istanbul type” of foreign relations. The original episode of the policy of rapprochement with neighbors was, no doubt, the so-called “earthquake diplomacy” in the autumn of 1999. It was fortunate that Ismail Cem was at the helm of Turkish diplomacy at the time as he could respond adequately to the overtures by his Greek colleague, George Papandreou. The Greek-Turkish rapprochement paved the way to the momentous decision at the Helsinki Council in December to grant Turkey candidate status, after the rebuff in Luxembourg two years beforehand. Greece made a U-turn in its approach changing overnight from the prime obstacle to Turkey's integration to a leading advocate. In Helsinki, Bulgaria and Romania were given the green light to start membership negotiations with the Union. With Cem and Papandreou shaking hands, the two countries were no longer under pressure to strike a tricky balance in relations with Ankara, a key ally on the road to NATO and a significant economic partner, and Athens, a friend inside the EU and an important source of trade and investment.<sup>6</sup> Finally, the summit the EU re-energized its Balkan strategy through the Stability Pact and the Stabilization and Association Process (SAP), the institutional platform to steer the Western Balkans towards accession.

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Helsinki ushered in a truly unipolar moment in the politics of South East Europe. The EU became the dominant pole of attraction for the wider region. In both Turkey and post-communist South East Europe, the EU would wield its conditionality to shape domestic developments and guide reforms. Thus, the

EU expanded the scope for regional cohesion, particularly after 2002-3 when the AKP came into power and stepped up political changes in line with the EU's preferences, while the Western Balkan states were given a clear membership perspective at the Thessaloniki Summit of June 2003 allowing them to progress, at variable speeds, towards the ultimate goal of accession. The trend peaked in 2005 with Turkey and Croatia simultaneously given the green light to open membership negotiations with the EU and Macedonia upgraded into candidacy.

The shared destination strengthened trans-border links and facilitated Turkey's opening to South East Europe. After the Customs Union with the EU was completed in 1996, Turkey was able, or indeed required by Brussels, to conclude free trade agreements with Romania (March 1997), Bulgaria (June 1998), Macedonia (September 1999), the three countries it already enjoyed close political and business relations. Being part of the Customs Union meant aligning trade policy with that of the EU and allowing duty-free access to industrial goods from

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countries that already enjoyed associate status. Dismantling economic barriers gave momentum to the nascent forms of regional cooperation such as the South East European Cooperation Process (SEECP), a forum

of foreign ministers and heads of state and government that Turkey chaired in 1998 (and then again in 2010 with Davutoğlu as foreign minister). The SEECP established the foundations of multilateralism and functional cooperation in the Balkans and further institutionalized Turkey's prominent role in regional diplomacy. Turkey was also a founding member of the South East European Defence Ministerial, a Balkan platform linked to NATO's Partnership for Peace, and the multinational peacekeeping brigade it initiated. The post-1999 EU commitment to both Turkey and the Western Balkans pushed forward integration in the region too. Turkey concluded FTAs with Croatia and Bosnia Herzegovina in 2002 and Albania in December 2006, after all these countries concluded their own association agreements with the EU. The only one missing was Serbia and Montenegro, undergoing a process of slow divorce and having major differences in trade policies, preventing them to sign deals with the EU. FTAs with Montenegro were signed in November 2008, two years after the referendum that ratified Montenegro's independence, and with Serbia in June 2009. It is also important to take into account the deepening process of regional integration in the Western Balkans. Vehicles such as CEFTA 2006, a multilateral trade agreement, created incentives for foreign businesses, including from Turkey, to invest in a larger market, encompassing Albania, Moldova and Yugoslavia's successors except Slovenia, benefitting from a privileged access to the EU.



Photo: AA, Ömer Çetres

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All in all, it is fair to say that the golden era of enlargement between Helsinki and the global economic crisis in 2008-9 laid the foundations of Turkey’s growing presence in South East Europe. The interdependence fostered by the push from and the pull of Brussels linked more tightly the politics and the economies of Turkey and its neighbors. As a result Turkey itself transformed from a player in Balkan power politics into an economic gravity pole and dispenser of soft power.

### **The Balkans in Turkey’s “Neighborhood Policy”**

What the AKP government did was harness interdependence to translate it into diplomatic leverage. This is not a story limited to the Balkans; it has to do with the party’s broader strategy in international relations. “Engagement with neighbors,” from the Middle East to the Caucasus and the former parts of the Yugoslav federation, became a centerpiece of Turkey’s foreign policy. All the more with the stalling accession negotiations with the EU, which was an important cause for this rebalancing of priorities. The blockage of a number of negotiation chapters by Cyprus and France after December 2006 pushed Turkey towards diversification of regional alignments, a trend that became very visible after the war in Gaza in 2008. The advent of Ahmet Davutoğlu to the Ministry of

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Foreign Affairs in May 2009 marked an important step in that direction. The Western Balkans became one of the testing grounds of his doctrine of “strategic depth,” that is the pursuit of deeper economic, societal, and cultural links with Turkey’s neighbors. While Davutoğlu himself has consistently been dismissing the “neo-Ottoman” label, he does not

shy away from using references to the Ottoman imperial past in his vision for a regional order. In his Sarajevo speech, he opined that the time had come to rediscover “the true spirit” of the Balkans and bind the fragments into a more tightly-knit unit. Turkey was to play a principal part in that endeavor. “How does Turkey look at the Balkans?” he asked and added, “[w]e want to have a new Balkan region, based on political dialogue, economic interdependency and cooperation, integration and cultural harmony and tolerance.” To him “[Turkish] foreign policy aims to establish order in all these surrounding regions, in the Balkans, Caucasus, and the Middle East. Because if there is no order then we will pay the price.”<sup>7</sup>

Of course, one could easily dismiss the speech as rhetorical posturing fuelled by the minister’s fondness of imperial history. Besides, there was nothing original in commending on a glorious past. The reference to the Ottoman period has been a staple for very different strands in Turkey’s political life, and for very dissimilar reasons, since the 1980 coup promulgated the so-called Turkish-Islamic synthesis.<sup>8</sup> Yet, significantly, the AKP leadership has been prepared to invest into reinvigorating relations with Balkan governments and expanding Turkey’s influence on the ground, including through unilateral initiatives, as opposed to the plethora of EU- or NATO-sponsored multilateral formats. Parallel to the official channels, Turkish presence has grown, as elsewhere, thanks to civil society networks – e.g. the schools associated with the Fethullah Gülen, the local editions of the *Zaman* newspaper etc. A special role is also played by the Turkish Office of Religious Affairs (*Diyanet İşleri Başkanlığı*), owing to its influence over the official bodies representing Muslims in Balkan countries, The Diyanet is checking the advances and reducing the appeal of Wahhabi and Salafist groups as well as funding the restoration of many Ottoman monuments.<sup>9</sup>

Ironically, while the EU has brought together Turkey and the Balkans, the faltering influence of the Union now adds to Turkish confidence and prestige, bolstering a go-it-alone approach. The EU upholds the accession perspective – a clear contrast to dominant views of Turkey’s future in key member states such as



France and Germany – and remains the most significant political and economic force in former Yugoslavia and Albania, it has often been unable to act in a concerted fashion and influence day-to-day politics. Local political elites have postponed political and economic reform because the short-term costs outweigh the longer-term benefit. When one adds political problems such as the conflicts over Kosovo’s unilateral proclamation of independence and the name dispute between Athens and Skopje, it becomes clear why EU integration has stalled. The relative decline in Brussels’ leverage has, in turn, opened opportunity for other players such as Turkey, but also Russia and even China,<sup>10</sup> to fill in the gaps.

### *Regional Diplomacy*

Turkey’s Balkan initiatives in the 1990s aimed at balancing Greece or/and fostering political and economic cooperation.<sup>11</sup> To that end, they focused on friendly countries such as Macedonia, Albania, Romania and Bulgaria which, in turn, looked at Turkey as an asset in courting the US over NATO enlargement and, in some cases, standing up to Greece. Davutoğlu’s diplomacy, by contrast, targets Bosnia Herzegovina and Serbia and the legacy of the 1990s conflicts in former Yugoslavia. Deep internal rifts in Bosnia and the Kosovo issue in Serbia have delayed integration into the EU and NATO. Serbia officially does not pursue membership into the Alliance, because of its decision of military neutrality accepted by the Serbian parliament on December 26<sup>th</sup> 2007. Bosnia has tremendous symbolic value for both western Europeans and Turks. The political vacuum left behind after Butmir mediators from Washington and Brussels “packed up” in October 2009 has opened space for Turkey to act. Engaging Serbia is also important given the country’s central place within ex-Yugoslavia, or indeed the “Yugosphere,” a term coined by journalist Tim Judah, the relatively large - by regional standards - market. The low starting point in relations with Turkey has also provided a valuable opportunity for Turkey’s foreign minister to test in practice his “zero-problems” doctrine.

Turkey made a number of steps to establish itself as a mediator. First, it took advantage of its chairmanship of the South East European Cooperation Process (SEECP) in the latter half of 2009. On October 8, Davutoğlu met his Serbian and Bosnian counterparts on the margins of the scheme’s regular summit, held this time in Istanbul. He emphasized the need for constitutional reform in Bosnia as prerequisite for phasing out the Office of the High Representative (OHR), the international community’s principal tool for intervening in the country’s politics instituted by the Dayton Treaty. This strong linkage was consistent with the preferences of a majority of Bosniaks, though the minister was careful not to appear partial, and single out the very existence of Republika Srpska as a problem. Having Serbia onboard was therefore essential and Davutoğlu sought

to involve in the dialogue Serbia, represented by Foreign Minister Vuk Jeremić and later by President Boris Tadić too, the country's foremost pro-Western politician. Regular trilateral talks bringing together Serbia, Bosnia and Turkey coupled with Davutoğlu's tireless shuttle diplomacy paid off. In the spring of 2010, Bosnia Herzegovina sent an ambassador to Belgrade, after a three-year break, while Serbia's parliamentary body, the Skupština, passed the resolution on Srebrenica - a major step in the direction of confronting the past.

Despite this early breakthrough one should also not lose sight of the limits of Turkish mediation in Bosnia. Turkey has made several mistakes. During the elections in October 2010, it put all its bets on Haris Silajdžić, who lost the race for the Bosniak seat in the tripartite state presidency to Bakir Izetbegović, the son of war-time leader Alija Izetbegović. Both sides had instrumentalized the relationship for domestic gain; the AKP to showcase its support for fellow Muslims and Silajdžić to boost his electoral campaign with variable success.<sup>12</sup>

Turkey took a very risky bet, as Silajdžić is highly unpopular amongst Bosnian Serbs thanks to his repeated calls for the dissolution of Serbian entity Republika Srpska or, to use his own words, the "genocidal creation" (*genocidna tvorevina*). While Bakir Izetbegović reached out to Ankara after his election, the Bosnian Serb leadership has remained skeptical if not outright hostile. It is patent that any progress on constitutional reform or on making central state institutions functional cannot be achieved without Banja Luka and that Belgrade cannot speak on behalf of Serbs in Bosnia. Yet, building bridges has proven difficult. On January 29<sup>th</sup>, 2011, Nebojša Radmanović, the Serbian representative in the state presidency and a close ally of Republika Srpska's President Milorad Dodik, cancelled a meeting with Davutoğlu, when the Foreign Minister allegedly insisted that the Serb entity's flag ought not to be in the room.<sup>13</sup> In Bosnia and in the wider region, Turkey continues to be perceived as a patron of one of the local ethnic groups, rather than an impartial broker. Dodik has openly lambasted Ankara's alleged "neo-Ottoman" policies. Recent publications such as a book by the Orientalist Prof. Darko Tanasković, a former ambassador to Ankara, have provided ample ammunition to those Serbs harboring suspicions regarding Turkey.<sup>14</sup> Efforts to partner with Serbia and, after January 2010, with Croatia (through a series of Turkey-Croatia-Bosnia meetings) have not changed much popular attitudes.<sup>15</sup> Bosnian Croat parties have meanwhile also joined the "Turko-sceptic" camp. As a result, diplomats in Ankara have been mulling a joint initiative in Bosnia with Russia, seen as closer to Republika Srpska.

From a strategic viewpoint, Turkey has achieved much more in bilateral relations with Serbia than in managing the Bosnian stalemate. Rapprochement with Belgrade increased its pace in 2009 and 2010. First, President Gül visited Belgrade in late October 2009, accompanied by Labor Minister Ömer Dinçer.

That was the first such visit since 1986 when Yugoslavia was still in existence. At the time of the visit, relations had hit rock bottom. The reason was Turkey's early recognition of Kosovo's independence proclaimed unilaterally on February 17<sup>th</sup>, 2008. Serbia had not forgotten Turkey's role in the Bosnian war and especially its involvement in the Kosovo crisis when its F16 fighter jets operating from bases in Italy took part in NATO's bombing campaign. President Gül's visit was a game changer as it laid the foundation of a much more cooperative interaction and challenged the image of Turkey as exclusively focused on Balkan Muslims. First and foremost, the two sides agreed to disagree on Kosovo, a position Serbia has taken to all "recognizers," and to take a pragmatic approach. The Turkish delegation signed five agreements on infrastructure, transport and social security, building on the FTA that had already been concluded. The highlight of the visit was the announcement that three Turkish companies would be involved in the construction of a 445 km-long highway connecting Belgrade with the Montenegrin port of Bar. Dinçer announced that he had secured bank loans for the projects. Importantly, the projected highway passes through the region of Sandžak (from the Ottoman-Turkish *sancak*), home to Serbia's Muslim minority. Sandžak has important place in Turkey's engagement with Serbia.<sup>16</sup> In July 2010, Erdoğan visited the regional center Novi Pazar, opening a cultural center named after Atatürk. Both Davutoğlu and Erdoğan have been involved in mediation between rival factions headed by muftis Muamer Zukorlić and Adem Zilkić, one supported by Sarajevo and another looking towards Serbia, in the local Islamic community.<sup>17</sup> Turkey has tabled a proposal urging the two to give way to a consensus figure. Erdoğan's trip to Serbia also led to the signature of an agreement for lifting visas intended to boost travel and trade between the two countries.<sup>18</sup> Speaking at a joint business forum in Belgrade, the deputy head of the Turkish Confederation of Businessmen and Industrialists (TUSKON), an association linked to the Gülen movement, predicted that bilateral trade with Serbia would grow from USD 500m to 2bn in a few years.<sup>19</sup>

Serbia is a clear achievement for Turkey's Balkan policy. The challenge is making rapprochement sustainable, especially if the ruling Democrats lose power in Serbia to the nationalist-populist opposition headed by Tomislav Nikolić. Turkey has been thus far unable to use its improved relations with Belgrade in order to mediate on the Kosovo issue. Both Serbs and Kosovars look towards Brussels for a solution, not Ankara.<sup>20</sup>

### *Trade and Investment*

The key to Turkey's growing importance for the Balkans is the prowess of its economy recording steady rates of growth after the financial crisis of 2001. As trade and investment links with the region are deepening, Turkey's neighborhood

policy becomes much more intricate. Compared to the 1990s, there is now much closer interaction or even coordination between trade and investment, on one side, and state diplomacy, on the other. To be fair to the AKP's predecessors, this is a result of a longer process kicking off after the Cold War. But it is also true that the AKP leadership presiding over a period of robust growth and trade expansion has made the most of the linkage. As a rule, Turkish government delegations touring Balkans, as elsewhere accompanied by an entourage of business people - mostly men, rather than women - often coming from *millieux* close to the party itself. For instance, when President Abdullah Gül visited Bosnia on 2-3

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September 2010, ahead of the October elections, he was accompanied by 70 businessmen. The group was organized jointly by TUSKON and TIM (Turkish Exporters Union).

Turkey is increasingly more present on Balkan markets, even if it plays second fiddle compared to the EU. Overall, the region is not that important for Turkish exports, but

the Balkan countries (ex-Yugoslav republics minus Slovenia, Albania, Greece, Bulgaria, Romania) trade heavily with their larger neighbor. Exports hit a high in 2008 with USD 10.8bn, contracting by a third in the crisis year of 2009 to USD 6.9bn. Meanwhile imports stood at USD 4.5bn (2008) and USD 3.4bn (2009) (Turkish Statistical Institute, 2009). Still growth of trade is evident given that back in 2000 the total volume with the region, exports and imports combined, stood at 2.9bn. Though definitive data is yet to be released for 2010, there are indicators that trade volumes are picking up again, thanks to strong growth in Turkey (7.8%) and modest recovery in several Balkan economies.

Regarding trade relations, there are two sub-regions in the Balkans:

*EU members: Romania, Greece and Bulgaria* top the list of partners in South East Europe. In 2009, the trio accounted for 76 % of Turkey's exports and a staggering 94% of imports from the area. Romania, the region's largest country, is Turkey's most important partner as it accounts for 47% of Turkish imports and 32% of exports (2009). Turkey is the most significant non-EU destination for Bulgarian and Romanian exports and actually runs a trade deficit with both.

The continued importance of this cluster from the early 1990s onwards, and particularly of Romania, suggests business relations with the region have a logic of their own. Even if Turkish diplomacy has worked in sync with entrepreneurs,

economic opportunity, business environment, market size and, not least, the Turkey-EU Customs Union are what determines the directions of Turkey's trade and investment flows in the Balkans, not the choices made in the Ministry of Foreign Affairs in Ankara.

*Western Balkans.* A large share of imports to Albania, Macedonia, Kosovo and Bosnia comes from Turkey, facilitated by the FTAs in force. But at the same time, the region's export performance is improving – though all countries concerned run a deficit vis-à-vis Turkey. Thus, Serbia's exports nearly doubled from USD 55.8m 2009 to 109.5m in 2010; Bosnia and Herzegovina – from 52m to 72.3m; Macedonia – from 39.9m to 52.3m, etc.<sup>21</sup>

Increased trade flows have encouraged Turkish FDI into South East Europe, although Turkey's role is modest compared to the core countries of the EU. At a time when foreign investment ran dry owing to the global financial and economic crisis, Turkish business expansion made a difference, especially in the Western Balkans. Locals have welcomed such landmark business ventures as the Ramstore shopping mall built by Koç Holding in Skopje. Others, such as Ilir Deda of KIPRED, a respected public policy think-tank in Kosovo, have raised concerns that Turkish investors are crowding out businesses coming from France, Germany, and elsewhere in the EU.<sup>22</sup> Turkish firms investing or bidding for public contracts take advantage of close ties with politicians in neighboring countries, such as Bulgaria's (predominantly ethnic Turkish) Movement for Rights and Freedoms, which participated in the two previous governments. In 2004, Şişecam, a Turkish manufacturing group, unveiled a USD 160m glasswork factory near the Bulgarian town of Targovishte (Eski Cuma), in an area with a substantial Turkish population. MRF was a junior coalition partner in the then government. The deal was the biggest green-field investment in Bulgaria since 1989. By 2011, the conglomerate built four more factories in the region.

Turkey is now the third largest investor in Albania, overtaken by Italy and Greece. The Istanbul-based Çalık Holding has made significant investments in the telecoms and banking sector. In Bosnia, Turkey comes fourth after Austria, Slovenia, and Germany. Still, its total portfolio is estimated at EUR 115 m, which again is a relatively modest amount. Turkey's presence is felt in sectors such as banking (Bosnia, Macedonia, Kosovo) and increasingly transport. In late 2008, Turkish Airways acquired a 49% stake in BiH Airlines, the national

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carrier. It has also been involved in prolonged negotiations over the purchase of a controlling stake in Serbia's JAT. Turkish companies have won contracts to operate the airports in Prishtina, Skopje and Ohrid too. In Macedonia, the condition has been investing EUR 200m into the airports' infrastructure.<sup>23</sup>

### *Popular Culture and Tourism*

Cultural exports are increasing Turkey's popularity in the region. Ethnic Turkish minorities have long been exposed to its popular culture, but now majorities follow in their footsteps. After conquering Middle Eastern audiences, Turkish soap operas command top TV ratings in Bulgaria, Macedonia, Serbia, Croatia and Kosovo, beating US and Latin American competition. Huge crowds welcomed Necati Şaşmaz, the star of a popular TV series *Valley of the Wolves* (Kurtlar Vadisi), during his visit to Macedonia in September 2009. In February 2011, a survey found that Bulgaria ranks second, after Kazakhstan, in terms of the number of Turkish telenovellas purchased (27), followed by Azerbaijan (23), Macedonia (17), and Greece (8).<sup>24</sup> A mixture of sentimentalism and family drama appealing to Balkan audiences, the average Turkish soap displays glamorous lifestyle in metropolitan Istanbul and challenges long-standing prejudice against Turkey as a backward society. It adds to Turkey's soft power, even in societies such as Bulgaria, Greece or Serbia, where negative attitudes towards Turkey and Turks persist.

Television has also kept tourist interest high. Turkey is a favored summer destination for holidaymakers from across South East Europe, numbers rising each year since 1990. This includes Serbia, despite anti-Muslim propaganda, virulent even by Balkan standards, in the 1990s. Turkey was the third most-popular destination for Serbs after Greece and Montenegro in 2009. For years, Bulgarians have been the fourth- or fifth-largest group of visitors (1.25 million in 2008; 1.4 million in 2009 and 1.43 million in 2010) after Germans, Russians, Britons and, lately, Iranians. Bulgaria's prominence could be partly down to cross-border trips by dual citizens, whose numbers have reached up to 250,000. By comparison 355,144 Romanian citizens and 670,297 Greek citizens travelled to Turkey in 2010 (compared to respectively 366,698 and 616,489 in 2009).<sup>25</sup> The numbers of Serbs and Montenegrins are relatively lower (113,465 in 2010), but still twice the number of Bosnian and Albanian citizens traveling annually to Turkey.

### **Conclusion**

Much has been written and said about Turkey's new activism in the Western Balkans. But to understand the dynamics at play one must place current initiatives in their broader context. First, "the return to the Balkans" image is

misleading as it ignores past experience. Second, current engagement is rooted in a longer-term evolution in Turkey's approach towards the region and to all its neighbors, more generally. Despite the regional taxonomy coined by Brussels, the Western Balkans should be viewed as a segment within a broader South East European context, and not as a self-standing enclave. Turkey has pursued a strategy towards a wider circle of countries, including present-day EU members in the Balkans. Engagement and "zero-problems" had its start back in the 1990s and since has built up momentum with the EU and NATO expanding into the region. Serbia is only the latest addition to this policy. Europeanization tightened links with Romania, Bulgaria, and Greece and facilitated Turkey's outreach to the Western Balkans. Thirdly, in Bosnia and elsewhere, Turkish diplomacy stepped in to fill in a gap left by the EU members and the US. Its activism was not an extension of the long-standing accession bid but a response to the slow-down of enlargement. However, at the end of the day, Turkey owes more to its long-standing links to the West than to historical legacies which could be equally an asset and a drawback.

## Endnotes

1. This paper draws upon a chapter included in Ayşe Kadioğlu, Mehmet Karlı and Kerem Öktem, *Another Empire? Turkey's Foreign Policy Transformations* (Istanbul: Istanbul Bilgi University Press, forthcoming in 2011).

2. Piro Misha, "The Neo-Ottomanist Project and Albania," *The Tirana Times*, March 19-25, 2010. In August 2011, Davutoğlu's comments that Albanians should rethink the way they represent Ottomans in school books, made while on a visit to Kosovo, spurred a controversy in local media. What triggered the debate was the statement made by National Education Minister Ömer Dinçer, who visited Kosovo on 18 August 2011 and who said that the negative expressions about Ottomans and Turks in history books of Kosovo should be expunged. Foreign Minister Ahmet Davutoğlu who paid an official visit to Kosovo on August 26-27 said the Kosovo historians should free themselves of cold war and ideological history writing.

3. "Turkey in the Balkans: The Good Old Days?", *The Economist*, 5 November 2011.

4. Žarko Petrović and Dušan Reljić, Turkish Interests and Involvement in the Western Balkans: A Score-Card, *Insight Turkey*, Vol. 13, No.3, 2011, pp. 159-172; Erhan Türbedar, Turkey's New Activism in the Western Balkans: Ambitions and Obstacles *Insight Turkey*, Vol. 13, No.3, 2011, pp. 139-158. İnan Rüma, "Turkish Foreign Policy Towards the Balkans: New Activism, Neo-Ottomanism or/so What?", *Turkish Policy Quarterly*, Vol. 9, No. 4.

5. Cf. Philip Robins, *Suits and Uniforms: Turkish Foreign Policy since the Cold War*, London: Hurst, 2003, pp. 343-379.

6. As early as 1991-2, Bulgaria and Turkey signed a series of agreements on confidence building along the common border as well as on military cooperation. Relations improved dramatically after the tensions in 1984-9 over the assimilationist campaign carried out by the then communist leadership against the Bulgarian Turks resulting in a mass exodus in the summer of 1989.

7. Ahmet Davutoğlu, Speech delivered on the opening ceremony of the conference, Ottoman Legacy and Balkan Muslim Communities Today, Sarajevo, October 16, 2009.

8. Nora Fisher Onar, "Echoes of a Universalism Lost: Rival Representations of the Ottomans in Today's Turkey" *Middle Eastern Studies*, Vol. 45, No. 2, March 2009, 229-241. Also, Neo-

Ottomanism, Historical Legacies and Turkish Foreign Policy, Centre for Economics and Foreign Policy (EDAM) Discussion Paper 2009/03, October 2009.

9. See Kerem Öktem, "Between emigration, de-Islamisation and the nation-state: Muslim communities in the Balkans," *Journal of Southeast European and Black Sea Studies*, Vol. 1, Issue 2, 2011.

10. Witness Serbia's reluctance to attend the 2010 Nobel Peace Prize Award ceremony honoring dissident Liu Xiaobo.

11. Oxford Analytica, *Turkey – Balkan Strategy*, OA Daily Brief, 16 April 1998.

12. Dušan Reljić, *Die Türkei weckt alte Lieben und Freundschaften im Westbalkan*, Stiftung Wissenschaft und Politik, SWP-Aktuell 2010/A 69, September 2010.

13. Balkan Insight, Bosnia Presidency Chair Cancels Meeting with Turkish FM, 30 January 2011. <http://www.balkaninsight.com/en/article/bosnia-presidency-chair-cancels-meeting-with-turkish-fm>. The Turkish embassy in Sarajevo said it was "surprised" by Radmanović's claim that he had cancelled the meeting with Davutoğlu due to a row over the Republika Srpska flag. According to the statement, (placing Republic of Srpska in quotation marks!), Davutoğlu was delayed because of extended talks with Dodik and thus had to cancel a meeting with Radmanović. See "Excuses unfurl after Turkish FM's Serbian flag skirmish," *Hürriyet Daily News*, 30 January 2011.

14. Darko Tanasković, *Neoosmanizam – povratak Turske na Balkan* [Neo-Ottomanism – Turkey's Return to the Balkans], JP Službeni Glasnik, 2010. The book has been translated into Bulgarian shortly after its publication in Serbia.

15. In 2009, Gallup Balkan Monitor found that only 15% of Serbia's citizens held a positive view of Turkey. The same figure stands at 24% in Croatia, 40% in Bosnia, 73% in Albania, 80% in Macedonia and 85% in Kosovo. [www.balkan-monitor.eu](http://www.balkan-monitor.eu) (At the same source updated data is present).

16. Turkey remains popular with the province's population, a good part of which feels a strong bond with Bosnia. When Turkey won against Serbia in the final of the Basketball World Championship in September 2010, many locals rallied in the streets of Novi Pazar waving Turkish flags and chanting "Sandžak is not Serbia."

17. Similarly, Turkey intervened in the fight between two rival Chief Muftis in Bulgaria, with Erdoğan supporting Mustafa Aliş Hacı against Nedim Gendžev, a cleric implicated in the forceful assimilation campaign in the 1980s.

18. Serbia again is a latecomer. Citizens of most other Balkan countries have been travelling visa-free to Turkey since the 1990s.

19. *Today's Zaman*, 24 Feb 2011.

20. Prishtina's concern is that if Turkey steps in that may lead to Russian involvement too. Interview with Kosovar official, 18 November 2011.

21. Data obtained from the Statistical Institute of Turkey (TÜİK), <http://www.tuik.gov.tr>

22. *Balkan Insight*, Balkan Insight, Turkey's Balkan Shopping Spree, 7 December 2010 <http://www.balkaninsight.com/en/article/turkey-s-balkan-shopping-spree>

23. Turkish operator TAV opened the renovated terminal at Skopje Airport on 6 September 2011, after investing EUR 100m in its overhaul. The same month Macedonia was visited by Prime Minister Erdoğan.

24. *Novinite*, Bulgaria Second Largest Client of Turkish TV Soap Operas, 9 February 2011. [http://www.thebulgariannews.com/view\\_news.php?id=125082](http://www.thebulgariannews.com/view_news.php?id=125082)

25. Oxford Analytica, Trade and tourism boost Ankara's appeal, 11 December 2009. Health tourism to Turkey has been on the rise of late as well. See *Balkan Insight*, Turkish Health Sector Eyes Balkan Market, 10 May 2011.