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ARTICLES

INVOLVING TURKEY IN EU COMMON FOREIGN,
SECURITY AND DEFENCE POLICIES

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ABSTRACT

The article investigates if there are some converging lines between Turkish foreign policy under the Adalet ve Kalkinma Partisi (AKP) and the European Union (EU) common foreign, security and defense policies. Starting from an overall presentation of how Turkish main insecurity perceptions have so far shaped its foreign policy, we proceed to scrutinize the ambivalent attitude towards the EU which emerged during the AKP period. Despite the concerns raised by Neo-Ottomanism, Islamism and by the “Eurasian shift”, Turkey has provided a remarkable contribution to several Common Security and Defense Policy (CSDP) missions. Moreover, Turkey shares some of the same aims envisioned by the EU, such as the stabilization of Western Balkans. Therefore, we argue that there is already a common ground for a strategical involvement of Ankara in the future EU missions, for instance within the recent framework of Permanent and Structured Cooperation (PeSCo). Some Western Balkans countries (like Bosnia and Kosovo) would reap benefits from Turkish contribution, thanks to its historical and religious legitimacy.

Keywords: Turkey, EU, security, defense, NATO, Balkans.

INTRODUCTION

Turkey's relations with the European Union (EU) have suffered from ups and downs from the beginning. Despite the close ties established through the Ankara Agreement of 1963 (associate membership with the European Economic Community), the Helsinki European Council of 1999 (recognition of Turkey as a candidate country) and the start of the formal accession talks in 2005 (Huseyin, 2014), any significant step forward is bogging down. The lack of political will to boost the negotiation process creates a situation of stalemate and hinders the opening of the other chapters required by the EU enlargement policy. It is worth to highlight that 16 among 35 have been opened (and only one closed), whilst eight are still considered frozen, given that Turkey refused to implement the additional protocol on Cyprus (Phinnemore and Icener, 2016). Although not included amid the frozen chapters, the Chapter 31 (Foreign, Security and Defense Policy), whose strategical importance will be addressed by this paper, is currently paralyzed by Cyprus veto.

The support of Turkish public opinion for the EU membership is plummeting. Recent surveys of 2016 have portrayed a very gloomy picture, as they found out that 39% of the interviewed consider the membership as a "bad thing", whereas those who are in favor of the EU membership drop at 28%, compared to the higher percentages of the past (Senyuva, 2018). Conversely, according to the research published by Kadir Has University (2017), the 48.4% of the population supports joining the EU, which would tell a more optimistic version of the story. In other words, the loss of mutual confidence makes ineffective any further progress in the dialogue.

This data couples with the lukewarm and critical attitude from the EU side, due to the De-Europeanizing" (Aydin-Duzgit and Kaliber, 2016) path followed by Turkey in external affairs (regarded as a "Eurasian shift" (Talbot, 2018) or as an "international re-orientation") and to fall short of abiding by European standards in the domestic sphere. The crackdown against the opposition in the wake of the failed FETO (Fethullahci Teror Orgutu) coup of July 2016 (Yavuz, 2018) raised the concerns of the EU Parliament, which has recently voted for the suspension of EU membership bid. Though it is not binding, this pronouncement is a product of the anxieties of many European observers. It is likely to rekindle the hidden skepticism against Turkey expressed by some EU Member States.

Albeit the downturn in the relations between Turkey and the EU, the article suggests that there is still room to keep the two partners on the right track and to foster a functional cooperation in some sector. As a body of European and Turkish scholars underlined (Muftuler-Bac, 2017), the framework of an "external differentiation" might be a possible way to maximize the synergies existing in foreign, Defense and security affairs. Two caveats should be borne in mind:

- The formula of "differentiated integration" (Leuffen, Schimmelfennig, and Rittberger, 2012) is not supposed to sugar the pill of a "privileged partnership", which Ankara was offered in the past in substitution of the EU membership. Such a formula will never be accepted by Turkish policy-makers (Bagci, 2008).

- The paper is not conceived as an analysis of EU regional and global actorness, as an historical account of Common Security and Defense Policy (CSDP) or as an in-depth investigation of the projects in progress, such as the Permanent and Structured Cooperation (PeSCo). The latter will be scrutinized only with regard to the eventual involvement of Ankara. Our purpose is to understand Turkish foreign and security perspectives and whether there is a convergence between the external vision promoted by the Adalet ve Kalkinma Partisi (AKP) – considered as the player with most leverage in foreign policy-making - and the EU common foreign, security and Defense policies.

Two broad research questions explain the rationale behind this contribution:

- 1) Why is strategically central for both the partners to keep Turkey on board in the ongoing EU missions?
- 2) Which geopolitical scenario would allow to reap more benefits from Turkish contribution?

The article uses a deductive strategy and an interpretivist methodology. It describes different episodes of Turkish foreign policy rather than the analysis of one single case study proceeds as follows. In the first paragraph, we explore the main foreign security perceptions of Turkey. The background context is crucial to identify the pivotal areas, which usually raise the concerns of Turkish political and military elites. The second section delves into the core elements of AKP foreign posture over the last 15 years, with a specific focus on the different periods and shifts. Through the accurate periodization, we shed light on the ambivalent attitude toward the European Union under Erdogan leadership. The third paragraph addresses Turkish association and partnership with the EU common Defense projects and missions, firstly in the framework of the Western European Union and at a later stage, after the Treaty of Amsterdam, in the CSDP. It is worth to bring to the fore the advantages of Turkish involvement and the convergence between the two partners in the shared neighborhood. We contend that Turkish role should be emphasized in the missions carried out in Muslim-populated regions (such as Bosnia and Kosovo), as the deployment of Turkish troops might be positively evaluated by the locals. In the conclusions, the article provides some recommendations to make the case for a further functional cooperation between the EU and Turkey.

THE INSECURITY PERCEPTIONS OF A TURKEY IN ITS NEAR ABROAD

The Cyprus Issue

The geographical location of Turkey represents a double-edged sword, as it makes the country an obliged crossroad and a strategical hub among two continents and three seas. At the same time, the opportunities undisclosed by its favorable position might be overshadowed by the risks faced in the conflictual neighborhood. Thus, the extensive surveillance of borders, especially in the South-East, turns out to be a top priority in Ankara security agenda.

In this paragraph, I discuss the crucial drivers and the perceptions of insecurity which raise the concerns of Turkey in its geographical near-abroad, that is to say the South-Eastern Mediterranean, the Middle East, the Caucasus and the Black Sea. Besides, it is worth adding to the list the role – both symbolical and economic - played by Central Asia Turkophone countries in the Pan-Turkic geopolitical imagination, whose leverage in foreign policy decision-making has grown up since the fall of the Soviet Union (Imai, 2018). Even though the historical reconstruction of Turkish insecurity mindset exceeds the rationale of this article, it is useful to briefly sketch why some regions have been often perceived as a source of continuous threats. Firstly, the paper considers appropriate to zoom on the Eastern Mediterranean area, which generates frictions with some EU Member States.

The utmost value of the Aegean Sea and of the island of Cyprus for Turkish national security and Defense cannot be ignored. The two issues have constantly undermined the relations with Greece, which in turn has acted as one of the main sponsors of Cyprus accession into the EU. The maritime disputes in the Aegean troubled waters date back to 1964 at least, when Turkey extended its territorial seas from three to six nautical miles (about 11 km), in reaction to the same decision of Greece in 1936. This situation of precarious balance has persisted so far, with Athens controlling 43.5% of the Aegean, whereas Ankara is left with 7% and the other 49% for the high seas (International Crisis Group, 2011). The eventual extension of Greek territorial waters until 12 miles would materialize an existential threat and a *casus belli* by Ankara, independently from the political party holding the majority of seats in Turkish Parliament. This extension would allow Greece to occupy the 71% of the Aegean, in front of a limited increase of 1.8% of Turkish share. Turkey's fear of the deprivation of its right to explore and exploit the high seas is still palpable in how the Turkish MFA illustrates the maritime controversy (Republic of Turkey, 2019). Other matters of dispute and of possible escalation stem from: the absence of a delimitation agreement on the Continental Shelf; the breadth of the Aegean air space; the securitization of small rocks and islands, which are strategical assets in the competition for the control and the militarization of the sea.

The Greek-supported coup of 1974 in Cyprus brought about a syndrome of encirclement among Turkish military and policy-makers and prompted the invasion of the North of the island. The establishment of the Turkish Republic of Northern Cyprus in July-August 1974 was described as a “peace operation” to counter the threat of *Enosis* between Greece and Cyprus (Kaliber, 2005), which worsened the perception of Turkish insecurity from that moment on. The fracture with Cyprus hampered the process of negotiation with the European Union, despite the (failed) attempt by the AKP to reframe the security lexicon around the issue, during the first government of Recep Tayyip Erdogan (Bilgin, 2007). His willingness to downgrade the “vital security threat” into a mere “political problem” was a way to strengthen Turkish positions in the bargain with Brussels and to show a positive attitude towards the resolution of the conflict – in parallel with the endorsement of the Annan Plan by Northern Cyprus. Nonetheless, the efforts to prevent a zero-sum game failed due to Turkish opposition to the formal recognition of Cyprus and the opening of its traffic to the Nicosia, in compliance with the Additional Protocol to the Ankara Agreement of 1963 (Martin, 2015). Turkey will not be willing to backtrack from these two pillars

of its security strategy, in addition to a third pillar which is out of discussion – i.e. cutting the number of troops deployed in the TRNC (Ustun, 2010). What the EU deems as an “occupation of Cyprus soil” is indeed a “matter of honour for Turkey, comparable to the Falkland Islands for Britain” (Bagci, 2008). The same rationale explains Turkey’s reluctance to accept that in the future, after an eventual re-unification of the island, the Turks living in the North might be addressed as a “minority” and thus discriminated vis-à-vis the Greek majority. Furthermore, the race for the control of the Aegean Sea risks rising the tension between Turkey on one side and Greece and Cyprus on the other, in terms of freedom of navigation and of exploiting the natural gas resources that recently raised the interest of some regional actors.

According to Ankara, Greece and Cyprus are yet to give up the “maximalist national positions” placidly endorsed by the other EU Member States. These statements have been recently stressed in the aftermath of the Sixth MED7 Summit (France, Italy, Spain, Malta, Portugal, Greece and Cyprus) over the Aegean, Eastern Mediterranean and Cyprus issues. The outcomes of the meeting, according to the Turkish MFA, point at the Greek and Cypriot “abuse of their EU membership” and deem the final conclusions as “biased, unrealistic and contrary to the international law” (Ministry of Foreign Affairs of the Republic of Turkey, 2019), as the Turkish Cypriots’ rights on the natural resources of the island were once again denied and excluded from the talks.

The other areas of friction with the EU

The Aegean Sea aside, it is worthwhile to pinpoint the reasons why the strategical areas located on the Eastern side leave Turkey and its Western allies at loggerheads with each other. A short focus on three issues is needed to raise the awareness around Turkish security conundrums, which the EU policy makers should bear in mind whenever they sit at the negotiation table with Ankara.

- Chief among all is the threat of Kurdish terrorism (and no more of Kurdish identity as a whole (Yavuz, 2003) in the securitized cross-border region with Syria, Iraq and Iran. In this respect, Ankara claims that the EU should endeavor further in order to eradicate the Partîya Karkerên Kurdîstan (PKK) ramifications in some Member States and to neutralize its terrorist threat. Turkey’s disagreement around the US support of Northern Syrian Kurdish units of the Yekineyen Parastina Gel (YPG) - treated as another ramification of the PKK - might damage the relations with the European States, which are believed to send boots on the ground to fill the American gap in the Kurdish majority areas (Bostan, 2019). The phantom of Kurdish secessionism can be considered as a product of the so-called “Sèvres syndrome” or “Sèvres-phobia”, inscribed in the military mindset. The persuasion that the external world (the West) and their internal agents (the Kurds, but it might be extended to the Islamist as well) plot to weaken and to tear apart the Turkish State is difficult to exorcise in the military and in some political circles (Terzi, 2010).

- The Middle East has always been prioritized in Turkish foreign agenda³ and it is yet to placate the insecurity perceptions of Turkey for a variety of reasons - the management of water resources (Oktem, 2016), energy security (Tagliapietra, 2018), illegal migration flows (Yildiz, 2016) and the Israeli-Palestine conflict (Unal, 2017). Admittedly, the positions of Turkey and the EU chimed in on some recent dossiers (e.g. the management of refugees and asylum seekers). The latter should be managed as a key to bolster the partnership and to reduce several gaps emerged in the bilateral dynamics.
- Finally, the troubled and decade long relation with Armenia is yet to be appeased and might represent a liability in the negotiation with the EU. More than the posture of Erevan, the dialogue with Ankara is exacerbated by the contested political use of history by some Member States: namely, the recognition of the massacres of Armenians at the beginning of the XX century as a genocide. This is another matter of honor for Turkey, as long as it laments the double standards of western States, blind in front of the war crimes committed by the Armenians and of the terrorist attacks of ASALA organization in Europe. The suspension of diplomatic ties and the support of Azerbaijan in the Nagorno-Karabakh conflict (Bagci, 2008) weaken the reconciliation with Erevan.

These dossiers (Cyprus and the Aegean Sea) will be a very puzzling task for Brussels policy-makers. The EU should come to the terms with Turkey's logic, explained by the calculus of a geopolitical actor who wants to maximize its national security, as well as to meet the symbolical and emotional needs of the population, which in turn would interpret the signing of the Additional Protocol as "selling all the island to Greece" (Bagci, 2008).

The existing cleavage between the EU and Turkey involves the conception of their security culture: rooted in the traditional security concerns of the sovereign State, in Ankara, while conversely more inspired to post-modern and post-military way of interpreting security, in Brussels and in some European capitals. Despite the recent electoral success of radical right-wing parties in some influential Member States, the "clash of security cultures" (Bilgin, 2010) between Turkey and the EU has not been settled yet, as they have a different representation of what counts as a security threat. The EU's emphasis on topics like civil society, migration, human rights and environmental awareness cannot gain momentum at the same pace in Turkey, still affected by material threats such as low intensity warfare in the South-east, terrorist attacks, disputes over territorial and maritime borders and by the domestic hegemony of the National Security Council in the security discourses (Kaliber, 2005). This explains why the West has always been constructed ambiguously as a source both of inspiration and of economic development and of insecurity, isolation and

³ For a more comprehensive account, see the classical volumes of Philip Robins: (1991). *Turkey and the Middle East*. Council of Foreign Relations Press. New York; (2003). *Suits and Uniforms: Turkish Foreign Policy since the Cold War*. University of Washington Press. Seattle. On the latest seek for regional leadership, see Altunisik, Meliha B., Lenore G., Martin (2011). *Making Sense of Turkish Foreign Policy in the Middle East under AKP*, pp.569-587, Bilgin, Pinar, Bilgic, Ali (2011). *Turkey's "New" Foreign Policy toward Eurasia*. Eurasian Geography and Economics. 52(2): 189-191, and Onis, Ziya (2014). *Turkey and the Arab Revolutions: Boundaries of Regional Power Influence in a Turbulent Middle East*. Mediterranean Politics. 19(2): 203-219.

subalternity (Bilgin and Bilgic, 2012).

The guardianship of national security by the military was challenged and downsized by the AKP, during a head-to-head confrontation in which Erdogan's alleged reformism was partially endorsed by the EU. By contrast, the secular State bureaucrats and the voters of CHP were afraid that the former mayor of Istanbul – who had been affiliated to the Naksibend order (Yavuz, 2003) and to Erbakan's parties would have played the EU card to Islamize the country (Jung, 2008).

In the next paragraph, we will take into duly consideration the foreign policy-making of AKP, brought into further light as a breakthrough compared to the traditional Kemalist framework. Nonetheless, the fear of a “religious turn” in external affairs, similar to the domestic “Islamization” trend, was actually overestimated (Kaya, 2015). The step from a general analysis of Turkish constant foreign policy directions, which are often at odds with EU ones, to a particular discussion of AKP period is not a leapfrog jump. Reading together the two sections enables to interrogate whether Erdogan found a compromise with the EU around the most controversial issues and, therefore, which scenarios are to be considered as the most fruitful for the bilateral cooperation.

THE EXTERNAL RELATIONS OF AKP: EU-PHORIA AND ISLAMISM AS RAGMATIC FOREIGN POLICY TOOLS

This section copes with the pivotal ideas and drivers at the core of AKP foreign policy and of its main artisan, the current President Erdogan. His preponderance in Turkish political system, lawfully enshrined by the constitutional referendum of 2017, is a matter of evidence (Gorener and Ucal, 2011). Besides the remarkable leadership of Erdogan, the only profile who managed to bear a sort of clout on Turkish external choices belongs to Ahmed Davutoglu, a notorious academic and the former Minister of Foreign Affairs and Prime Minister. In spite of that, its ambitious conceptions of “Strategic Depth” and of “Zero-problems with the neighbors” crumbled apart, as we can notice in the Syrian quagmire.

Our first aim is to catch the conceptual nucleus of AKP foreign posture in the geographical scenarios more sensitive for the relation with the EU, and, in a second moment, to dwell on the involvement within the foreign, defense and security policies envisaged by Brussels. Before proceeding to the division of the AKP governments in four different phases, it is worth putting the accent on the uncomfortable heritage Erdogan had to deal with after the landslide 34.2% gained in the elections of 2002. The party, aware of its linkages with political Islam, attempted to prevent the risk of another military coup, as the Turkish National Security Council prioritized Islamism as “the number one security threat” after 28 February 1997 (Yavuz, 2003). Therefore, the new PM severed the ties with the past, embodied both by the secular Kemalist political class (perceived as a distant elite by the religious Turkish masses (Jung, 2008) and by the Islamist “counter-elite” (Gole, 1997) of its peers. The AKP departed from the previous domestic and foreign policy preferences, for instance with regard to the fulfilment of the Copenhagen criteria, highly criticized by the Kemalist deep State and of the toughest Islamist wing (Haas, 2012). Therefore, trying to

delineate a periodization of AKP-EU relation might be analytically helpful.

- A. The first phase (2002-2005) was one of “compromise” between Turkish Muslim and Eastern identities, on one side, and the adhesion to European civic and normative sphere of values, on the other (Ertugrul and Yilmaz, 2018). The dialogue with the EU was given a special priority: thus, this progressive attitude of Erdogan’s party received the endorsement of the EU and of part of literature (Kirisici, 2008), who looked at the reformist path with temperate optimism. The fresh start was signalled by the harmonization packages approved by Turkish Parliament, in order to set off the membership negotiation process in 2005. Nevertheless, the 2002 AKP electoral manifesto stated that Turkey had close cultural ties with other regions (Middle East, Central Asia, Balkans) (Ertugrul and Yilmaz, 2018), not only with NATO and the Western partners. The rapprochement with the EU was instrumental to ensure more leeway for the groups of Islamic intellectuals, schools, charities and organizations, which were marginalized by the assertive secularism of Kemalists. The ambivalent posture of Ankara was in tune with the rhetoric of Turkey as a bridge between two continents and two civilizations.
- B. After the launch of the United Nations Alliance of Civilizations in 2005, which was first proposed by the Spanish PM Zapatero and co-sponsored by the PM Erdogan, the peak of the appeasement momentum was reached. Nonetheless, the same narrative of the dialogue of civilizations was a softer way to address the otherness of two partners constantly at odds around several issues. Only 12 on 35 chapters of the negotiations were opened, and one was provisionally closed. This second phase (2005-2009) might be described as “liberal” since Ankara accomplished several diplomatic efforts in the broad Middle East region: mediation in long-standing conflictual situations (Israel-Palestine, Israel-Syria, Iran, Lebanon); promotion of the trade; support of the diffusion of norms and values (Imai, 2018) - inspired by a “civilizational” paradigm (Bilgin, 2004). Notwithstanding the commitment of Erdogan towards the European Union, the traditional eastward foreign policy driver was maintained, while the Ottoman heritage and the pan-Turkic ideology were revitalized⁴. In the meantime, the crackdown of 2007 against part of the military – which was dubbed as the “Eurasian clique” - in the Ergenekon and Sledgehammer cases unearthed some limits of Turkish rule-of-law (Ozpek and Yasar, 2018).
- C. The lexicon of a civilizational geopolitics successively bloomed during the Ahmed Davutoglu six years as Minister of Foreign Affairs (2009-2015), which might be read as a third phase of AKP foreign policy. According to the well-known theorist of IR, it was time for Turkey to abandon the overused image of the bridge (“a passive entity between two sides” (Arkan and Kinacioglu, 2016)) and to behave as a pivotal actor in multiple contexts. In particular, as a regional and global

⁴ The first summit of Turkish speaking countries was organized in 1992, where the Central Asian Republic were still dwarfed by Russian influence. Later, the “Congress of Turkic States and Communities” held in Baku in 2007 represented a more pronounced step forward to tighten the ties with the former Turkophone Soviet Republics. See Bilgin, Pinar, Bilgic, Ali (2011). *Turkey’s “New” Foreign Policy toward Eurasia*. Eurasian Geography and Economics. 52(2). p. 188.

leader under the flagship of its unique historical and religious identity - “Muslimhood became the scope of Turkishness” (Saracoglu and Demirkol, 2015). Therefore, the Islamic Weltanschauung was bolstered in the domestic project of nation-building and prioritized over the once popular magnetic attraction towards the Western principles. The new foreign horizons, inspired by pan-Islamic wishful thinking, collided with the normative model inscribed in the European theoretical conception of the International. The shift ushered in by the Davutoglu era was expressed by the celebration the Muslim identity of Turkey and the external grandeur of Ottoman heritage. Notwithstanding the celebrity of his theories - such as the Strategic Depth and Zero-problems policy (Davutoglu, 2001) - the ambitious program was tamed by the pragmatism of Erdogan, the *deus ex machina* of Turkish foreign policy. Elected president on August 10, 2014, he stopped backing the positions of Davutoglu in the aftermath of Syrian unsuccessful campaigns and cut off with the idealistic approach championed by the Professor.

The mandate of Davutoglu was about to face the chaotic uprisings wrought havoc in the region (Acikalin and Bagci, 2015). If the Israeli attack on the Turkish Mavi Marmara flotilla (May 31, 2010) had already revamped his solidarity with the oppressed Palestinian people, the Arab Spring was interpreted as a sudden occasion for Turkey to lead the normalization of the Middle East. Accordingly, such a geopolitical goal could be accomplished thanks to the historical legacy of Ottoman Empire, seen as the last embodiment of civilization and of pacific coexistence of different religions and traditions (Baskan, 2018). Consequently, these events contributed to invigorate Davutoglu’s intellectual and religious beliefs.

- D. The fourth phase (2015-present) coincides with the appointment of Mevlut Cavusoglu as Minister of Foreign Affairs. The failed coup attempted by the Gulenist wing of military forces represented a watershed in the recent domestic affairs. The centralization of power entailed in the new Presidential Republic, lawfully enshrined by the constitutional referendum of 2017, paved the way for the intensification of the dialectic friend/foe in Erdogan’s politics. In terms of external policies, the religious and ideological inspiration was partially loosened and substituted by the quest for the maximization of national security. Such a pragmatic aim could be accomplished both in multilateral efforts to settle some troublesome political issues (the Refugee Deal with the EU on March 18, 2016, or the ongoing “Astana peace process” on Syria with Iran and Russia) and in unilateral decisions to stabilize the troubled southeastern border. The preponderant role of Erdogan in the definition of Turkish foreign policy should not be underestimated, as it exemplifies the importance of individual-level variables for the literature on Foreign Policy Analysis (Gorener and Ucal, 2011).

To sum up, it is possible to notice that different modalities of imaging foreign affairs stand out during AKP period. Yet, some leitmotiv can be retraced since the conservative Islamic party won the elections in 2002. The appeasement with the EU veered the conduct of Erdogan and its affiliates in the first AKP government, in sight of the accession negotiations. However, this sympathy

derived from the opportunity to play the card of EU candidacy, rather than from true commitment to EU norms and values. In the aftermath of the Euro-crisis and then of the Arab Spring, the positions have gradually diverged and now they stalled on the verge of a breakpoint.

This aligns with the backbone of AKP foreign-policy vision, which lays down two entangled principles. The first one is the progressive centrality of Islamic identity as a framework of religious and cultural references, inspired by Erbakan's blending of religiosity and anti-Westernization (Dikici, 2008) and partially to the "Turco-Islamic synthesis" of the Eighties (Yavuz, 2003). During AKP era, the speeches of Davutoglu became the highest expression of the merge with the Islamic-oriented narrative, rooted in a norm-based, moral and humanitarian vocabulary (Arkan and Kinacioglu, 2016). The increasing critical stance toward Westernization, criticized as a form of annihilation of Turkish inner identity, coupled with the open support for the regional Muslim Brotherhood networks (Palestine, Egypt, Tunisia).

The second one is the narrative of the revival of Ottoman legacy and the so-called Neo-Ottomanism, a controversial concept which, though absent in Davutoglu academic production (Imai, 2018), was meant to present Turkey as the historical center of gravity for the regional peace and stability. The Ottoman heritage picked up by the AKP privileges a celebration of the Sultanate of Abdulhamid II (Ozkan, 2014), whereas the Tanzimat period and its mimicry toward the West are left on the edges, since "the whole process of modernization estranged the elites from the masses: while the former became Westernized, the latter remained Muslims" (Baskan, 2018). As for the aspirations of creating a Pan-Turkic geopolitical space, this is more likely to pan out through the promotion of trade and of the common linguistic heritage, rather than through real political achievements. Admittedly, the notion of "Pan-Turkism" should be read as a minor tenet in AKP ideological toolbox, for it was shaped as a sort of electoral devise to lure the nationalist right-wing voters.

The civilizational turn in AKP foreign-policy discourse ends up, nonetheless, in a partial failure. A more thorough glance unveils the shortcomings of the Islamic-centered visions and the hidden pragmatic and populist rationale behind the main foreign-policy drivers. Davutoglu's idea of pan-Islamism is an intellectual mirage, which owes so much to Western classical geopolitical thinking (Mackinder and the Germans' theorists of Lebensraum) and falls short of addressing the real problems of Islamic world (Ozkan, 2014). The rationale behind the failure lies in the ambiguous posture of Turkey, whose internal struggle between Western and Muslim slowed down the necessary actions to deploy enough hard and soft power and to impose the leadership in the former Ottoman space.

Turkey lacked the Islamist symbolical and financial capital to lead the Arab Spring uprisings in sectarian terms – as Saudi Arabia managed to craft (Cinar, 2018). The Islamic impulse was exploited indeed as a remarkable foreign-policy asset, in order to strengthen the ties with Iran, Palestine and Muslim Brotherhood (Haas, 2012). It was the product of a realpolitik calculus, which instrumentalized the palpable religious breath shared by Islamist actors in the region. Accordingly, the symbolical potential of religion was harnessed as a tool to reach some pragmatic purposes, such as the possibility of the EU membership

and the “popularization” and de-militarization of foreign-policy agenda. Nevertheless, this use of a religious lexicon was not enough to take the lead of the Arab spring, hegemonized by the Gulf States, which are far more legitimate and wealthier actors in the Arabic and Islamic theatre (Kamrava, 2012).

Pragmatism, declined through populist methods and centered on the Islamic norms, is the main axis of AKP foreign policies (Baskan, 2018; Ozpek and Yasar, 2018). In the next section, we will try to understand whether and in which situation this posture might chime in with the EU common foreign, defense and security policies.

At a first sight, many doubts arise around our suggestion, due to the alleged democratic reversal of Turkish political system (Sommer, 2016) and to its geopolitical pragmatism. Some motives of friction emerge in relation to the areas of common interest. As Davutoglu stated in one conference of 2011:

It is not our intention and goal to become a peripheral region of the European Union when we enter the EU and Balkans. Our aim should be to create not the community of second-class and needy countries, which are not in the decision-making mechanisms but a new Balkan geography, which shapes the destiny of Europe. Our aim should be grounded in such a vision (Davutoglu, 2011 Quoted in Ertugrul and Yilmaz, 2018).

Nevertheless, it can be argued that Ankara needs to preserve cooperative ties with the EU and to gain international respect through coalition-building, rather than showing off hard and soft power for unilateral purposes. For some instances, the Western Balkans are the best scenario to beef up the mutual trust and to launch a sound partnership, in order to repeat the past success of peacekeeping and civilian missions. Herein, we argue, there is an opportunity of convergence to seek. Despite the fear of an Islamization of foreign policy, some scholars argue that the religious legacy emphasized by AKP – especially in the shape of neo-Ottoman revival – makes the case for Turkish interventions in part of its “geographical and emotional hinterland” (Aydintasbas, 2019) populated by large segments of Muslims who might positively endorse its intervention.

TURKEY’S CONTRIBUTION IN THE EU CSDP: MILITARY AND CIVILIAN MISSIONS IN THE BALKANS

From the WEU to the CSDP

As mentioned above, the Turkish hesitant optimism for the establishment of deeper ties with the EU is gradually fading away, since 81.3% of the respondents believe that Ankara will never be granted a full membership status (Senyuva, 2018). Such a lack of trust derives from the perceived ambiguity of the EU intentions, as only a minority of the participants seems to believe in the integration of some controversial policies - liberalization of visa and freedom of mobility, structural funds and agriculture. Yet, the scenario gets even darker since the prospect of Turkish membership in some core Member States is out of question not only for radical right populist parties, whose Islamophobic rhetoric is gaining momentum after the migration crisis in the Mediterranean and the jihadi attacks in Europe (Kaya, 2018), but also for more moderate segments of

the electorate (Phinnemore and Icener, 2016).

Despite the stalemate in the negotiation and the peak of skepticism of the two public opinions, this section argues that the possibility to involve Turkey in some of the EU common foreign, security and defense policies is yet to be abandoned. The persistence of Cyprus' veto on Chapter 31 of the accession process did not hamper Turkey to provide a remarkable contribution to several missions in the Common Security and Defense Policy.

Taking Turkey on board in the framework of the PeSCo might bridge the gap in security mentality and bring additional value to the partnership. Some common goals are pursued in the shared neighborhood - fight against terrorism and radicalization, promote regional stability, foster economic trade and energy cooperation, enforce the peace in war-thorn theatres, provide humanitarian assistance to refugees, support the transnational civil society networks, ease regular migration and curb irregular movements. We express this opinion with the strong awareness that an empirical validation is yet to be provided on the ground, as the definition of the projects is still ongoing, and further time is needed to assess the possibilities suggested by the essay.

Before coming to the latest developments in the military field, it is worth describing how Turkish participation was guaranteed starting from the initial European efforts to build common security and defense mechanisms. The Treaty of Maastricht of 1992 was undergirded by three pillars. The second one concerned the need for European States to coordinate foreign and security policies through intergovernmental methods, with the ratio of leaving less room for the supranational institutions of the Community and thus saving the prerogatives of the sovereign States.

Prior to the launch of the European Common and Security Policy (ECSP) in the Helsinki EU Council (December 10-11, 1999), the basic principles of the Western European Union (created in 1948) had already evoked the possibility for the European States to launch joint military operations and to deepen the political cooperation. Every option on the table had to be formulated under the umbrella of NATO, which was closely linked to the WEU in the framework of the European Security and Defense Initiative (ESDI). The anchorage to the Atlantic Alliance has never been challenged by the EU Member States, who recognize the impossibility to meet the military needs in autonomy and of the negative signs of political distrust that an independent ECSP would entail. The partnership with NATO is one of the crucial tenets which allowed to open the door for Turkish involvement in the WEU and later in the ECSP, for the US steadfast lobbying toward the inclusion of Ankara - regarded as a fundamental strategical and geopolitical asset (Cebeci, 2011).

Turkey enjoyed a relatively privileged status of associate membership in WEU, wielding more influence than any other non-NATO members do. According to 1992 Petersberg Declaration of the WEU Council of Ministers, Turkey was given the possibility to join the process of decision-making (but not to block a decision); to participate in their implementation ("unless a majority of the Member States, or half of the Member States including the Presidency, decide otherwise"); to be granted the same prerogatives of full members in WEU military operations, to which they commit forces. The package of rights was

granted in return of a financial contribution (WEU Council of Ministers (1992) quoted in Blockmans, Steven (2010). The position of relative advantage of Turkey was downsized as soon as the associate partners acceded to the EU and to the ESDP, while the associate members were denied the same rights; despite some of them (like Turkey) could put forward their NATO membership in the bargaining process. Besides, NATO reiterated the commitment to the ESDI framework and the recognition of the fledgling EU/CSDP initiatives, strategically complementary with the Atlantic Alliance's aims, as stated in three fundamental occasions:

- the signing of the Berlin Plus Agreement (1996) and its three pillars - non-use of CSDP among NATO allies; non-inclusion of non-NATO partners; NATO-first approach (Acikmese, Akgul and Triantaphyllou, 2012);
- the high-ranking summit of St. Malo between France and UK (1998), meant to agree on the deployment of EU common operations in line with the "3D prohibition" stated by the US Secretary of State Madeleine Albright: no Duplication of capabilities, no Discrimination of NATO allies, no Decoupling of transatlantic ties;
- the Washington Summit Communiqué of April 24, 1999.

Some among these criteria were intended to rescue Turkey from the humiliation of an underrated role in the ESDP. The Feira European Council of June 2000 foresaw a mechanism of consultation with non-EU NATO partners, in a 15+6 format, which left less leeway for Turkey, if compared to the WEU (Blockmans, 2010). The US and the UK - the most influential sponsors of Turkey's EU membership - intervened to immunize Turkey's geographical proximity from eventual European autonomous operations. This compromise was sealed by the Ankara Agreement of 2002 and deemed as a necessary move to alleviate Turkish perceptions of insecurity (Acikmese, Akgul and Triantaphyllou, 2012). Therefore, it cobbled the way for the successful involvement of Turkish personnel in both military and civilian missions.

Despite the laments around the exclusion from the decision-making process, Turkey has contributed to the EU-led military mission (EUFOR-ALTHEA) and police-mission (EUPM) in Bosnia and Herzegovina; to the EULEX mission in Kosovo; to CONCORDIA (military) and EUPOL (civilian) Proxima in North Macedonia; to EUFOR RD Congo (military) and EUPOL (civilian) Kinshasa in the Democratic Republic of Congo. The help provided so far has been generous and appreciated, above all during the operation in EUFOR – BiH, where 274 have been deployed, ranking second among the major contributors (Tardy, 2014).

Turkey in the Western Balkans: an asset for the stabilization of the region

Turkey embodies a very significant partner, for it boasts the capability to dispatch boots on the ground and to play an active role in crisis management operations. The material support aside, there are a great deal of advantages, which Turkey can count on to contribute to the stabilization of the Western Balkans.

- The first one can be identified in Turkish commitment to describe its foreign endeavors as typical of a regional, or even global, peacekeeper actor in the post-Cold War society. The self-perception as a contributor to the world peace encouraged Turkey to join different campaigns – observer missions, UN-led peacekeeping missions, civilian police missions and sub-contracted “robust” Peace Support Operations (Bagci and Kardas, 2004). This aligns with the more liberal fashion shaped for Turkish international presence by AKP in the first fruitful phases of Erdogan governments. As an example, the “Istanbul Declaration” of 2010 enabled Serbian recognition of Bosnia territorial integrity and mended the diplomatic ties between the two countries (Aydintasbas, 2019).
- The intense trade activity turns out to be the topical interest of Turkish elites - which should be interpreted in line with the pragmatic shift mentioned in the previous section. However, Turkey is still a marginal economic actor in the region and this matter of fact confirms that any fear-mongering around the neo-Ottoman penetration is misperceived.
- The growing diffusion of Turkish soft power in the Balkans creates an even more suitable background for the joint operations. One variable to interpret Turkish influence is the activism of the Presidency of Religious Affairs (Diyanet) in the religious field. The Diyanet emerges as a foreign policy tool, not only to boost Turkish legitimation as a country who acts in the name of Islamic solidarity, but also to sponsor the agenda of AKP within the transnational Turkish diaspora (Ozturk et al.2018).
- Another factor to bring to the fore is the reticular presence of the Yunus Emre centres, conceived on the standards of the British Council and the Goethe Institute in order to entice young people into learning Turkish language - even if the lectures remain attended by a scarce number of students. The emphasis on the cultural sphere goes together with the humanitarian tasks carried out by Turkish Aid Agency offices (TIKA), whose 18% of the development aid is earmarked for the Western Balkans. Turkey bears a sound reputation in the field, since it occupies the first place in the Global Humanitarian Assistance report, as the most generous country donor in the world (Global Humanitarian Assistance Report, 2018). Hence, TIKA uses most of its budget to renovate Ottoman-era buildings and mosques (Aydintasbas, 2019).
- The symbolical value of religion and of the Ottoman/Hanafi version of Islam still dominant in the region (Oktem, 2012) might be harnessed in the context of peace-keeping and peace-building operation. The nexus between religion and peace-keeping/transitional justice and operations is a cutting-edge topic for scholarship (Soeters et al. 2004; Bosman et al. 2008), for it provides challenging hermeneutical keys to approach the reconstruction of social environments. Though the promotion of interreligious dialogue belongs to a different field from the military one, it would be worth to further explore whether there is a potential advantage in the deployment of troops sharing the same religious background of the population. Admittedly, up to now, one of

the few comprehensive quantitative analyses, covering all the Turkish peacekeeping missions, downplay the hypothesis that the presence of Muslims has had “discernible effects on the decision to participate in a UN PKO” (Yalcinkaya, et al., 2018).

Turkish presence in the Western Balkans might produce constructive outcomes, especially in relation to the cultural and religious similarity which can facilitate the interaction with the Muslim population, for instance in Bosnia and Kosovo (Bageci and Kardas, 2004). Another point of convergence can be traced with regard to the Western Balkans integration into the European framework, which Turkey considers as a gateway, more than a Trojan horse, for its trading policies and economic interests.

Although a quite positive reputation in the region, Turkish economic, cultural and religious clout should not be exaggerated. Neo-Ottoman nostalgia works better as a domestic slogan than as a practical tool to lure the locals, who mostly depict the Ottoman age as a dark memory of the past – except for Bosnian Muslims (Aydintasbas, 2019). Admittedly, Turkey’s new role as a transnational Muslim power has been welcomed by some, if not by all, governments, such as Albania, Bosnia and North Macedonia (Oktem, 2012). This is in line with the main premise of the paper, which calls for Turkish involvement in Western Balkans within the framework of the EU missions, while never endorsing the claims of Neo-Ottoman propaganda, and especially in the Bosnian theatre.

INVOLVING TURKEY IN PESCO AND STRENGTHENING THE PARTNERSHIP IN THE DEFENSE INDUSTRY

Though time is not running out inexorably, the gap is getting harder to fill. Throughout the ten years 2003-2014, Turkish alignment with CSDP positions has strikingly decreased, as the periodical Reports of the Commission put in the spotlight. The apparent friction deteriorated the relations in 2011, when Turkey refused to align with EU restrictive measures on Iran, Syria and Libya (Jorgensen, 2016). As a NATO member, including Turkey in some decision-making processes can be an acceptable pay-off in return of burden sharing in the future EU security operations. If the questions of Turkish exclusion from the European Defense Agency and from the exchange of classified material appear to be both frozen by Cyprus double vetoes, the eventual participation of Ankara in some modules of the PESCO raises a couple of hopes (PESCO, 2019). Cyprus and Greece are likely to stand against Turkish participation, but the flexible nature of the future operations unlocks the door for a selective inclusion of non-EU NATO members (Aydin-Duzgit and Marrone, 2018). The cooperation might occur in the projects based on the development and the transfer of Defense technology, which would meet the requirements of Ankara in this field (Bageci and Kurc, 2017). Having said that, Turkey ought to soften some positions based on direct and muscular confrontation, to adjust the Eastward trajectory and take more decisive steps in healing the wounded relation with the EU. We repeat again, conscious of the empirical limits of this study, that further time is needed to validate the hypothesis mentioned above.

The call for a sounder involvement of Turkey in the EU security and defense

policies might be justified also by the existent strategic alliance with some European countries in the field of the defense industry. In this respect, the partnership between Turkey and Italy can be brought to the fore as a successful case study, based on mutual trust and on a decade long growth of trade and investments. It is worth addressing the huge progress made in the areas of aerospace, ammunitions, maritime and electronic warfare. The most brilliant outcome of defense industry cooperation is the T129 ATAK Helicopter, which “has been effectively used in operations by the Turkish Armed Forces since 2014 and has demonstrated its proven success in the battlefield”, as stated by Ismail Demir, President of Defense Industries (Demir, 2018). Moreover, significant accomplishments have been made in space-satellite technology (GOKTURK Project), Maritime Patrol Aircrafts (MELTEM-3 Project) and as far as the F-35 Project is concerned – notwithstanding the recent stalemate around the acquisition of Russian S-400 missiles.

Additionally, many efforts are dedicated to implement the 18 months “Concept Definition Study” signed by Aselsan-Roketesan with the EuroSam Consortium, as a stage of the Long-Range Air and Missile Defense Project launched on January 5, 2018. EuroSam - established in 1989 as a joint venture of MBDA Missile Systems and THALES - was selected as a pivotal partner in the definition of a future indigenous air and missile defense system, which would make the case for the Turkish presence in the EU differentiated integration schemes. Anyway, at the moment clear signs of full commitment with some Western partners are yet to be manifested from Ankara. This attitude might be interpreted as being at odds with Italian availability to technology transfer and co-design, both crucial for the development of further local expertise in the sector, urgently needed to achieve a more self-sufficient defense industry (Bagci and Kurc, 2017).

The convergence between Turkey and Italy in the foreign, security and defense field creates a win-win situation that should be kept in mind by all the actors involved, such as the private investors who reap hefty benefits from the ongoing projects. Strengthen the ties in the defense industry is a strategical choice which encompasses a broader bilateral commitment to foster scientific and technological innovation and to boost the Research and Development (RandD) activities.

CONCLUSIONS

This short essay tries to decipher if there is the possibility to find common ground between Turkish foreign policy and the EU common foreign, security and defense projects, with the purpose to involve Ankara in some ongoing European military operations. We argued that, although the evocation of Neo-Ottomanism and the use of Islam as a foreign policy tool, these narratives are selected symbolically by AKP to achieve more prosaic goals, such as the acquisition of the EU membership or the internal competition with the Kemalists for the definition of foreign policy priorities. We also stressed that the political exploitation of Islam is usually expressed through populist methods, which widely shape the foreign policy worldview of the AKP.

We addressed how Turkey contributed successfully to the peacekeeping military

and civilian missions carried out in the Western Balkans and how it has aligned for years with most of the CSDP positions. We argue that, notwithstanding the decreasing endorsement of EU policies and the lingering vetoes on the opening of Chapter 31, the benefits of Turkish participation still outdo the eventual shortcomings. The EU States which have always championed a stronger Turkish participation should insist on the positive outcomes blossomed in the missions of the last decade and on how the cooperation would be again strategically central for both the partners (Research Question 1).

To sum up, we hold that there are some shared interests and goals in the conception of AKP and EU foreign policy, at least regarding the stabilization of Western Balkans, where Turkey might provide a consistent contribution (Research Question 2). This vision might be achieved, as we suggested, in the flexible institutional framework of PeSCo, whose multiple modules pave the way for closer ties with non-EU NATO third-countries in security operations and in the defense cooperation.

The article uses a deductive strategy and an interpretivist methodology. It describes different episodes of Turkish foreign policy rather than the analysis of one single case study. The conclusions provide theoretical suggestions that should be validated on the ground by further scholars' research. Albeit this methodological limit, we strongly emphasize the contribution given to the literature on Turkish foreign policy and on the EU foreign policies. More specifically, the originality should be appreciated as far as the authors have tried to insist on the shared and often overlooked affinities between the partners rather than stressing the broken ties.

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THE STRAIT OF HORMUZ AND IRAN'S INTERNATIONAL RELATIONS

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ABSTRACT

The demand for energy in the world is increasing day by day, and for the countries that have an energy deficit, the uninterrupted and safe energy trade has vital importance. An important part of energy trade is provided by the sea and this makes the strategic straits more valuable than ever before in history. The most important of these straits is the Strait of Hormuz (SH), which is a key to the transportation of the Middle Eastern oil and that natural gas flow to Europe, the South Asia and the Pacific. The SH has attracted the attention of the whole world due to the recent diplomatic crisis between the US and Iran. In the event that Iran does not terminate its nuclear activities, the US's declaration on blocking the Iran's petroleum trade and Iran's announcement in shutting down the SH directly to sea trade have increased the tension in the region. It is inevitable that these potential initiatives seriously disrupt the world energy trade. In this regard, the policies of China, India and Turkey, whose economic growths base on energy import, have been a subject of discussion. The aim of this paper is to examine the strategic, economic, and politic importance of the Strait of Hormuz and Effects on Iran's international relations and foreign policy. The paper has the purpose of revealing the attitudes and policies of international actors on the SH and regional politics.

Keywords: The Strait of Hormuz, Iran, Turkey, USA, South Asia.

INTRODUCTION

The US-Iran relations broken by the Islamic Revolution forty years ago entered into a process of recovery with the agreement of Iran on nuclear activities with the West and the US as a party to the agreement. However, this process has not been long lasting with the announcement by US President Trump, who unilaterally withdrew from the nuclear deal in May 2018. He announced that all of the Iranian economic sanctions suspended in 2015 would be strongly implemented. This development caused a great turmoil in the companies and banks that have commercial relations with Iran. The US has urged all countries, particularly China, India, the EU and Turkey, gradually to cancel their trade with Iran. The US has also threatened to apply the same economic sanctions of Iran on the countries that have not cut their economic ties with Iran. Moreover, later the US announced to block the oil trade and this caused Iran-US relations to be further strained. In response to all these threats, Iran has announced to continue the nuclear agreement with the other countries, except the US. In addition, in response to the US attempt to block possible Iranian oil trade, Iran has threatened to close the SH, which is a transit point for region maritime trade. The closure of the SH causes that the region experiences the problem of not being able to import the products of other oil producing countries and thus leave the countries in need of oil and natural gas to be in a difficult situation to sustain their economic growth. This study aims to explain the strategic importance of the SH, which has turned into a potential flashpoint with mutual threat declarations, by economic data and statistical information to determine how the world energy trade is affected in the event of the closure of the SH on the basis of its geopolitical and geostrategic position and to make analyses about how US, China, India, EU and Turkey react to these possible developments. This study having an important contribution to the literature has great importance to make analyses and evaluations on a timely topic.

THEORETICAL AND HISTORICAL FRAMEWORK OF THE STRAIT OF HORMUZ

The SH has been a strategic focus in the world affairs for thousands of years. Approximately 21% of the world's oil and 1/3 of global seaborne traded oil pass through this strait (EIA, 2019a). A large portion of the world crude oil imports are made through oil pipelines located here (Table-1). The SH is the main oil distribution choke point of the world. 21 million of barrels per day (mb/d) oil that accounts for thirty percent of all maritime oil are transported daily through the SH in 2018 (EIA, 2019b). The strained relations between the US and Iran, the border disputes among the Middle Eastern countries have increased the SH's strategic importance.

Table 1. *Crude Oil, Condensate, and Petroleum Products Transported the SH (mb/d)*

	2014	2015	2016	2017	2018
Total oil flows through Strait of Hormuz	17.2	18.4	20.6	20.3	20.7
Crude and condensate	14.4	15.2	17.3	17.2	17.3
Petroleum products	2.8	3.2	3.3	3.1	3.3
World maritime oil trade	56.4	58.9	61.2	62.5	N/A
World total petroleum and other liquids consumption	93.9	95.9	96.9	98.5	99.9
LNG flows through Strait of Hormuz (Tcf per year)	4.0	4.2	4.2	4.1	4.1

Source: EIA, based on Short-Term Energy Outlook

The tensions and conflicts resulted in increasing security concerns and arms race. The Chapter 1 examines the issue of the SH in a theoretical framework based on the Regional Security Complex Theory (RSCT). It provides information on the strategic and historical importance of the SH and explains its economic and commercial importance.

Understanding the Strait of Hormuz Tension within Regional Security Complex Theory

RSCT, which was firstly asserted by the British academicians Barry Buzan's work of "Peoples, States and Fear" (1983), has made a significant contribution to the understanding of the new international system after the Cold War. Buzan argued that the new conflicts or alliances of the international system would take place in sub-systems of the regions rather than the axis of global cultural, religious, and civilized separations (Buzan and Waever, 2003). One of the regions defined under this framework is the Middle East Regional Security Complex (MERSC), consisting of three sub-complexes based on Gulf, Levant, and Maghreb. Gulf sub-complex includes Iran, Saudi Arabia, Iraq, Qatar, Bahrain, Oman, Kuwait and Yemen, and is the largest sub-complex of MERSC (Erdag, 2017). Within this sub-complex, the Persian Gulf, which meets almost 25% of the world trade in oil by itself, and the SH, which is the only connection point of the gulf to the world, have great importance. Here, RSCT is an instrument to re-interpret the issue and be applied to the SH.

RSCT is one of the main approaches of the Copenhagen School since the 1990s that aims to replicate the regional dynamics of security. According to RSCT, geographical areas having similar problems in terms of security or common potential in these issues form a complex structure. The scholars of the Copenhagen School stated that the security problems in the post-cold war period would be caused by inter-regional and/or intra-regional conflicts. According to this theory, geographical areas or regions in similar problems for security or in common potentials for these issues form a complex structure.

The basic idea is that real threats are more effective in geographically close regions, increasing interdependence in security at a regional scale. Regional security structures are security dilemmas concentrated in specific geographical areas (regions) (Buzan et al., 1998: 12). The threat perceptions of the states or the actors who have strong interests with these states are directly linked to each other and this creates security dependence among them (Buzan, 2003: 141).

This mutual security dependency is more intense between states within the RSCs than those outside the RSCs (Buzan, 2003: 141).

The common threat perception in the Middle East has started since the 1979 Iranian Revolution. Before the revolution, the common threat perception of the Arab countries in the Gulf was USSR, but after the revolution this perception shifted to Iran as the post-revolutionary Islamic regime and a Shiite-centric state. Indeed, the most important factor causing this new security perception has been the rising Iranian military power in the region. Because Iran was then following a policy of increasing its military power to become a dominant force in the region and in responding to a possible US military intervention. While the armed forces of the Gulf countries (Saudi Arabia, Bahrain, Oman, Qatar, Kuwait, and UAE) have a total of 372,000 personnel, Iran has 523,000 military personnel (Globalfirepower.com 2019). According to a report published by the International Peace Research Institute (SIPRI) on April 29, 2019, Iran spent a total of \$140B on military targets in the last 10 years, and Iran's military spending in 2018 alone amounted to \$13B (SIPRI, 2018). This data also shows Iran's military spending is more than the others in the region.

Differences in the forms of regime of the countries of the region such as unsecular states like Iran, Saudi Arabia, and the Gulf States and economic imbalances (Saudi Arabia vs. Yemen) further complicate the situation. Furthermore, religious sectarian differences and historical conjuncture caused Iran to be the focus of common threat perceptions of Arab states in the region. Saudi Arabia's entry into the military and ideological rivalry with Iran on regional sovereignty led to an increase in the polarization that would lead to the Sunni-Shiite and also Arabian-Persian division in the region (Westermayr, 2015).

By this polarization, the weak Arab countries of the Gulf have started various initiatives to meet their own security needs. So, they have tried to restrict Iran by establishing alliances and undertaking heavy arm investments. In November 1984, they agreed to establish a joint defense force, called 'the Jezira (Peninsula) Shield Force', at the Gulf Cooperation Council (GCC) meeting and to conduct a series of military exercises with the participation of the army of the member states. However, this attempt remained in theory only. Because the Peninsula Shield Force could not interfere with Iraq's invasion of Kuwait in 1991. Another important step was taken with the Damascus Declaration,² but this initiative also failed. This declaration, prepared by the GCC members after the Gulf War, initially aimed at securing the Gulf's security and challenging the expanding ambitions of leaders such as Saddam Hussein. But it failed to succeed because of the GCC states' hesitation in coordinating their defense arrangements with the Syrian and Egyptian governments (The GCC: Alliance Politics, 1993: 35).

After all these failed attempts, the gulf countries understood that they would not form a common defense force among themselves, and inevitably they decided to take shelter under the security umbrella of the US superpower, which had great interests in their region. On September 19, 1991, during the Gulf War I, Kuwait signed a bilateral defense agreement with the US, which would be valid for ten

² The Damascus Declaration, which was aimed of improving cooperation between the Gulf Arab countries and Egypt and Syria, was signed on among the Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, Egypt and Syria 6 March 1991 in the Syrian capital.

years, and then other member states established similar relations with the US. In this process, it was observed that the US military power that which had been deployed to ensure control of energy resources towards the end of the WWI gradually increased in the certain Gulf countries like Bahrain, Oman, Kuwait, and Qatar. Particularly during the Iran-Iraq War during 1980-88 and in the later period, there were various tensions between Iran and the US that could endanger regional security.

All these attempts between the states in the region have made the tense atmosphere in the region even more strained. However, thanks to its geopolitical position and existing military power, Iran had become a key power in the Gulf. At this stage, the most important factor strengthening Iran's hand has been its dominant position in the SH. Without using the SH, it is almost impossible to maintain the vital oil trade for the Gulf countries. Iran, in the face of the US sanctions imposed to hinder of Iranian oil trade, has threatened to close the SH. The fact that Iran has the power to close the SH by using its geographical location and military capabilities continues to increase the security concerns in the region. On the other hand, the fact that the US started to increase its military power in the Gulf following its unilateral withdrawn from the nuclear agreement has put the possibility of a potential conflict over the SH, and this threatens the entire Gulf security.

Strategic and Historical Importance of the Strait of Hormuz

Seaborne trade routes play an important role in today's transportation. Around 10.7 billion tons of global crude oil and petroleum products (including dry bulk commodities) were transported by these routes in 2017 (UNCTAD, 2018). They have valuable narrow or wide chokepoints in their bodies. The geographical location of these chokepoints and their share in international trade are the factors that increase their strategic importance. In terms of geopolitics, the straits of Malacca, Bab-el Mandeb, Suez Canal and SUMED Pipeline, Turkish Straits, Danish Strait, Panama Canal and Cape of Good Hope are described the most important chokepoints in the world (EIA, 2017). According to Albuquerque, who was a Portuguese sailor in 1453-1515, any state dominating the three straits -Hormuz, Malacca, and Bab-el Mandeb- controls whole of the world (Morris et al., 1953). In his theory, due to its geographic location, the SH has the dominant key over the other two straits (Morris et al., 1953). The SH connects the gulfs of Oman and Persian and opens the Persian Gulf to the world (Figure 1.). The SH is considered as the most important strategic gateway in the world because it is located on the only access seaway to the oil fields in the Middle East (Rodrigue, 2004). Moreover, for the volume of crude oil and petroleum products carried daily, the SH takes the first place (Elahi, 2005).

Figure 1. *The Strait of Hormuz*

Source: <https://www.foxnews.com/world/whats-the-strait-of-hormuz-iran-shot-us-navy-drone>

Around 18 mb/d of crude oil and condensate, 300 million cubic meters per day of liquefied natural gas (LNG), and 4 mb/d of petroleum products transported through the SH in 2018 (Ratner, 2018). The dominant role of the SH in the global economy, security and stability of the Middle East and the Persian Gulf is an indisputable truth. In the event of any halt of oil flow from the strait, the economies of developed countries would not only be affected negatively but the economy and security of the Middle East and even the whole region would seriously be affected (Ashrafpour, 2010).

The SH, located at the heart of the world's oil trade routes, has been a potential conflict point and faced the threat of closure by neighboring countries continuously as it was in the war between Iran and Iraq. Both countries opened fire on the tankers in each other's ports, regardless of whether they were impartial. During this incident, known as 'Tanker Wars', Iran threatened to shut down the SH, claiming that Iraq had unfairly intervened in the strait. After the US attacked Iran in the Iran-Iraq War (1980-80), the SH also hosted a conflict between the US Navy and Iran in April 1988. In the 1990s, Iran had some disagreements with United Arab Emirates (UAE) over the control of several small islands near the SH, and again played the card of the closure the SH. Although Iran has declared its dominance over the islands in 1992, but the tension between the countries in the region continued through the 1990s (Rodrigue, 2004).

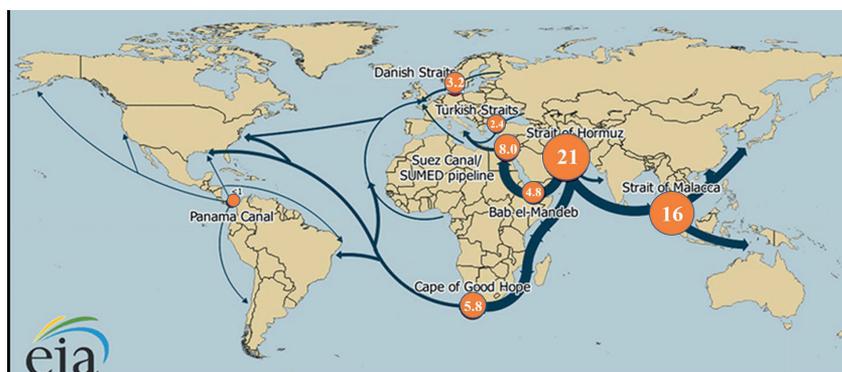
Due to the increasing tension in the region, the US has deployed an additional fleet in the Persian Gulf to ensure the safety of the passage through the SH. In 2007 and 2008, the US and Iranian naval forces were confronted several times in the SH. In a possible the US intervention, Iran announced that it would close the strait to all the world traffic. In response to this threat, the US declared that the closure of the strait would be deemed a cause of war.

Throughout the history, all these developments in the SH have caused great anxiety about not only the interests of the US and the countries of the region

but also the interests of all countries that have provided energy needs through this strait. Approximately 88% of all oil exported from the Persian Gulf passes through the SH and it is transported to Asia, the US, and Europe (Rodrigue, 2004). According to EIA data, 76% of the crude oil and condensate of Asian markets and oil imports, 1/3 of China's oil imports and 18% of US oil imports have been supplied through the Persian Gulf via the SH in 2018 (EIA, 2019a). When the aforementioned economic data are considered, it is clearly seen that the SH has a great strategic importance for the whole world's energy transportation. In such a large trade volume generated in the region makes the SH vital geostrategically.

Because of the threats of Iran to close the SH, the oil exporting countries have started to quest of building alternative transportation routes to export their crude oils. These alternative routes are the Suez-Mediterranean pipeline, known as *Sumed*,³ the pipeline to the Saudi Arabian port of Yanbu on the Red Sea, and two pipelines linking northern Iraq (Kirkuk region) to Turkey (port of Ceyhan on the Mediterranean) or Syria. The capacity of Yanbu port in the Red Sea is approximately 4.8 mb/d, and the Sumed pipeline capacity is only approximately 2.5 mb/d (Rodrigue, 2004: 367). These percentages of transportation capacities are quite inadequate compared to the SH's total of daily oil transit volumes (Figure 2).

Figure 2. Daily Oil Transit Volumes from World Maritime Chokepoints



Source: All estimates are given in million barrels per day for crude oil and petroleum fluids based on 2016, 2017 and, 2018 data. The amount of oil passing through the SH, which is number one in terms of oil trade in the world, followed a fluctuating course until 2016 due to the sanctions imposed on Iran. However, with the lifting of sanctions, the amount of oil passing through the SH became more stable and pre-sanction values were reached in 2017 and 2018. <https://www.eia.gov/beta/international/regions-topics.php?RegionTopicID=WOTC>, <https://www.eia.gov/todayinenergy/detail.php?id=39932>.

Economic and Commercial Importance of the Strait of Hormuz

Global energy is constant demand. Energy prices are not stable, and the stability in energy prices and transportation becomes more important than ever before.

³ The Sumed pipeline was opened 1981 and financed by a consortium of Arab countries, primarily Saudi Arabia, Egypt and Kuwait.

Since the oil crises of the 1970s, oil prices show an abnormal increase in each crisis due to various reasons, and this increase adversely affects the economies of developed and developing countries dependent on oil. These exorbitant increases in oil prices cause stagflation (the increase in unemployment and inflation together) in most states, especially the US. This stability is of great importance not only for the countries needing oil but also the importing countries. Because the stability of oil prices and transportation for the Gulf countries that heavily dependent their existence on oil-based incomes is of vital importance. Although these countries invest in hundreds of new projects in many different sectors outside of the oil sector recently, their economies are still dependent on oil trade.

The major contributor to the economic and demographic development of the Gulf countries is undoubtedly their enormous oil reserves. The countries (Saudi Arabia, Iran, Iraq, Kuwait, UAE, Qatar, Oman, and Bahrain), which provide approximately 20% of the world's oil production, are also home to 85% of the oil extracted in the world (Din, 2014). Saudi Arabia is the world's and Gulf's largest oil exporter with around 18% of proven oil reserves of the world. The country's oil and gas sector accounts for about 50% of gross domestic product and 70% of export revenues. In addition to oil, the Kingdom is rich in other natural resources like natural gas, gold, iron ore, and copper. In 2018, Saudi Arabia's total exports amounted to around \$235B, and \$195B of this export was obtained only by oil exports (OPEC, 2019a).

The second oil rich country of the Gulf is Iran. The country has not only petroleum but other natural resources such as natural gas, chromium, copper, manganese, coal, iron ore, lead, Sulphur, and zinc (OPEC, 2019b). Despite the economic sanctions that Iran was exposed to in recent years, its total exports volume was amounted to approximately \$107.435B in 2018. The share of petroleum products under the exports volume were amounted to \$60.198B (OPEC, 2019b). Iraq is another an oil rich country of the Gulf. The total exports volume of Iraq was \$95.256B in 2018, oil exports amount to \$68.192B. Iraq's oil exports account for almost 90% of its total exports (OPEC, 2019c). Other natural resource areas of the country are natural gas, Sulphur, and phosphates. Although it has small surface area, Kuwait is a large Gulf country in terms of oil reserves and oil production. It has fairly prosperous economy. In 2018, Kuwait's oil exports were amounted to \$58.393B. This amount accounted for 90% of Kuwait's total export revenue (OPEC, 2019d).

Another country in high oil and gas production in the Gulf is the UAE. In 2017, its total export value was \$388.179B. The share of oil in this export was \$74.940B (OPEC, 2019e). Qatar is also another rich country in the Gulf both in terms of oil and LNG. Qatar exported 103.4 billion cubic meters (bcm) LNG, which accounted for 30% of the world's LNG trade, to the world in 2017 (BP, 2018). Total value of export of Qatar was \$52.3B in 2017. In this year, Qatar's most export products were respectively petroleum gas \$25.5B, crude oil \$13.4B, refined petroleum \$6.34B, and ethylene polymers \$2.04B (OEC 2017a). Another Gulf country, Oman's total value export was \$31.2B in 2017. In this volume, the top export products of Oman were crude petroleum \$13.6B, petroleum gas \$3.29B, and refined petroleum \$2.81B (OEC, 2017b). Bahrain is the only country having foreign trade deficit in the Gulf. In 2017, Bahrain's total export value amounted to \$5.53B, including \$2.1B refined petroleum, and its

total imports amounted to \$1.53B (OEC, 2017c).

According to the economic data above, oil is like a major source of revenue and development of Arab countries. However, it is also important for Gulf Oil to be transported to the world effectively and efficiently. The SH is not only important strategically and historically, but it also important economically and commercially for both gulf countries and energy poor countries. A large part of the Gulf oil is loaded into the tankers and transported through the SH. According to EIA statistics, in 2018, around 65% of crude oil transported through SH was sent to Asian markets such as China, India, Japan, Singapore and South Korea (EIA, 2019a).

The SH of which narrowest point is 21 miles has enough depth and width to carry the world's largest crude oil tankers. With these features, the SH enables the smooth transition of crude oil tankers with a capacity of 150,000 dead weight tons (EIA, 2017). Due to their geography, the Gulf countries have to carry out a large part of their exports through seaway. This situation makes it necessary for these countries to trade through the SH. As of the late 2018, the price of one-barrel crude oil has reached \$71, and per gallon diesel has reached \$3.1. The transportation disruptions of the SH would immediately raise prices (EIA, 2019c). Thus, economic losses that may occur in the closure of the SH would not only negatively affect the Gulf countries but also the countries whose productions are based on oil imports.

THE ISSUE OF THE STRAIT OF HORMUZ AND THE USA-IRAN RELATIONS

Iran attracts global attention when it threatens to close the SH for the fear of sanctions imposed on the Iranian oil. Due to its strategic importance, the US has deployed a fleet in the Persian Gulf to ensure the safety of the passage through the SH. Because an interference or a threat with the free flow of oil through the SH could be likely to harm the interests of the US and the entire world. Chapter 2 deals with the issue of the SH perspective of states parties. It examines impacts on the US-Iran relations. Here gives some detailed information about a brief history of the US-Iranian relations, economic sanctions of the US imposed to Iran, and the Iranian policies against the sanctions. So, it focuses impact on the other countries relations with Iran such as China, India, EU and Turkey.

A Brief History of USA-Iranian Relations

The relations between the two countries that started in the second half of the 19th century developed in 1856, 1883, and 1944 by mutual diplomatic initiatives. During the WWII, the US supported the Soviets that fought against the Nazis through Iran. In this period, the United Kingdom and the Soviet Union invaded Iran in order to secure the oil regions. In 1941, Shah Reza Pahlavi came into power after the WWII and Iran regained its independence. The western powers have gained concessions in many areas over the country during the rule of the Shah. The concessions obtained especially in the field of oil caused a great unrest

on the Iranian people. Because of this unrest, Mossadegh became the prime minister in 1951 and implemented many reforms, including the nationalization of Iranian oil, until the coup in 1953. However, after the coup many of the sweeping reforms performed in the period of Mossadegh were either abolished or serious arrangements were made in favor of the state (Kuduoglu, 2019). In the 1960s and 1970s, Iran's oil revenues gradually increased. In the context of the Green Belt Project, developed by the US during the Cold War period, Iran became a favorite country until the Islamic Revolution of 1979 in Iran.

These good relations began to break down with the 1973 Oil Crisis. During the crisis, the US asked Iran to reduce oil prices but the Shah responded negatively and Iran no longer became "a reliable partner in the Gulf region" for the US. From this period onwards, the US preferred Saudi Arabia as its most reliable ally in the Gulf region and decided to end its long-standing assistance and support to Iran. The Shah could not overcome the rising opposition within the country and could not prevent the 1979 Revolution. After the 1979 Islamic Revolution in Iran, the Shah took shelter in America for cancer treatment, and a group of pro-Ayatollahs held an attack on the US Embassy in Tehran in 1979. Within this incident, as called "Hostage Crisis", 52 US diplomats were taken hostage for 444 days (Morgan, 2015).

Although Iran agreed to release the hostages with the Algerian Treaty signed on January 19, 1981 (Massaroni, 1982), this crisis ended the diplomatic relations between the US and Iran (Morgan, 2015). After the hostage crisis, the US launched a series of economic sanctions against Iran. As the first step of these economic sanctions, \$11B of Iranian assets were frozen by the American government (Massaroni, 1982). These sanctions started with the hostage crisis and increased with Iran's nuclear program were not only limited to the economy and expanded in the fields of science and the military.

During the Iran-Iraq War (1980-1988), the US indirectly (a large number of reports and information on Iran's war position and its military power) supported Saddam Hussein against Iran and prevented Iran from getting the loans it needed from international financial institutions (Shoamanesh, 2007). The US also kept Iran away from regional and international economic institutions (e.g., the World Trade Organization-WTO) in the context of its isolation policy resulting in serious problems for the Iranian economy. In 1988, the US launched a heavy air strike on Iran to destroy the mines that Iran had laid during the war in some parts of the Gulf. At the end of this attack, Iran had to accept the ceasefire in the war (Ari, 2007). On the other hand, in 1988 the US dropped an Iran Air Flight 655 in Iran's airspace and killed 290 people (Shoamanesh, 2007). This event caused more tension in the US-Iran relations that already strained.

In January 2002, US President George W. Bush labeled Iran, Iraq, and North Korea as "Axis of Evil" (The Washington Post, 2002). In the same year, despite the US reaction, Russian technicians began construction of Iran's first nuclear reactor in Bushehr. In 2003, the Iranian government under the chairmanship of Seyed M. Khatami, a reformist, made various attempts to co-operate with the US in Afghanistan and Iraq to soften ties with the US. However, these efforts were rejected by the Bush Administration. Although he promised to stop

the enrichment of uranium during the period 2002-2006 by meeting with the officials of the International Atomic Energy Agency (IAEA), Tehran continued its nuclear activities in 2004. In 2006, under the leadership of Mahmoud Ahmadinejad, who came to power in 2005, the Natanz nuclear facility was reactivated (Morgan, 2015). In addition to the sanctions imposed on Iran by the UN since 2006, the US began to impose harsh sanctions on Iran.

In 2007, the Bush administration accused Iran of supporting and arming the insurgents in Iraq, and then the US forces raided the Iranian Consulate in Erbil. In this raid, the Iranian diplomats were taken hostage and they were released in November 2007. When Iran announced a long-range missile test and launched a rocket launch into space in 2008, the UN Security Council launched serious sanctions against Iran (Wisconsin Project on Nuclear Arms Control, 2017). During the Obama administration, Iran was declared the most active state to support terrorism in a report (www.fas.org, 2010) published by the US foreign ministry.

Because of the nuclear negotiations between the UN and Iran between 2010 and 2012, firstly a provisional agreement in 2013 and then a final agreement was reached in 2015 between the P5+1 countries (USA, China, France, England, and Germany) and Iran (Kerr and Katzman, 2018: 1). The agreement envisioned the abolition of international sanctions imposed on this country in return for Tehran ending its nuclear program. However, with Trump coming into power in the US in 2017, the relations of two countries started to worsen again. In reaction to Iran's efforts to strengthen Iran's army and weapons, on May 8, 2018, US President Trump declared that their unilateral withdrawal from the nuclear deal with Iran, which was signed during the Obama administration (Kerr and Katzman, 2018: 20). He also gave the signals that the embargo and economic blockades suspended after the abolition of this agreement could be re-applied (Kerr and Katzman, 2018: 28). Although Iran declares that the nuclear agreement would be continued with the state parties, the US-Iran relations are quite tense today.

The Economic Sanctions of the US Imposed to Iran

After the Iranian Revolution in 1979, the diplomatic relations between the US and Iran came to a halt because of the hostage crisis that took place on April 7, 1980. Following this incident, the US launched a series of economic measures and sanctions against Iran. In fact, economic sanctions were initiated to ensure the release of US hostages. However, despite the release of the hostages in 1981, these sanctions have been continued until today. According to Torbat, the official reasons of these embargoes imposed against Iran were the support of terrorism, the search for access to nuclear weapons and the support of groups that used violence against the peace process of the Middle East (Torbat, 2005).

The US's economic sanctions against Iran were initiated by President Carter and continued during the administration of President Clinton to keep both Iran and Iraq under its own control and subjection. In April 1995, it was observed that the embargo of US on Iran was tightened, especially in the areas of trade and

investment. During Obama administration, all economic sanctions against Iran were lifted with the P5+1 countries nuclear agreement in 2015, which aimed to prevent Iran's nuclear capacity from turning into nuclear weapons. However, the current US President Trump accused Iran of providing secret access to the US financial system during Obama's term and argued that it was illegal. He declared that the US was withdrawn unilaterally from the nuclear agreement of the Joint Comprehensive Action Plan (JCPOA) and stated that all sanctions lifted under the nuclear agreement would be reapplied.

The historical process of US's economic sanctions imposed on Iran has evolved as follows:

an order of execution dated on November 14, 1979, which prohibits certain property or interests in the possession of the Iranian government; 7-17 April 1980, which ordered the sanctions to be increased to include all trade and travel bans between Iran and the United States; on January 23, 1984, the declaration of Iran as a supporter of international terrorism, any foreign aid, debt or prohibition of arms transfer to Iran (Katzman, 2019); an order of execution (12613) on October 29, 1987, which provides detailed license procedures for merchandises exempt from the import ban, stating that any product originating in Iran cannot be exported by the United States (www.archives.gov, 1987); the Nonproliferation Act in 1992, which prohibits the transfer and sale of any conventional chemical, biological or nuclear or weapons of unbalanced number and type to Iran and Iraq (www.congress.gov, 1992); an execution order in March 15, 1995, which prohibits a US citizen from becoming parties to contracts for the financing, general management or supervision of the development of oil resources in Iran or in an area over which Iran claims jurisdiction (Katzman, 2019: 1-26); an execution order (12959) on May 9, 1995, which prohibits the exportation of all kinds of goods, technology or services from the US to Iran, including US commercial financing (www.govinfo.gov, 1995); Iran-Libya Sanctions Law, adopted by the US Congress on August 5, 1996, which could not be implemented by the protests of European countries until 2010. This law aimed to impose sanctions on foreign companies investing more than \$ 20M in Iran's oil industry and to prevent access to funds to develop or acquire weapons of mass destruction or to finance terrorism (www.treasury.gov, 1996); an execution order (13059) on August 19, 1997, confirming that US citizens are prohibited from all trade and investment activities with Iran no matter where they are (www.treasury.gov, 1997); a resolution of 1747, dated on March 24, 2007, taken unanimously by the UN Security Council. The decision aimed to tighten the sanctions imposed on Iran's non-suspension of uranium enrichment in its nuclear program (www.iaea.org, 2007); a resolution 1803 adopted by the UN Security Council on March 3, 2008. This decision expanded the scope of nuclear sanctions imposed on Iran (www.undocs.org, 2008); a resolution 1929, adopted by UN Security Council on June 9, 2010. This decision aimed to prohibit Iran from carrying out nuclear-armed ballistic missile tests and to put an embargo against the transfer of large arms systems to Iran (www.undocs.org, 2010);

- comprehensive Iran Sanctions, Accountability and Disposal Law, adopted by the US Congress on June 24, 2010. These sanctions aimed at foreign banks that invest in Iran's energy sector, or sell refined oil to Iran, and operate with designated Iranian banks (Farrar, 2010);

the US Congress passed a law on December 31, 2011, enabling oil importing countries to impose new sanctions on Iranian Central Bank and third country banks if they do not significantly reduce this import within six months (www.treasury.gov, 2011);

the US Congress broadened the threat of sanctions against Iranian companies on January 2, 2013, with the Iran Freedom and Counter-Proliferation Act (IFCA) (www.law.cornell.edu);

- Iran agreed to take steps to stop its nuclear program in return for substantial alleviation of US, UN and EU sanctions according to the JCPOA signed between the P5+1 countries on July 14, 2015 (www.2009-2017.state.gov);
- on May 8, 2018, the US unilaterally withdrew from Iran's nuclear deal and reiterating the comprehensive sanctions against Iran to break away from the global financial system. The Treasury Department of US announced that the sanctions came into force immediately and that foreign companies should terminate their existing contracts with Iran for 90 days or 180 days (DiChristopher, 2018).

The economic sanctions imposed by the US on Iran listed historically above have great negative impacts on both the Iranian economy and the economies of other countries that import large amounts of Iranian oil. However, it is seen that Iran has produced various strategies against these sanctions and minimized the negative effects caused by these US economic sanctions.

The Iranian Policies against the Sanctions

Having been under pressure for more than 40 years since the revolution, Iran performs well below its current potential level. The Iranian economy has undoubtedly been seriously injured by these sanctions. During the sanctions period, Iran's removal from the Interbank Financial Telecommunication Association (SWIFT) system and the deprivation of modern technologies particularly led to a decline in the competitiveness of regional and global markets and a lack of modern technology and equipment. However, all these negativities, Iran continues to be one of the most important actors in the Middle East with its natural resources, well-educated population, advantageous geopolitical position, and old-state tradition (Kausch, 2015). Here it can be said that Iran started to implement policies in the face of sanctions such as zeroing the imports, preventing investments in the oil and natural gas sector, and blacklisting of its Iranian banks. One of the policies Iran implemented in this period was to prefer gray markets⁴ in order to struggle trade restrictions and export its oil to foreign buyers.

⁴ Gray market means that a product can be imported and sold from any country without the knowledge of official importers. This trade is not illegal. However, there is no manufacturer's warranty and the buyer is fully responsible for any failure. For further information, look at: <https://blog.redpoints.com/en/what-is-grey-market>.

In general, sanctions did not prevent Iran from doing nuclear work. Moreover, the need for Iran's rich oil and gas resources led other industrialized countries -especially the Western countries- to pursue a two-way policy against Iran. In order to prevent the US response, these countries applied narrow trade sanctions against Iran while they were continuing to trade and invest heavily on the other hand. Despite all these sanctions, Iran's oil production has grown modestly. On the other hand, in order to deal with sanctions in 2002 and build a more attractive business environment for foreign investments, Iran has made a number of improvements to the Law on the Foreign Investment Promotion and Protection Act (FIPPA).⁵

Because of American isolation, many European companies and financial institutions were forced to stop their activities in Iran, which led Iran to focus its attention on the East rather than on the West (Fathollah-Nejad, 2018). In order to alleviate her concerns such as commercial, national security and nuclear targets, Iran found important strategic partners in the East like China, Russia, and India. The Iranian leadership has gained economic and political support from these countries that it would never get from the West. In order to maximize their political and economic interests, these countries have kept their relations with Iran warm and maintained the oil trade that is a vital issue for Iran.

THE ATTITUDES TOWARDS THE ISSUE OF THE STRAIT OF HORMUZ AND THE TENSION OF POSSIBLE CLOSURE

Undoubtedly, oil is the world's primary energy source and will continue to be in the near future. As long as the industrialized and developing countries such as USA, China, EU, India, and Turkey increase their oil use, their demand for oil is going to increase day by day. In this context, uninterrupted flow from the waterways in the future will become vitally important. It is almost certain that a possible blockage in the SH, located at the exit of the Persian Gulf region and hosting 66% of the world's oil reserves today, will have a major impact on the countries meeting a large part of its energy needs. However, international actors will be the ones most affected from the possibility of closure of the SH. There are few options for exporting oil of the Gulf countries to the outside except for the SH. This dilemma increases the importance of the issue.

Possible Closure of the Strait of Hormuz and Its Effects on International Actors

The Iran-China relations, which are directly affected by the conjunctural changes of the international system, have been maintained steadily since the 1960s. Thanks to the economic reform policy launched in December 1978, China's economic growth has tremendously grown. This growth has led to a continuous increase in China's demand for energy and so China has been highly dependent on the international maritime route to ensure this import. The most important of these routes for China is the sea trade route stretching from the Persian Gulf to the South China Sea, through the Indian Ocean.

⁵ FIPPA is Iran's main foreign investment law, aims to provide the same provision of rights, protections, and opportunities that supplied to domestic investors to the foreign investors.

However, the presence of a variety of security problems on this route leads to occasional disruption of existing transportation. The interruption of energy imports has serious concerns for China. China's lack of control over the waterways has led China to take various measures. In order to ensure the security of its energy imports, it keeps good relations with both energy-rich countries in the region and taking various initiatives along the whole sea trade route like alternative ports, transportation infrastructures, railways, industrial cooperation, and pipelines.

The security of the SH and the continuity of the oil, natural gas and LNG transported from region are of great importance for China. For this reason, China has undertaken the construction of the port of Gwadar in Pakistan, which is 70 km from the Iranian border and 400 km east of the SH and has a strategic position on the main oil supply route (Pant, 2013). Furthermore, China has been developing broad and deeply comprehensive strategic partnerships with many Gulf countries, especially Iran for the last few decades. The partnership between Iran and China is predominantly composed of energy trade, arms sales, and defense cooperation.

In fact, Chinese Iranian relations have expanded beyond the economy to the political sphere. Although China has been following a cautious policy during the US sanctions imposed on Iran, it has taken important steps in order to ease the problems of Iran. For example, despite Washington's pressures, Beijing has opposed the discussion of the Iran's nuclear file in the UN Security Council. At the same time, a memorandum of understanding was signed between the Chinese oil company Sinopec and the National Iranian Oil Company for the development of the major Yadavaran oil field in late 2004 and China has been a major investor in Iran (Downs and Maloney, 2011). In short, the relationship between China and Iran progresses in the context of a kind of win-win policy. On one hand while China sees Iran as an excellent energy supplier, China is seen as a powerful balancer to the West by Iran on the other hand. In this context, it can be said that they are significantly dependent on each other. If the SH is closed, China will probably avoid a major conflict in the Persian Gulf. However, as the prospect of war between the US and Iran, including the Gulf monarchies, will have a devastating impact on Beijing's energy security and investment projects, China will have to politically protect its interests in the Persian Gulf (Scita, 2019).

Another international actor to be most affected in a possible closure of the SH is India. The Indian-Iranian relations, which were not so much close to each other during the Cold War, gained rapid momentum in the post-Cold War period. The most important factors bringing the two countries together were Iran's search for ways to get rid of international isolation and a desire for strategic autonomy in India's foreign policy (Kumaraswamy, 2008). Additionally, the relations between India and Iran have reached the level of close economic and strategic partnership since the Delhi Declaration⁶ In 2003. The conditions of bilateral relations are determined by geopolitical and economic priorities such as energy trade, infrastructure development, and security cooperation (Pethiyagoda, 2018).

Today, Iran is the third largest oil supplier of India after Iraq and Saudi Arabia.

⁶ See more "Delhi Declaration": The Republic of India and the Islamic Republic of Iran, "The New Delhi Declaration", <https://www.mea.gov.in/other.htm?dtl/20182/The+Republic+of+India+and+th>, (Accessed: 30.06.2019).

India imported 24M tons of crude oil from Iran at the end of the fiscal year 2018-19 (www.newslick.in, 2019). India conducts effective policies to become a global power. One of these is the policy of access to Central Asia to increase its commercial activities. In this way, India undertook the development and restructuring of the Chabahar Port⁷ of Iran. While India is trying to increase trade with the Central Asia, it aims to break the increasing influence of Pakistan in the region (Berlin, 2006). As for another partnership project between Iran and India is International North South Transportation Corridor (INSTC), a pipeline project that connects Mumbai via Bandar Abbas with Europe (Singh, 2012).

However, the relations between the two countries have become quite complicated in recent years. India has a policy of equilibrium between the US and Iran in economic sanctions imposed on Iran. Moreover, it wants to maintain relations with Iran, where it meets most of his energy needs, as it cannot ignore of the US's warning that it should cut its ties with Iran. Although India had realized 45% of the oil payments to Iran with rupees and the rest through the Turkish and German banks during the economic sanctions imposed on Iran (Purushothaman, 2012). However, it remains unclear how India reacts to new Iranian sanctions today. Because India's oil imports from the Gulf countries account(s) for 42% of total oil imports (www.weforum.org, 2018). Any disruption in this energy imports from the Gulf will have serious implications for India's economic growth.

The EU is another international actor that can contribute to the solution of the SH issue or suffer the most damage in its possible closure. The relations between the EU and Iran have followed a volatile process throughout its history. However, the needs of both parties necessitated the development of economic, commercial, and political ties between them. Although the dialogue between the EU and Iran was initiated in 1995, it was only possible in 2001 to cooperate under a contract between the two sides. Overall, the EU remained neutral in the Iran-Iraq War and conformed to arms embargo which implemented by the US against Iran. However, Germany did not cut its economic and trade relations with Iran in this period as an EU member.

On 19 November 2001, the European Commission approved the proposal to start negotiations on a Trade and Cooperation Agreement with Iran (TCA) (www.europa.eu, 2019). After 2001, the top EU leaders made diplomatic visits to Tehran to work more closely with Iran and coordinate issues related to common interests (Khan, 2003). On June 20, 2003, the EU Council made a call to Iran and asked the IAEA auditors in nuclear facilities to sign the Additional Protocol to the IAEA, which allows them to conduct audits without prior notice (IAEA, 2003: 10). Thus, upon the invitation of Iran, the Foreign Ministers of France, Germany, and the United Kingdom visited Tehran on October 21, 2003 and the 'Tehran Declaration' was signed between the parties. While Iran agreed to sign the Additional Protocol with the Tehran Declaration and voluntarily suspend uranium enrichment, the EU accepted that Iran had the right to develop nuclear energy for peaceful purposes (BBC News, 2003).

However, in 2006, the EU began implementing a series of sanctions which imposed by the United Nations Security Council (UNSC) to stop Iran's uranium

⁷ "Chabahar" is situated on the Makran Coast of the Sistan and Baluchestan province of Iran, and it is officially designated as a Free Trade and Industrial Zone by Iran's government. India has assisted in development and construction of the Chabahar port.

enrichment for nuclear weapons production. Since then, in addition to the implementation of UNSC sanctions⁸, the EU has implemented a wide range of autonomous economic and financial sanctions to Iran, including restrictions on various commodity trade, financial sector, measures in the transportation sector, travel, and asset freeze (www.consilium.europa.eu, 2019). The EU-Iranian relationship has again entered a positive process thanks to the JCPOA.⁹ In this context, with the exception of some restrictions,¹⁰ the Council decided to lift all nuclear-related economic and financial sanctions of the EU imposed against Iran on 16 January 2016 (www.consilium.europa.eu, 2019).

Together with China and the UAE, the EU is one of Iran's main trading partners in both imports and exports. It used to be the first trading partner of Iran before the current sanctions regime. e.g., in 2005, the EU ranked first with a share of 31.6% among Iran's trade partners while Iran had a 1-1.5% share in the total trade share of the EU (www.webgate.ec.europa.eu, 2019). In 2018, the EU fell to second place with 20.4% share among Iran's trade partners (www.webgate.ec.europa.eu, 2019). Among the EU's trade partners, Iran's share declined to 0.5% (www.webgate.ec.europa.eu, 2019).

According to this data, despite there has been a decline in the EU-Iran mutual trade rates over the years, it is observed that there is no major change in the product variety in the trade between these two partners. When the product groups imported by the EU from Iran are examined, it is seen that most of them are energy (mostly petroleum) products (www.webgate.ec.europa.eu, 2019). Iran's imports from the EU are mostly machinery, equipment, chemicals, automotive and food products (www.webgate.ec.europa.eu, 2019).

In addition, six member countries of the GCC represent an important region for trade in the EU. In 2016, GCC became the EU's fourth largest export market. The EU-GCC trade steadily increased between 2006 and 2016, and the total trade between them increased by 53% in ten years. In 2017, the EU-GCC's total exports of goods amounted to €143.7 billion, while the EU's exports to the GCC amounted to €99.8 billion and the EU's imports from GCC amounted to €43.8 billion. The EU has thus given a significant trade surplus in its mutual trade with GCC. While the EU exports mainly industrial products, machinery, transportation equipment and chemicals to the GCC countries, it imports mineral fuels, mining products, and chemicals from the GCC countries (www.ec.europa.eu, 2019).

Almost all the EU trade with Iran and the GCC countries is provided through the SH. Thus, the security of the SH has great importance for the EU. The increasing dependence of the EU on foreign energy increases continuity and security of energy trade. It is inevitable that the potential tensions in the region negatively affects the EU and the interests of the countries in the region. For this reason, the EU acts to maintain moderate relations with Iran and pursues a balanced policy

⁸ See more: "Resolution 1737 (2006) Adopted by the Security Council at its 5612th meeting, on 23 December 2006", [https://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1737\(2006\)](https://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1737(2006)), (Accessed: 27.05.2019)

⁹ This plan, adopted by the UN Security Council, 'E3/EU+3' (France, UK, Germany and the EU+ the US, Russia and China) and Iran on July 20, 2015, has aimed at ending the restrictive measures against Iran.

¹⁰ See more: "Iran: EU Suspends Certain Sanctions as Joint Plan of Action Enters into Force", <https://www.consilium.europa.eu/media/21850/140660.pdf>. (Accessed: 27.05.2019).

in order not to confront the US in the region.

Another important actor in the region is Turkey. Iran's tension with the US forced Ankara to pursue a policy of equilibrium. After the Iraq War, causing a great instability, Turkey, which did not want a new war in its region, has embarked on mediation activities to ensure the resolution of the problem between the West and Iran by diplomatic channels (Pieper, 2013). The most important development regarding the mediation to solve the nuclear issue of Turkey has experienced in May 2010. A triple summit was held in Tehran with the participation of Brazil, which had a similar approach to that of Ankara and moderate relations with Iran. By the end of the summit, Iran agreed to make uranium enrichment that is necessary for its nuclear activities in the abroad.

Although Turkey has stated there is no need to impose sanctions on Iran by this new agreement, the West did not accept it. However, the process of Turkey's efforts for a diplomatic solution continued in January 2011; the P5+1 and Iran were brought together in Istanbul. The US unilateral withdrawal from the agreement as a way to re-apply all suspended economic sanctions against Iran in 2015 also led to the Turkey-Iran relations entered a new era. With the announcement of the new sanctions package dated November 5, 2018, both the US targeted Iran and many states stopped or greatly reduced oil purchases from Tehran. Within this package, the US Government targeted to reduce Iranian oil imports to zero. In this context, the US has granted 180 days of exemption Iran's oil exports to eight countries -in China, India, South Korea, Japan, Italy, Greece, Taiwan, and Turkey (Borger and Wintour, 2018).

Turkey had initially stated not to comply with the exemption process and to continue receiving oil from Iran. Although Turkey has endeavored to extend the duration of the exemption, it failed in this attempt. Consequently, as of May 2019 Turkey halted oil purchases from Iran. According to the provisional data, TUPRAS imported 100,000 tons of crude oil from Iran in April 2019 (Daily Sabah, 2019). It is expected that the new crude oil route would be the countries such as Iraq and Russia and partly Saudi Arabia. Besides, Turkey announced that would continue the purchase of natural gas from Iran through the BOTAS. According to Reuters, an unnamed Turkish official, *"Ankara does not find correct the sanctions imposed on Iran, but we will respect the decision of our ally, the United States, we believe that the exclusion of Iran will not be a solution to the problem,"* said (Pamuk, 2019). Turkey would seem to be less harmed actor in the region in the event of the closure of the SH, when compared to the other countries. Because Turkey shares a border with Iran and this made easier to import crude oil and natural gas. When the data are analyzed in the past years, it is observed that Turkey's exports to Iran increased during periods of the imposed sanctions against Iran. Due to the fact that pharmaceuticals and foodstuffs are not covered by sanctions, trade in these products is likely to increase thanks to border trade. It could be rising in economic activity in border provinces. Turkey meets its crude oil needs mainly from Iraq and Iran using the pipelines. In the event of a possible closure of the SH, Turkey will not be affected too much. However, a possible war that would break out in the Gulf, Turkey will be strongly influenced. In a such situation, in order to solve problems, Turkey's political intervention will be inevitable. Because Qatar, one of the Gulf countries, have a huge trade volume with Turkey in recent years and Turkey does not want to lose this trade partner.

Possible Results of the Closure of the Strait of Hormuz

Iran threatens at every opportunity that the US warships would not allow it to pass through the SH, and if necessary, close the SH to all the seaways. The ongoing bitter legal dispute between the US and Iran over the right of foreign warships, military aircraft and submarines to cross the SH has been increasing for decades and this dispute poses a potential conflict risk between them. The disagreements over the right to legal passage, and a possibility of a potential conflict risk in the SH continue to be a vivid subject that has led to strategic consequences that could affect global peace and security by overcoming regional peace. Here, this chapter of study explores possible results of the closure of the SH; begins with the challenges of the closure of the SH in terms of international law; then examines challenges to arise in terms of regional and global security, and finally ends with economic-commercial challenges in terms of energy security.

Challenges in Terms of International Law

Although transitional procedures from international straits in the world have been prearranged by the Convention on the Territorial Sea and the Contiguous Zone (CTS) and the 1982 United Nations Convention on the Law of the Sea (UNCLOS)¹¹ (but implemented in 1994), these procedures remain a continual problem all over the world. This problem sometimes arises from the objections of non-parties of these conventions and sometimes in the location of some straits (such as narrow strait). The SH has both problems. The fact that neither the US nor Iran is a party to UNCLOS causes various differences of opinion between the two rivals, related to transition from the SH. Iran claims that the UNCLOS innocent transitional provisions only have the right to use the States Parties to the Convention.

On the other hand, the US argues that the right of innocent passage in UNCLOS originates from traditional international laws and therefore the right of passage is going to be used in the countries not party to the Convention (Nadimi, 2019). The US claims that it has an unlimited freedom of navigation in the SH and follows a noncompliant policy in this regard. However, Iran states that it has the right to regulate the traffic in the SH and, if necessary, it would limit the passage of all foreign warships from the strait. Both Iran and the US insist on interpreting the law in their own interests, and this legal dispute causes the already bitter US-Iranian relations to be further strained by existing instability.

The passage of ships from the SH has been carried out smoothly until the middle of the twentieth century. However, with the declarations of Iran's in 1959, and Oman's in 1972, their territorial waters was exceeded from 3 nautical miles to 12 nautical miles and thus, the whole of the strait's territorial waters shared between the two countries. As Iran and Oman extend their territorial waters to 12 miles, the SH became completely territorial waters, and the absence of any ad hoc agreements on transitions deactivated the right of free passage from the SH. Since that time transition from the SH began to be an important problem. On the

¹¹ See More: "United Nations Convention on the Law of the Sea", https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf, (Accessed: 30.05.2019).

basis of Article 3 “Breadth of the territorial sea” of UNCLOS,¹² Iran argues that has the right to control 20 miles of the SH, and the warships of all countries that cross this section of the SH should provide information to it.

Challenges to Arise in Terms of Regional and Global Security

In the global environment, as long as the oil continues to be the most consumed fuel and energy source in the developed and developing countries of the world especially in the US, China and India, easy access to energy sources has become more important than ever history. This situation makes the security of the Middle East maritime trade route meeting almost 60% of the world’s energy needs vital. Any blockage on this route due to a possible conflict will undoubtedly lead to economic losses that are difficult to recover for all countries in the world.

The fact that the SH, the only exit point of the Gulf, has become a conflict area will lead to great security problems both for the countries of the region and the countries that have high interests in the region. Undoubtedly, the US is at the top of these countries. Since the beginning of economic sanctions imposed against Iran after the 1979 Revolution, the US has continued to increase its military presence in the region in order to secure both its trade and allies. In this process, the US provided a large amount of arms to its allies (sales or supply to its bases) in the region to ensure that they could constitute effective counterbalances against Iran. These attempts led Iran to increase rapidly its military capacity, and the security balance in the region has become quite disturbing.

The ongoing heated debates on the SH today threaten the national security of Iran and the countries of the region. If the US intervenes in Iran’s oil ships with the aim of zeroing the Iran’s oil trade, Iran threatens to close the SH to all maritime traffic. In a meeting with his workers at an April 24, 2019, Iranian Supreme Leader Ali Khamenei clearly conveyed this threat to his interlocutors: “If our oil does not pass through the SH, neither will other countries’ oil” (Savyon and Kharrazi, 2019). However, does Iran really have the ability to block maritime traffic in the SH? For most experts, yes.

Iran has the opportunity to harass the tanker traffic taking a series of measures without obstructing all traffic on the SH (Katzman et al., 2012). However, such a situation may lead to severe chaos in the region. As a matter of fact, the attack on two oil tankers in the Gulf of Oman on June 13 can be shown as a best example for this situation.¹³ While the US, UK, and Germany claim that they are almost certain that the attacks were carried out by Iran, Iran has explicitly denied these allegations. These attacks have had great repercussions in the world. While the US sent 1,000 additional troops to the Middle East (Morin, 2019) oil prices instantly rose by \$2. Another incident that strained relations between the US and

¹² UNCLOS, “Every State has the right to establish the breadth of its territorial sea up to a limit not exceeding 12 nautical miles, measured from baselines determined in accordance with this Convention.” https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf, (Accessed: 30.05.2019).

¹³ On June 13, 2019, two oil tankers, the Japanese Kokuka Brave and the Norwegian Front Altair, were attacked by unidentified persons or persons. While the Front Altair was sinking, the crews on both tankers were evacuated successfully. Retrieved from: <https://www.ndtv.com/world-news/gulf-of-oman-front-altair-norwegian-tanker-attacked-in-gulf-of-oman-3-explosions-reported-2052681>, (Accessed: 18.06.2019).

Iran took place on June 19, 2019 near the SH. In this incident, Iran announced that a \$110M MQ-4C Triton-type unmanned aircraft was shot by the Khordad-3 air defense system for violating the airspace (Walsh, 2019). After the event, international airlines decided to change their routes in the Iranian airspace in the Gulf (Topham, 2019).

As can be seen from these events, both sides in the region are taking steps to harass each other. So, what are the different scenarios that can arise in the region? Possible closure scenarios of Iran's SH can be as follows: It may close the SH or other parts of the Gulf to all ships attempting to cross the waters, irrespective of their purpose. It may seize and arrest the crew of the ships that pass through the SH or other parts of the Gulf, by claiming they were attacked. It may open harassment fire to block the routes of ships, speed boats or planes passing through the SH or other parts of the Gulf. It can systematically attack ships crossing the Strait or other parts of the Gulf using rockets, artillery and navigational missiles, planes and mini submarines (Katzman et al., 2012).

In short, any conflict in the SH will directly affect both regional and global security. This will lead to an increase in the long-standing hostile attitudes among the countries of the Region and give rise to a significant chaos that powerful countries with huge interests will face.

Economic-Commercial Challenges in Terms of Energy Security

Chokepoints, commonly used along global maritime routes, are narrow channels and they are critical to global energy security. Even when oil does not flow temporarily from a large chokepoint, it leads to significant supply delays, higher transport costs, and higher world energy prices. Although there are alternative crossing routes to most chokepoints, this is not the case for some. The best example is the SH. According to 2018 data, the daily average flow of 21 mb/d petroleum products, which is equal to approximately 21% of global liquid oil consumption, has transported through the SH (EIA, 2019a). However, although the flow of oil through the SH has been stable since 2016, when imposed sanctions against Iran were lifted, it was interrupted periodically with the reapplied of the sanctions.

The increased tensions between the US and Iran continue to pose a secure risk of oil supply from the Middle East. This situation leads to an increase in crude oil prices. This case was clearly tested when the US drone was shot by Iran. The day after the event, crude oil prices rose sharply. The American benchmark West Texas Intermediate rose 6.8%, while the international benchmark Brent crude rose by 4.6%. The international benchmark Brent crude, which closed at \$65.08 on Tuesday, was traded at \$65.44 per barrel on Thursday. On the other hand, the American benchmark West Texas Intermediate closed the previous session at \$58.80 per barrel, opened the new session with \$59.11 per barrel by 0.5% increase. The same situation was seen also when Iran threatened to close the SH on April 22. Brent crude oil jumped 2.88% and WTI soared 2.66% (Kutlu, 2019).

The possibility of a military conflict between the two parties directly affects global energy security. The events, after the tension in the Gulf, deeply affected the countries where oil is particularly traded from the region. Some of these

countries, e.g., India, had to send their navy to the region in order to sustain the safety of their merchant ships. If the SH becomes a possible conflict zone, the entire flow of oil in the region could cease and oil prices could rise rapidly all over the world.

CONCLUSION

Oil is the world's primary energy source and going to continue to be also in the near future. As long as the industrialized and developing countries such as China, EU, India, and Turkey increase their oil use, their demand for oil is going to increase day by day. In this context, uninterrupted flow from the waterways in the future will become vitally important. Despite its rich energy resources and strategic geographical location, Iran is going through a very difficult process. The country has been struggling for a long time under intense pressure from the US. Iran has successfully prevented sanctions with its resistance strategy until 2015. However, this strategy only provided temporary solutions to the problems. In particular, US economic sanctions have a profound impact on life in the country. The lifting of sanctions as a result of the JCPOA, created a great excitement in Iran. However, the US withdrew from the JCPOA in 2018 and launched to re-impose the economic sanctions. Iran's crude oil exports declined by 80% after this event.

The US has been forcing Iran to a more stringent agreement through the economic sanctions. Moreover, the situation became even more complicated when the US announced that it would stop all Iranian oil trade if Iran did not step back. In the face of all these pressures, Iran has threatened to close SH due to the fear of sanctions imposed on Iranian oil and has attracted the attention of the whole world. The incidents, which were experienced in the region, such as seizures of oil tankers, drone attacks and mutual power demonstrations have made the situation even worse. Because of its strategic importance, the United States deployed a fleet in the Gulf of Persian to secure transit through SH.

Iran needs a long-term and sustainable policy to solve this issue. This policy should be bilateral and the parties should take constructive steps in this context. Because this problem cannot be solved only by the steps taken by Iran. Iran should review its relations with its neighbors in the region, endeavor to resolve the problems between them, and choose cooperation, not conflict. Other countries of the Gulf should take serious responsibilities at this stage and stay away from attempts to increase tension in the region. This is because the economies of these countries are directly dependent on their oil trade and the stability in the region is the main component of this trade.

The US, which is the main source of the problem, should take constructive steps in this process. Because an isolated Iran will continue to be a serious threat to both the US and all countries in the region. For this reason, the US should try to solve its problems with Iran on the basis of international law and this should be carried out with the support of international organizations such as UN and IMF. The EU is another international actor that can contribute to the solution of the SH issue or suffer the most damage in its possible closure. The EU expressed great regret that US President Trump's decision about to withdraw from the JCPOA.

However, EU thinks that the implementation of this plan was very important for the security of the region. As long as Iran continues to fulfill its nuclear commitments, initially the EU has declared that it would be loyal to the full and effective implementation of the agreement. Although the EU has repeatedly stressed that the removal of nuclear sanctions has a positive impact on trade and economic relations with Iran, it is inevitable that EU-Iran relations will be negatively affected by new sanctions of the US against Iran.

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**LINKAGE STRATEGIES AND POLITICAL CHOICES FOR AN
AUTHORITARIAN COUNTRY IN TRANSITION:
THE CASE OF KAZAKHSTAN**

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ABSTRACT

Kazakhstan has made considerable efforts to reduce its dependence on oil and diversify its economy. The country's leading politicians have also expressed strong commitment to diversification over several years, and linkage creation strategies have been one important tool. In this article, we examine the extent to which political factors are salient when accounting for the peculiar pattern of heavy promotion of diversification with little actual movement in relevant economic sectors in Kazakhstan. We identify political factors that typically come into play and how these factors make diversification difficult in resource-rich countries such as Kazakhstan. A key argument is that not only did political factors act as barriers to diversification, but the actual linkage creation initiatives that were taken served as useful vehicles for rent-seeking behavior, thereby further entrenching skewed political and economic structures that are typical of states with oil-led development. The article also explains why the political leadership in Kazakhstan chose to place so much emphasis in their rhetoric and communication on diversification when the difficulties and possible failures associated with such policies must have been apparent to them at a fairly early stage.

Keywords: Institutions, Post-Soviet countries, natural resources, diversification, linkages, Kazakhstan.

INTRODUCTION

Kazakhstan was hit hard by the global fall in oil prices that commenced in 2014. The economy has recovered in 2019, but devaluation, an alliance with Russia (which is under sanctions), and government policies still do not bring the same rates of growth as before. Capitalism in its post-Soviet form does not work properly in Kazakhstan. Natural resources made this type of economy more similar to Middle Eastern oil-led monarchies. Growth is there, but it is not sustainable and non-inclusive. As Baumol et al., (2007) formulated, “[Kazakhstan is] not driven by a growth imperative but rather, in a worst case, are homes for corrupt leaders and, even in better cases, manage to preserve income and wealth only for a favored few.”

The government has made considerable efforts to reduce dependence on oil. That might be the problem; the government made the efforts, and the private sector is neglected. Diversification initiatives and linkage creation policies were strongly promoted by the country’s leadership. However, these did not result in more robust economic structures. This failure to diversify represents an interesting analytical puzzle. Kazakhstan had well-funded policies and measures in place to support diversification, and the country’s leading politicians expressed strong commitment to diversification over several years. Why is it that there was so little substantive movement in relation to diversification despite so much effort?

There are various ways to diversify if by “diversification” we mean to decrease the risk from dependency upon one resource. Diversification can mean developing new businesses around the booming sector; second, it can mean new qualifications for people; and thirdly, it can mean financial investments to convert natural wealth into financial instruments. Infrastructural diversification can involve new regions and new markets. Forneris (2016) defines six possible types of diversification. To the aforementioned ones in products or value added, labor, investments, and regional links, he also adds FDI, export, and fiscal types. Some of the findings suggest negative correlations between rents and diversification in exports, in employment, and in value added (Alsharif, 2018). The process of diversification and linkage promotion is not only the policy in Kazakhstan; it is also a focus for the research and analysis by international agencies and the local community of researchers for analysis in itself and for comparing it to other similar cases like the province of Alberta, Mongolia, and Bolivia (Pomfret, 2009; Howie, 2018; World Bank, 2015).

We look at efforts to diversify as attempts to generate linkages around a booming sector. In this article, we explore how linkages were created, and we offer an explanation for failure. Linkage creation has proved difficult in a range of different countries, especially when it is based on mineral projects or oil and gas extraction (Auty, 2006; Arias et al., 2014; Morrisa et al., 2012). Diversification more generally has also proved difficult in countries with strong records of managing oil wealth and implementing industrial policies, with Norway serving as a prominent example (Bjornland and Thorsrud, 2016). Moreover, the existing literature already offers in-depth assessment of economic factors that can account for both failure and success (Auty, 2006; Ville and Wicken, 2012; Bastida, 2014).

In this article, we examine the extent to which political factors are salient when accounting for the peculiar pattern of heavy promotion of diversification with little actual movement in relevant economic sectors in Kazakhstan. We do not examine how salient political vs. economic factors have been; we look at the political economy of it. The decision-making of government is generally motivated by political intentions, and in authoritarian countries the intentions can include aspects other than simply winning elections. That is, we do not determine which type of variable offered the strongest causal effect. Instead, we develop one exploratory case study for which the purpose is to identify what political factors typically come into play and how these factors make linkage creation specifically (and diversification more generally) difficult in resource-rich countries such as Kazakhstan. A key argument from our side is that not only did political factors act as barriers to diversification, but the actual linkage creation initiatives that were taken served as useful vehicles for rent-seeking behavior, thereby further entrenching skewed political and economic structures that are typical of states with oil-led development. Finally, in this article we also offer an explanation for why the political leadership in Kazakhstan chose to place so much emphasis in their rhetoric and communication on diversification when the difficulties and possible failures associated with such policies must have been apparent to them at a fairly early stage.

We begin this article by outlining theories of linkage creation and then illustrate how hard Kazakhstan was hit by the 2014 shock in the global oil markets. We then outline measures that Kazakhstan took prior to 2014 to create linkages and explore what political factors came into play that might have undermined these initiatives. We also assess the discrepancy between the rhetoric of diversification policies and actual progress. We end with a note on implications from our findings for understanding the interplay between politics and economics in Kazakhstan in the context of diversification.

As for qualitative methodology, we conducted structured interviews in Kazakhstan in the oil and financial sectors about achievements and difficulties for oil-led growth and government adopted programs in diversification. Some of these respondents asked to keep their confidentiality. We analyzed these government programs, statements of prominent public figures, TV, and conference discussions.

Linkage creation and diversification

The term “linkage” came to prominence in economic growth theories primarily through the work of Perroux (1955; 1959), Rasmussen (1957), and especially Hirschman (1958). Linkage effects were regarded as investment-generating forces set in motion through input-output relations (Hirschman, 1977). Using the “input-output” term, Hirschman also referred to the early work of Leontief (1951), which represents a theoretical basis for many empirical studies of multiplier effects.

The growth linkage model represented a leading paradigm in policy discussions

of especially rural enterprises and employment creation from the mid-1970s up to the 1990s (Ellis, 1998). The linkage strategy could still be relevant after two decades of global economic liberalization and government deregulation. Oil-rich countries have applied such strategies with mixed success. Ross (2012) questioned the linkage realization policy by governments for various reasons, one of them being myopic decisions from one side and disinterest in real reforms in the situation of easily available rent in a time of high oil prices. Yegor Gaidar, a Russian economist and politician, illustrated this point in 2009 when he noted that the government will not reform simply because it does not need any reforms due to high oil prices; only a crisis will change motivations and stimulate reforms (Gaidar, 2009). Alsharif (2018) does not find “any effect on the structure of employment in non-resource and manufacturing sectors” for the data set from 1962–2012 in “oil discoveries on diversification.”

The main function of linkages is the connection of a booming, export-oriented sector with the rest of the economy for the redistribution of income, employment creation, and general spillover effects. Many developing countries have tried to pursue these strategies. Enclave economies, either based on raw materials or more sophisticated manufacturing, are quite difficult to integrate, however, and it easily leads to so-called “dual economy” cases. Backward and forward linkage policies (see below) are a part of diversification and can offset negative effects of Dutch disease (Ross, 2012). Dutch disease leads to shrinking of the manufacturing sector. Linkages can create demand and supply around a booming sector to boost manufacturing, at least in this particular sector.

There are several primary types of linkages to be studied in relation to the petroleum sectors, and various classifications apply here by research and international agencies (Forneris, 2016; Alsharif, 2018; Columbia Center on Sustainable Investment, 2016):

- Backward or upstream linkages, created by the demand for other products and services like drilling equipment, engineering, and construction.
- Forward or downstream linkages, stimulated by the regular and cheap local supply of commodities as inputs for other forms of production or service supplies like refineries, petrochemical industries, and transportation.
- Fiscal linkages, based on excess capital from the oil/gas sector for investments in non-extracting industries by the state through taxation, or by earned profits reinvested nationally by state or private companies.
- Labor linkage creating local employment.
- Social relations and networks (e.g., chambers of commerce).
- Financial linkages including the establishment of special funds to be invested in various financial instruments.
- Geographical/spatial or regional ones when remote areas are involved in activities.
- Education and human capital development when natural resource rents

are invested to new qualifications and wide programs for increasing competitiveness.

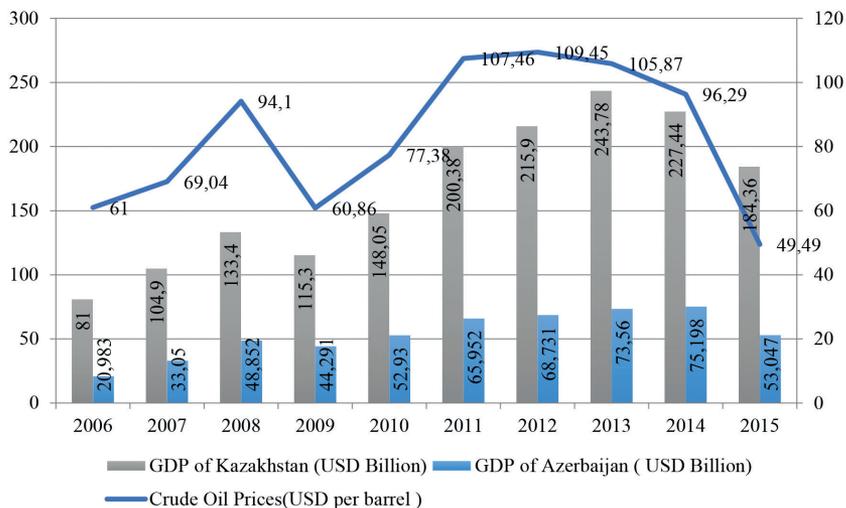
The linkage approach and input-output relations in the economy have been widely used by OECD statistics for different member and non-member countries to demonstrate and analyze internal and trading patterns in economies (OECD. stat, 2011). Possible lessons for Central Asia have also been identified in the literature (Klueh, et al., 2009). However, in 2016 the Independent Evaluation Group under World Bank concluded that diversification in Kazakhstan had “proved to be an elusive target” (World Bank, 2016).

Researchers add new conceptual and regional or country case studies to the analysis of diversification for developing, post-Soviet, and developed countries (Farooki and Kaplinsky, 2014; Dietsche, 2014; Kaplinsky et al., 2011; Morris et al., 2012; Bastida, 2014). The Russian case in the context of other oil-rich countries is represented by interesting comparative volume in the Carnegie Center (Movchan et al., 2017). Below we outline the performance of the Kazakhstani economy and point to some structural weaknesses. These weaknesses forced the government to think about diversification.

Vulnerability of Kazakhstan and dependence on oil production and export

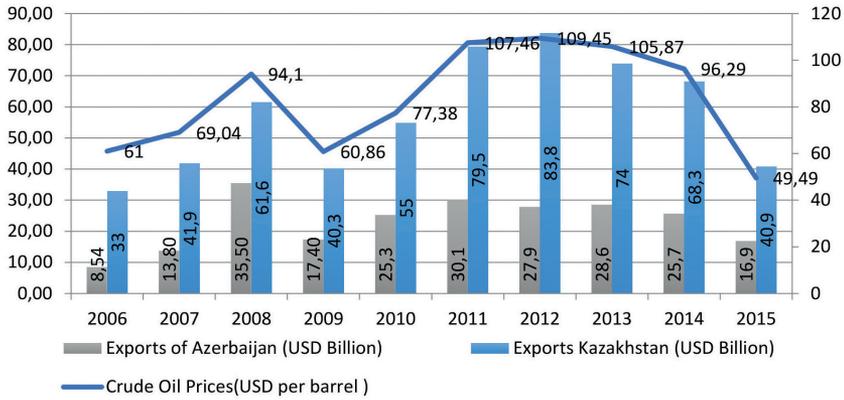
Kazakhstan’s economy has fluctuated along with the fluctuations in oil prices. Kazakhstan’s economy fluctuates more with oil prices in comparison with other neighboring resource-rich states such as Azerbaijan. We can therefore assume that the Kazakh economy is dependent on oil. Moreover, oil projects are capital intensive, especially in the first stage, and they are difficult to stop even under low oil prices.

Graph 1. GDP of Kazakhstan (green) and, for comparison, Azerbaijan (blue). Numbers on the left: GDP in billions (USD); numbers on the right: average oil prices (by year)



Source: Authors’ estimates based on data from World Bank, 2016

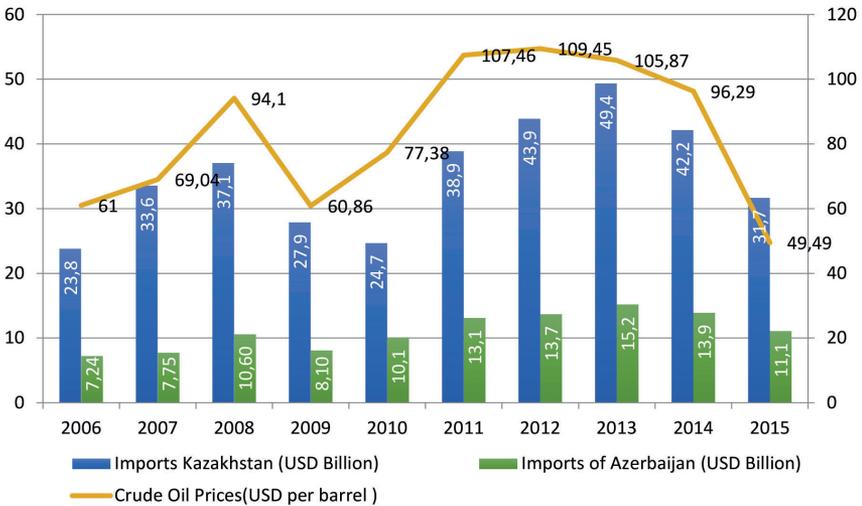
Graph 2. Exports and crude oil prices. Numbers on the left: exports in millions (USD); numbers on the right: crude oil prices



Source: Authors' estimates based on data from *The Observatory of Economic Complexity* (OEC MIT, 2017-a)

Exports also correlated with the change in oil prices, and especially impressive was the last fall in 2015 when oil prices fell more than 45%, and exports fell fast as well.

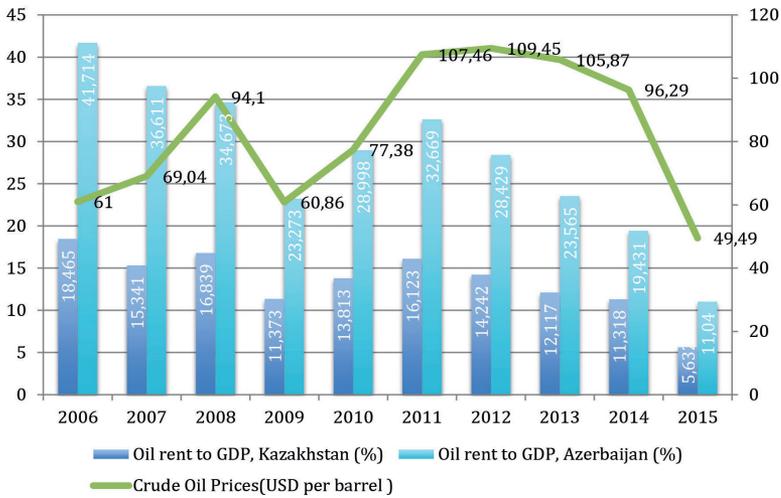
Graph 3. Imports and crude oil prices. Numbers on the left: imports in millions (USD) numbers on the right: crude oil prices



Source: Authors' estimates based on data from *The Observatory of Economic Complexity* (OEC MIT, 2017)

Dependent sectors on oil also appear to be vulnerable including construction and retailing. Again, we can see Kazakhstan's imports are falling at higher rates, and one explanation is the size of the economy.

Graph 4. GDP of Kazakhstan (blue) and Azerbaijan (light blue). Numbers on the left: GDP in billions (USD); numbers on the right: average oil prices (by year)

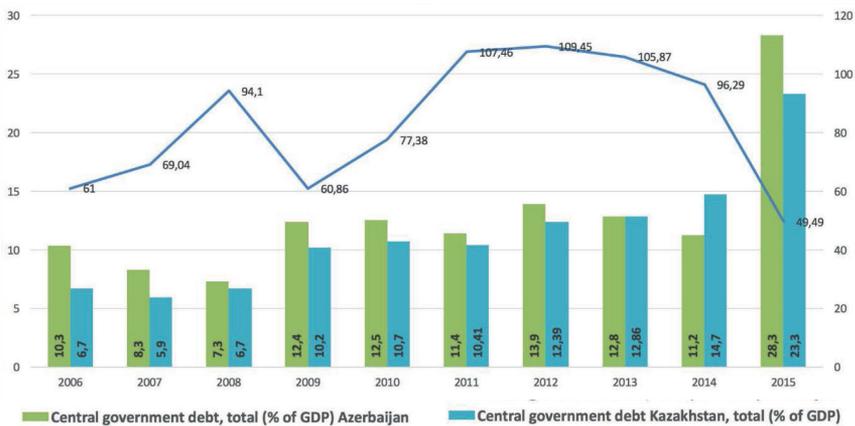


Source: Authors’ estimates based on data from World Bank (2016)

Dependency on oil production has remained high for Kazakhstan, and when oil prices fell, the country devalued its currency. Kazakhstan’s tenge devaluation was almost 90% to the USD from 2014–2016 or, as statistics by the World Bank clearly demonstrate, “after depreciating from 188 KZT/USD in mid-August 2015 to 384 KZT/USD in mid-January 2016” (World Bank, 2016).

These devaluations clearly demonstrate that other export earnings except for oil and gas were not available to the state. The budget was squeezed as well. Diversification to build export capacity and tax base failed in this regard. This is illustrated in the growth of government debt, which also correlates with oil prices.

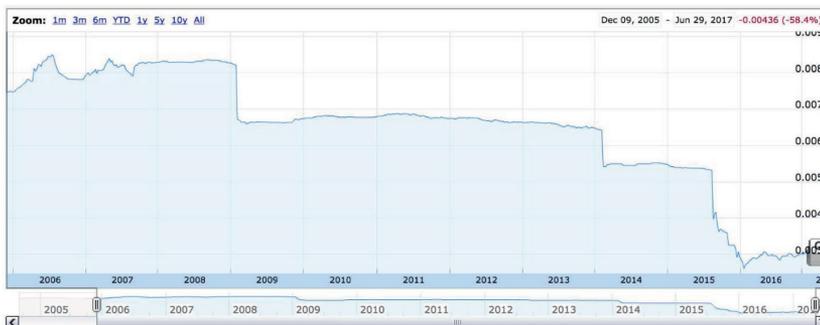
Graph 5. Central government debt to GDP of Kazakhstan (blue) and Azerbaijan (green), Numbers on the left: debt to GDP; numbers on the right: average oil prices (by year)



Source: Authors’ estimates based on data from World Bank (2016)

Government debt was growing for obvious reasons. The economy was shrinking as activities in the oil sector were slowing down. Overall government revenues such as government and tax payments were going down too. The government had social obligations and could not revise the budget accordingly. The growth of government debt was inevitable. The problem was that the debt was growing along with the intake of money from the National Funds. There are debates about debt and growth issues. The idea is if the economy is growing, debt is not dangerous. Growth of the economy would cover debt. However, this does not work in economies that are dependent on one commodity or other external factors.

Graph 6. *Currency of Kazakhstan (tenge) to USD*



Source: Google finance

Devaluation to USD was related to the decline of oil prices and the global financial crisis in 2007–2008. Another issue is drastic change of the exchange course overnight. It means that it is not a market demand and supply market for currencies; it is an interventionist case of National Bank on the market. Overnight changes or shock therapy also mean fear of insider trading and lack of other tools of regulation from monetary authorities. As a result, people lose trust in the government and its policies. After sudden devaluation, people now keep their savings in USD, and businesses do not start investments because of unpredictability and instability of the currency markets. All these factors undermine prospects for economic growth and create a vicious circle.

Despite these negative trends, several macro-economic achievements can also be noted for Kazakhstan. The National Fund has been created and has had some success in offsetting the shocks of low oil prices for some limited time. Political nationhood was built for both countries; national officials, bureaucracies, and states survived. Consumption of the goods increased, and overall living standards are growing. Certain investments are made in rural development, education, and healthcare. Still, all of these achievements have very little to do with diversification.

Diversification, linkage, and the political context in Kazakhstan

The Kazakhstani government started early after independence in 1991 to make declarations for plans to diversify. Kazakhstan adopted a major long-term

strategy called “Kazakhstan 2030” in 1997. This strategy declared the necessity of diversification:

Not to become a country whose economy is oriented to raw materials only, we must develop light and food industries, infrastructure, oil-and-gas procession, chemistry and petro-chemistry, certain sub-industries of machine-building, finite science-consuming industries, services industry, tourism, all these - by priority rates. Diversification of production would help us in ensuring sustainable growth ... The government must set about launching an active industrial policy of diversification thus transferring the emphasis from macro- to the microeconomic level. At first, up to 2010, we shall have to focus on labor-consuming industries fairly perspective from the point of view of opportunities and compatibility. They are - in order of priority - agriculture, timber and timber-processing industries, light and food industries, tourism, housing construction and creation of infrastructure. (The Strategy “Kazakhstan 2030.” 1997)

Later the government adopted a series of programs on diversification. The main one was the Strategy on Industrial Innovation Development of the Republic of Kazakhstan adopted in 2003 until 2015, which also referred to diversification of the economy.

The goal of the program was: *Achievement of sustainable development of the country by diversifying the branches of economy, contributing to departure from raw material direction, preparing conditions for transition in the long term to service based technological economy* (Strategy on Industrial Innovation Development of the Republic of Kazakhstan 2003–2015, 2003).

After the Parliamentary elections in 2005, the new government presented The State program of forced Industrial and Innovative Development 2010–2014 with the purpose: “To provide sustainable and balanced economic growth through diversification and increase its competitiveness” (The State program of Forced Industrial and Innovative development 2010–2014, 2010). The government updated this last program on development to the new period of 2015–2019 under the title State Program of Industrial-Innovative Development of Kazakhstan for 2015–2019. It has the same emphasis on diversification: “Program purpose: To stimulate diversification and improve competitiveness of the secondary Industry” (on approval of the state program of industrial-innovative development of Kazakhstan for 2015–2019, 2015). In 2014, Kazakh President Nursultan Nazarbayev noted, “The diversification is happening not just in words, but also in deeds. The pace of growth in the manufacturing industry is for the first time much higher than in the traditional mining industry” (Tengrinews, 2014).

All the programs have been introduced by President’s decrees. During the last Presidential elections in Kazakhstan in 2015, the current President, who has been in the office for 27 years, confirmed once more the importance of diversification (Nazarbayev, 2015). Kazakhstan’s government officially adopted several programs in industrial development and created government agencies. The last two are divided into periods for four years (2010–2014 and 2015–2019). The title is “State programs on industrial innovative development of Kazakhstan.”

The programs had quantifiable parameters and were elaborated in detail. Based on the reports, it appears that some parameters were achieved.

Backward linkages:

Kazakhstan has certain backward linkages that have existed since Soviet times for the oil industry. Kazakhstan produced pipes, drilling bits, casing, and drilling mud components. Geological exploration was in place as well. However, all of these products and services were not of the world quality. International Oil Companies (IOC) came with the certain entrance standard of quality for products and safety. Kazakh companies could not pass screening to be suppliers for IOCs. The later oil business boom in Kazakhstan naturally created some backward linkages in construction services, geological exploration, and production of metal structures and drilling equipment.

Forward linkages:

Kazakhstan is preparing to use more gas instead of gasoline for car engines and to build polypropylene and polyethylene plants where input for production will be sour gas (Tugelbayeva, 2015). It is a good example of forward linkage in which an output from a booming industry works as an input for further processing and adding value. The problem is the later development of electric engines and utilization of polypropylene and polyethylene.

An interesting example was a burden for IOCs in the development of a local supplier chain. The idea was if IOC gets a good lot for exploration or production, it has to take the responsibility to build a facility for backward or forward linkage. It was a kind of reimbursement for low taxation by the state. Examples are the plastic pipes plant by Chevron and the proposed shipyard by ENI. The latter has not been built yet (Zhuzhumina and Urazova, 2014).

Fiscal linkages:

Fiscal linkages, when taxes from natural resources subsidize lower taxation of more sophisticated infant industries, have been tried in Kazakhstan through the special economic zones for IT sector development with the absence of some taxes and extra funding from the state. This practice has not created any significant value, and many economists criticize the practice as vicious and corrupt in nature.

Labor linkage:

The Kazakh government first developed the concept of local content in 1996 with the Law of Subsurface and Subsurface Use, but international oil companies have not followed them in procurement and supplies, and the government introduced a new Law of Subsurface and Subsurface Use in 2004 and modified it in 2009. The government elaborated a special methodology for calculating the local content in labor, services, products, and defining Kazakh producer origins. The idea was that if Kazakh producers would meet the quality standard, the price of Kazakh producers had to be reduced by 20% in comparison with

a foreign producer. The target was set by the government as 90% of Kazakh content in services and 50% in supplies by 2012 (Osanova, 2009). Regarding the labor force, the Law on Employment of the People requires having no more than 50% of foreign labor in legally registered organizations.

Social relations and networks:

Energy business is united in the KazEnergy Association, and mining business is in their own Mining and Metal Association. Some businessmen are afraid of the strong lobbying capacity of these organizations in defending special tax breaks for their sectors. All businesspersons by law are members of the Atameken Association. Many small and medium businessmen are concerned that they have to be members of Atameken by law, not by their choice, and should pay a membership fee. One might say that the question of business associations is distorted in Kazakhstan. To end this section, we note that the media has counted projects opened by the President that were introduced and were shut down since 1996. The projects include production of a national car, an airplane for agroindustry, a cement plant, and many others (Mamashuly, 2013).

Table 1. *Some of the industrial projects implemented by the government of Kazakhstan*

Project	Dates	Investment	Current status
Utex textile plant	2004–2011	19 mln USD, 11 mln USD were invested by Kazakh Development Bank	Plant hasn't worked since 2011.
KazSat satellite	2006	65 mln USD	No connection since 2008.
Biochim ethanol plant	2006	88.6 mln USD	Declared bankruptcy in 2012. Some information was released on revival in 2017.
Aziya Keramik	2010	31.8 mln USD was a loan from state Kazakhstan Development bank and 4 mln USD was invested by Turkish businessmen	Plant does not work in 2017, land plots are on sale.
Airplane for agro-business "KazAviaSpektr"	2011	1.6 bln KZT or 8.8 mln USD on the rate of 2011	Airplanes were imported and none of them assembled yet. Management is under criminal investigations.

Source: information is taken from relevant websites

These cases demonstrated not even mismanagement or corruption but the conscious effort to create a project in which money is stolen in the process. This type of economy later became a widespread practice in Russia when commercial profits were not important in comparison with contractual price, as was demonstrated in the scandalous report of SIB Sberbank on the Gazprom construction of a pipeline from Russia to China (Fak, Kotelnikova 2018). One of the authors of this report was fired quickly.

How can we best explain the failure of these economic initiatives taken by

the Kazakhstani government? In this exploratory case study, we are primarily interested in identifying factors related to politics. There are, broadly, two types of factors: those that form part of the larger political context and work long-term and more indirectly, and those that pertain specifically to a particular type of linkage creation strategy. In the table below, we summarize the kinds of political factors that could be in play.

Table 2. *Linkage creation and political obstacles in Kazakhstan*

Type of linkage	Linkage efforts in Kazakhstan	Specific and known challenges to this linkage type in the political context of Kazakhstan	General challenges to this linkage type in the larger political context of Kazakhstan
Backward linkages	Existing backward linkages from the soviet period did not meet standards of International Oil Companies (IOC) and were discarded. Some new backward linkages in construction services, geological exploration, and production of metal structures and drilling equipment have emerged independently of official government efforts.	The Kazakhstani government has shares in all major oil projects and is heavily involved in the oil and gas sector in general.	New independent business initiatives face difficulties due to predatory behavior by state officials and state agencies.
Forward linkages	Kazakhstan is preparing to use more gas instead of gasoline for car engines and to build a polypropylene and polyethylene plant where input for production will be sour gas.	Government participation in these initiatives have created uncertainties since available financial resources have varied from year to year. There have also been cases where difficult bilateral relations with Russia, including possibilities of corrupt dealings in bilateral relationships where private rather than national interests trump, have undermined forward linkage creation.	Government actors are more concerned with initiating projects and reaping rents from them rather than ensuring the completion of these projects and establishing commercially viable entities.
Fiscal linkages	Creation of special economic zones for IT sector development with absence of some taxes and extra funding from the state.	Tax burden distribution on corporate sector is a subject for the debate in Kazakh business. In 2018, a New Tax Code was accepted, and mining companies lobbied for less taxation. SME were unsatisfied with the outcome, and there have not been any substantial tax breaks available for the (planned) special economic zones.	Government bureaucrats and agencies lack competencies (due to lack of meritocracy and de-professionalization) to oversee and manage special economic zones and IT development.
Labor linkages	Introduction of Law of Subsurface and Subsurface Use in 2004 (2009). The government elaborated a special methodology for calculating the local content in labor, services, products, and defining Kazakh producer origins.	Kazakhstan's government developed special rules on the methodology of calculation of "local content" since 2010. These rules are compulsory for all companies in which the government has shares. The calculation and adherence to the local content rules remains controversial. Labor is a subject for "local content" to increase employment. However, the Labor Code allows for firing people easier than before. Still, labor activists are sure that the government is more "pro-business" and supports corporations, not workers.	High corruption rates could undermine the way in which local content is calculated. Corruption could also undermine the monitoring of compliance with this law.

Social relations and networks	Establishment of business associations including the Atameken Association.	No specific challenges recorded in publicly available sources.	Interventionist and illiberal state policies order membership in Atameken, thereby possibly preventing or co-opting the “organic” or independent growth of business networks.
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Source: prepared by the authors

The factors above that pertain to the broader political context merit some further discussion. One of the key underlying issue seems to be too much state control in combination with an absence of interest from the private actors due to their lack of full control of private property. In Kazakhstan, there has been a lack of property rights protection and some selectivity in property rights issues. Moreover, property after a certain volume seems to require political protection. Current billionaires in Kazakhstan try to find possible ways to secure their rights when the political situation would change and transition would come. Pervasive corruption also adds to this challenge. State officials in Kazakhstan of high rank like the Prime Minister, Ministers, and heads of state companies are accused and sentenced to prison because of corruption. Some of the projects in diversification ended up in investigations of money squandering like the project on airplane for agriculture and ethanol plant. Vested interests of powerful actors was another underlying element. Finally, one of the problems with authoritarianism in Kazakhstan is that there is no motivation among officials for ensuring the success of diversification. State officials have an interest in reporting to higher level officials but not in the success of projects and their commercial viability. This is similar to plans of the USSR economy in which profit had not been as important compared to resources being distributed from the center located in Moscow. A lack of motivation manifested itself in Kazakhstan in costly projects that did not work and were closed later. Kazakhstan’s government launched many projects including a car manufacturing plant, airplane manufacturing plant, solar panel plant, and many others, and it did not work (Mamashuly, 2013). Success fees for fulfillment of the projects and their commercial viability for government officials is hard to construct because it would create further rent-seeking and conflict of interest situations.

Too much of the state property in the economy and absence of private actors was mentioned to us by our respondents as an issue for slow economic development in Kazakhstan in general and in diversification in particular. State officials are too dependent on powerful lobbies and clans. They are not immune to pressures. This leads to the loss of competency and promotion of not the most professional but the most loyal ones. De-professionalization of government officials was mentioned long ago as a problem in Kazakhstan and a consequence of non-accountability and a closed type of power without rotation and elections in Kazakhstan (Kosanov, 2009). One of the main signs of this phenomenon is that government officials do not see their mission as a public interest protector. On the contrary, they view their position as a tool for maximizing their individual interests. It is a classic rent-seeking behavior. Diversification, linkage building, and other government programs are not excluded from this rule.

Other authors see the reason in non-merit, crony, and nepotism styles of

recruitment and the absence of ethics and professionalism among government officials, and therefore they call young people to emigrate to find opportunities abroad and come back when the regime changes (Kusainov, 2014). The question of de-professionalization and promotion on a non-merit basis demotivates young people to pursue careers in state bodies, and some of them are inclined simply to leave Kazakhstan. Aside from identifying relevant political factors, the above explorative case study also highlights the stark contrast between stated policy aims and actual policy measures and results. How can we explain this discrepancy?

Anna Zelkina (2003) notes that in Soviet times, “An inherent contradiction [of the Soviet system] is the dichotomy between ideologically motivated declared goals and aims, and the actual political, social and economic practices the system bred” (Roy, 2000). Similarly, Jeffrey Brooks (2000) shows how state mass media in the Soviet Union presented a “stylized, ritualistic and internally consistent public culture that became its own reality,” helping to breed a “performative culture” in social and political life. Performance replaced reality. Brooks’ findings in Soviet history have been further developed by Andrew Wilson (2005), who has assessed the pervasiveness of “virtual politics” in the post-Soviet period. According to Wilson, in the domestic politics of many post-Soviet states, we have witnessed the creation of a spectacle of “pseudo-democracy.” In this way, performance as reality has continued in post-Soviet politics after independence.

Bhavna Dave (2004), in her study of the implementation of language policies in Kazakhstan and Kyrgyzstan, links reliance on performance or symbolic achievements to the weakness of today’s Central Asian states. She found that in Kazakhstan, the state implemented few pro-active, on-the-ground strategies aimed at enhancing language abilities. Consequently, there was little change in the actual language skills of the population (i.e., the creation of more Kazakh speakers). The state nevertheless claimed that the language issue had been “solved” and was “a success” via the adoption of laws and nominal targets. In this case, state statistics (the national census) were manipulated by altering the definition of “proficiency.”

Dave’s (2004) findings, in combination with Wilson (2005) and Zelkina’s (2003) insights, indicate that after independence in 1991, leaders in Kazakhstan might have been concerned with creating distinct state façades—façades that had little to do with the day-to-day practices of the state and its citizens. Performance in the field of economic policies and diversification might have been an important part of post-soviet symbolic statecraft. Seen from this perspective, it becomes more compressible why the states leaders, knowing how difficult implementation was, would still make such extensive efforts at pledging a move toward diversification.

CONCLUSION

In this article, we have examined efforts for diversification in Kazakhstan, the type of economic model that has been built, and the possibility to change it

and get out of the “path dependence.” Some declarations were made and some state investments were made, but results are modest. Diversification has to be a major change in a resource-led growth model to a more open and inclusive one, but growth is dangerous for political establishment groups as they might lose privileged positions.

Political factors are salient when accounting for the peculiar pattern of heavy promotion of diversification with little actual movement in relevant economic sectors in Kazakhstan. As noted earlier, we have not attempted to examine how salient political factors have been or whether they are more salient than economic factors. Instead, we have identified which political factors typically come into play and how these factors make linkage creation difficult in resource-rich countries such as Kazakhstan.

A key argument from our side is that not only did political factors act as barriers to diversification, but the actual linkage creation initiatives that were taken served as useful vehicles for rent-seeking behavior, thereby further entrenching skewed political and economic structures that are typical of states with oil-led development. State ownership in the economy is still pervasive in Kazakhstan. To make the situation worse, the state is captured by the ruling group. The building of strong institutions is undermined by the need for short-term gains of the ruling group. The lack of these institutions makes any diversification efforts futile. Capital is provided, programs are created, and projects are selected, but these efforts do not bring results in the end. Arguably, this happens because the actors and project managers are interested not in the success of the projects but in building personal loyalty networks and personal enrichment. The state control makes no one responsible for failure or success of the project. The programs for diversification have a declarative nature, and financial resources are squandered because they aim to buy loyalty of the elite groups. Too many agencies, national companies, and parastatals are created to employ people in the state because business and science do not create opportunities for employment. This claim of overstaffed national companies has been discussed for years.

We note that the government-led promotion of linkage creation works without institutional reforms because public investments from the authoritarian state do not encourage private ones. This is because private actors are discouraged more by unstable property protection and monopoly of the powerful cronies. This political economic process when economic development threatens the vested interests of the political class in power is a <missing word>.

Kazakhstan has developed an education system with full literacy, universities and vocational schools, engineering capacity, urbanization level, overall healthcare system, and women’s rights. The underlying problem for Kazakhstan is that it still has not finished the reforms of the economy toward private ownership and overreliance on state ownership of the economy. Without meritocratic selection, mismanagement and oil income is squandered. The main problem is that the ruling group and their loyal elites control the state. They have enriched themselves and did it at the expense of society and neglecting public interest protection. State money and state ownership are associated with the ruling political class. The main interest of the political class was not to create

a new class of private owners with new businesses but to buy the loyalty of local regional groups via corruption and stealing money. We conclude that real diversification with successful private businesses would create a threat for the current regime because property would be more dispersed and delinked with political affiliation, and business owners would be more independent in their actions and political choices. Thus, etatization of the economy means more control over the economy by the ruling group, and diversification fails by lack of political motivation.

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**TEACHER EDUCATION RESEARCH IN CENTRAL ASIA:
AN ANALYSIS OF JOURNAL PUBLICATIONS (2006-2016),
THE CASE OF KAZAKHSTAN**

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ABSTRACT

Educators around the world are concerned about the role research could or should play in determining teacher education (TE) policy and practice. After the collapse of the USSR in 1991, Kazakhstan embarked on an educational transformation. During a time when TE policy and science are in the process of active development in Kazakhstan, a vital question is how research in TE can be advanced. Still, little is known about the recent trends in the literature on Kazakhstani pedagogy or TE has arisen in the last decade. This analysis examines TE research in Kazakhstan published in academic journals from January 2006 to December 2016 and reviews the latest trends and patterns that have characterized TE research during this period.

Keywords: teacher education, research, in-service, pre-service, policy, Kazakhstan

INTRODUCTION

Educators around the world are concerned about “the role research could or should play in determining teacher education policy and practice” (Cochran-Smith and Zeichner, 2009). Teacher education practice, policy and research are both intertwined and interconnected. This connection is well-described in a report of the British Educational Research Association (BERA) and the Rehabilitation Services Administration (RSA) (2014) on the role of research in TE, suggesting it contributes to teacher education policy in several ways (where the content, design, and structure of TE programs are informed by research-based knowledge). Research can positively contribute to the teacher’s professional knowledge, practical wisdom, technical knowledge, and critical reflection (Pipere et al., 2015). In other words, research can facilitate a long-run and sustainable development of teacher education policy and practice.

Upon gaining independence after the dissolution of the USSR, Central Asian countries faced a wide variety of challenges and transformations with respect to their educational systems (Papieva, 2006). These have been characterized by a lack of quality research on TE and a lack of practice-oriented research on pre-service and in-service training of teachers (Ehlers, 2014; OSCE, 2003). To address systemic problems related to teacher education, it becomes important to develop TE research. In the Republic of Kazakhstan, a rapidly growing economy in the Central Asian region, TE has become a central agenda of educational reforms, where the national program of Kazakhstan for 2011–2020 set a goal of developing TE in the country (Wilson et al., 2013). While TE policy is in the process of active development in Kazakhstan, a vital question is: how can research in teacher education be advanced in order to improve teacher education programs and facilitate its sustainable development.

LITERATURE REVIEW

Teacher education research is of growing interest globally. It has become a key policy area within the educational literature. To illustrate, several studies indicate that, for example, the participatory action research may help to reorient teacher education towards sustainable development, enhance research skills, and frame a vision for the future in teacher education (Salite, 2015, 2008; Salite et al., 2009). Rigorous educational research is important for sustainable development of teacher education, enabling teachers to acquire the skills, professional knowledge, attitudes, and values necessary to shape a sustainable future (UNESCO, 2014). Developing educational research in the field of teacher education is important, helping to facilitate more evidence-based approaches to teacher education. In order to derive a rigorous and sustainable development of research in TE, the development of the scientific capacity in the field of TE becomes essential. To construct and facilitate the scientific capacity of TE, it is essential to understand how TE research is disseminated, and the outcomes of such research.

Within the framework of Western science, academic journals play an important role in TE research and policy making, and serve as a bridge for disseminating research-based knowledge across interested policy stakeholders. For example, Bernick and Krueger (2010) characterize academic journals as one of the most important mechanisms for disseminating the outcomes of research and scientific

innovations. In their studies, Wellington and Nixon (2005) indicate that academic journals are vital in determining not only the widespread parameters of educational studies, but also specific sub-fields within those parameters, credibility of which is dependent upon the publishing outlets that define, expound and constrain the field as a whole. In the past decade in the context of international research, the academic journals on TE have published a number of articles examining research developments on teaching and TE. For instance, Dooley et al. (2011) examine current conversations in the field of TE through the analysis of 721 articles published in the journals of TE between January 2006 and December 2009. Mills and Ballantyne (2016) conduct a review of research at the intersection of social justice and education published in peer-reviewed journals across 10 years (between 2004 and 2014), and recommended future research in the field. Schoenfeld et al. (2013) examined patterns of authorship affiliation across journals, with a primary audience of direct-service providers working with students with emotional or behavioral disorders (and published from January of 2000 to December of 2010). In their study, the researchers found that authors associated with institutions of higher education represented the majority of affiliations, with practitioners comprising only a small proportion. Such studies are important in that they help understand the typology of TE research outcomes, including its latest patterns and trends, thus aiding in identifying ways to facilitate the sustainable development of TE research.

The publication activity of Kazakhstani researchers in academic journals has received a degree of attention. Yessirkepov et al. (2015) examined the publication activity of scientific authors from Kazakhstan based on Scopus, SCImago Journal and Country Rank data from 2010 to 2015. Their review indicated that the number of indexed multidisciplinary articles from the country has been steadily growing since 2011; in fact, the publication activity of scientific authors from Kazakhstan was higher than that of authors from other Central Asian countries. However, there was a lack of research addressing recent trends of publication activity of Kazakhstani researchers in the field of TE. In addition, little is known about the ways in which the peer-reviewed body of research published in electronic databases is organized in relation to the TE in the last 10 years. Specifically, there is little information about the development of scientific capacity in the TE field, including information about the patterns of authorship affiliation or the types of articles published and topics discussed. Revealing the field's current status and tracing the development of TE research in Kazakhstan offers insights into this activity both in Kazakhstan and within the broader international field. The purpose of this study is to explore the general typology of peer-reviewed literature available in electronic databases related to TE in Kazakhstan within the last decade. The objective was to understand 1) the types of articles published; 2) the patterns of authorship affiliation; and 3) current topics discussed in the area of TE across peer-reviewed journals and related to the context of Kazakhstan within the last 10 years.

DATA AND METHODOLOGY

Focus of the study and the articles selection

Data for this qualitative study were collected on the basis of the EBSCOhost Discovery System during December 15–22, 2016. The content providers

included the following: Scopus, ERIC, SocINDEX with Full Text, ScienceDirect, Business Source Complete, Academic OneFile, Communication and Mass Media Complete, MasterFILE Premier, BioOne Online Journals, Social Sciences Citation Index, JSTOR Journals, LISTA, and Arts and Humanities Citation Index. The articles were searched using an advanced search method, where the following keywords were used: “teacher education” and “Kazakhstan.” To delimit research, the articles were retrieved in accordance with the following selection criteria: peer-reviewed, academic journals, search within the full texts of the articles, Russian language, and publication period between January 1st and December 31st of 2016. Comments, essays, interviews, conferences, and book-type materials were excluded from this review. After retrieving the selected publications, abstracts for each article were reviewed and full texts were analyzed in cases where it was necessary. Each study was examined for such details as the affiliation of author(s), publisher, the title of research, the type of article (including methodologies applied), and publication year. An Excel spreadsheet was applied for coding collected data and calculating the general frequencies of each code across all selected articles.

Coding and analysis

The first category established that related to article type was, is categorized as the following: research, literature review, and report. An article designed as research is one in which authors report results of original and empirical study conducted by authors; and describes methods used to collect data including various instruments (e.g. survey, interview, experiment, case study, narrative, etc.). Articles classified as a literature review are those in which authors conducted an analysis of a section of published body of knowledge through the summary, comparison, clarification, and evaluation of prior research studies.² Articles identified as a report are those in which the authors presented results of state or local school initiatives, programs or practitioner experiences while executing the practice (Schoenfeld et al., 2013).

The second category is related to the pattern of author affiliation. In their studies, Schoenfeld et al. (2013) classify the authorship affiliation as the following: 1) higher education institutions, 2) professional, 3) practitioner and 4) unidentified. The current study applies similar methodology to build a framework for analyzing the pattern of author affiliation. Higher education institutions (HEIs) include universities. Professional category includes authors whose affiliations come from different national, nonprofit centers and organizations specialized in increasing teacher qualifications and developing TE in the context of Kazakhstan. Authors classified as practitioners represented specialists associated with schools, including experimental schools for gifted children and Nazarbayev Intellectual Schools; and authors whose affiliations are unknown or not described were grouped under the “unidentified” category.

The third is to analyze the current topics discussed in TE, a coding scheme for the topic of article includes two categories:

² See, for example, Duke University. Writing Center article on Literature Review. https://twp.duke.edu/uploads/assets/lit_review.pdf and CQ University Library Literature Review Tutorial, 2016. Literature Review Tutorial. Retrieved from <http://libguides.library.cqu.edu.au/litreview>, Last accessed December 12, 2016.

- a) TE related to pre-service TE at pedagogical university schools that prepare a new generation of teachers;
- b) in-service TE that includes in-service training of teachers; teacher training; ongoing teacher professional development; school-, university-, or institution-based teacher professional development and continuous teacher professional development.

RESULTS AND DISCUSSION

A total of 82 peer-reviewed articles related to TE in Kazakhstan and published in academic journals between 2006 and 2016 were identified and retrieved for analysis. The articles were written in Russian and published in 52 different academic peer-reviewed journals related to the discipline of TE and the sciences. The majority of studies were published in the last 4 years. The analysis indicated that the evidence for TE research has been strengthened since 2012, with 12% of articles published in journals (having reached a peak in 2015, with 28% of articles published in peer-reviewed academic journals. This rise in publications might be related to an accelerated socioeconomic development of Kazakhstan in the early 21st century, which has caused a need for educators with a high level of competencies.³ This aligns with the study conducted by Yessirkepov et al. (2015), which indicated a steadily-growing trend of indexed and multidisciplinary publication activity by Kazakhstani researchers from 2011 onward. At the same time, it is worth mentioning that the requirement to have articles in indexed journals to defend Ph.D. dissertations was imposed by the Ministry of Education and Science of the Republic of Kazakhstan in 2011. Reviewing the overall distribution of articles published across journals since 2006, it can be seen that the majority have been published in seven journals.

Table 1. *Journals and Frequency of Articles*

#	Name	Number	Percentage
1	International Journal of Applied and Fundamental Research (Mezhdunarodnyi Jurnal Prikladnyh I Fundamentalnyh Issledovaniy)	7	9%
2	Vektor of Sciences of National Toliattinks University (Vektor Nauki Toliattinskogo Gosudarstvennogo Universiteta)	6	7%
3	European Researcher	5	6%
4	International Journal of Experimental Education (Mezhdunarodnyi Jurnal Eksperimentalnogo Obrazovania)	5	6%
5	Theory and Practice of Social Development	3	4%
6	Science and World (Nauka i Mir)	3	4%

³ See, for example, NIS. 2008. History of NIS creation. <https://nis.edu.kz/en/about/history/>

7	Kazan Pedagogic Journal (Kazanskii Pedagogicheski Jurnal)	2	2%
8	Azimuth of Scientific Research: Pedagogy and Psychology (Azimut Nauchnyh Isledovani: Pedagogika I Psihologia)	2	2%
9	Philosophy of Education (Filosofija Obrazovanija)	2	2%
10	Current Problems of Science and Education (Sovremennye Problemy Nauki i Obrazovania)	2	2%
11	Herald of Mininsk University (Vestnik Mininskoko Universiteta)	2	2%
12	The Path of Science (Put' Nauiki)	2	2%
13	Journal of Social Policy Studies	2	2%
	Other <2	39	50
	Total	82	100%

Source: EBSCOhost Discovery System

CURRENT TOPICS IN THE AREA OF TEACHER EDUCATION

Finding 1: Technology/innovative approaches as current topics in the area of TE

In order to study the themes of 82 peer-reviewed articles, the following coding of thematic areas was applied: pre-service TE and in-service TE. On average, 54% of articles were devoted to in-service teacher education in Kazakhstan and 46% were related to the development of pre-service TE. The research on TE included 15 main thematic areas. The data evidently suggested that the role of IT and innovative approaches in TE research is important. The most frequent publications in TE are devoted to application of IT and innovative approaches (18%) in TE practices, the development of personality and patriotic feeling of teachers (29% for pre-service TE), and professional skills (11% for in-service TE; 16% for pre-service TE).

The revealed facts also demonstrated that TE research tends to be developed in such areas as creative thinking, multilingualism and foreign languages, and the system of higher education institutions. Nevertheless, topics with regard to sustainability initiatives appeared less often. Such topics as vocational training, inclusive education, courses development, the study of international experience and comparative analysis, experimental schools experience, legal framework, CPD, and teacher interactions appear to be less eminent, forming small topical categories. Articles that studied in-service TE mentioned the necessary characteristics of developing teacher professional training and its important role in modernizing the educational system of Kazakhstan. Examples of articles on in-service TE included two articles by Balakayeva et al. (2015) and Baronina (2013), who examined the role of transferring experience and practice of experimental schools. Five studies by Baihonova (2015), Senina (2015), Vlassenko and Batyrbaeva (2015), Vlassenko and Chemodanova (2015) researched the important role of application of IT facilities and new approaches to increasing teacher qualifications. They also conducted cross-

country comparative analyses of TE systems. Other studies reporting on teacher professional development in the context of multilingual inclusive education (Akhmetova, 2016), studying normative legal bases of systems of professional development of teachers (Mukanova and Mukhatayev, 2015); the role of teacher interactions and knowledge exchange (Vlassenko and Pustovalova 2012; Vlassenko and Chemodanova 2012) and developing independent work skills during teacher training programs (Vlassenko and Batyrbaeva, 2015). Tables 2 and 3 present the frequency and proportions of articles in terms of subjects related to in-service and pre-service TE.

Table 2. *Subjects of Articles on In-Service TE*

<i>Themes</i>	<i>Number</i>	<i>Percentage</i>
Technology/Innovative approaches	8	18%
Competence development	5	11%
Multilingualism and foreign languages	4	9%
Higher education institutions/Masters level	4	9%
Teacher independent work/School teacher/research skills development	4	9%
Teacher-defectologists/Inclusive education	4	9%
Course development	4	9%
International experience/comparative analysis	3	7%
Experimental schools experience	2	5%
Legal framework	2	5%
Continuous professional development	2	5%
Pedagogical/Teacher interactions	2	5%
Total	44	100

Note: Percentage column reflects the number of articles discussing the theme out the total number of articles on in-service TE

Source: EBSCOhost Discovery System

The role of pre-service TE at pedagogical universities is reported by many authors as a determining factor in developing competitive teachers. Four studies analyzed the ways of optimizing and developing the system of higher education institutions, including conditions of innovative development (Laryushina et al. 2014; Panin 2013; Samerkhanova and Imzharova 2014; Zelvys et al. 2014). Mirza (2015), Bakirov and Asanaliev (2013) Nagymzhanova (2013) and Maltekbasov (2014) discussed the current trends of modernization of educational system, and development of creative thinking of future teachers. Five studies conducted research on pedagogical terms of developing competence and preparing future teachers in different disciplines including mathematics, trade education, military, and music (Shmigirilova 2015; Muhamedina, 2016 and Zhakysylykov, 2015). Ertayeva (2014) reported on the role of multilanguage educational environment related to TE. It is worth noting that most of reviewed studies on pre-service TE (Khan and Kolumbaeva, 2015; Sarzhanova and Kvasnyh, 2013; Vlassenko and Khrushchev, 2015; Dzhilkishieva, 2012; Aubakirova, 2010; Kusainov and Bulatbayeva, 2011) also emphasized the role of personality development

and patriotic training of the future generation of teachers. Asylbekova (2014) reviewed the importance of vocational training of future preschool teachers.

Table 3. *Subjects of Articles on Pre-Service TE*

<i>Themes</i>	<i>Number</i>	<i>Percentage</i>
Personality development/Patriotic training	11	29%
Technology/modernization	7	18%
Competence development in disciplines	6	16%
Creative thinking/Creativity skills development	5	13%
Higher education institutions	4	11%
Vocational training	3	8%
Multilingual environment	2	5%
Total	38	100

Note: Percentage column reflects the number of articles discussing the theme out of the total number of articles on pre-service TE

Source: EBSCOhost Discovery System

However, several topics related to the field of TE never seemed to emerge. Areas insufficiently addressed included rural teacher needs and make urban versus rural comparisons of the effectiveness of TE programs. This theme seems to be important issue in the sphere of education of Kazakhstan. First, there is the statement, “well-being of the village is a well-being of the country” by the president of Kazakhstan envisages rural TE as an important factor in forming an educated prosperous nation (Mussina, 2015). Secondly, rural teachers comprise 61.6% of the general teacher population in Kazakhstan (Mussina, 2015). They thus may play a key role in successful implementation of education reforms. A greater understanding of rural teachers’ perceptions of TE programs could provide valuable information that could support the design and refinement of TE programs and curricula in the country.

TYPES OF ARTICLES AND PATTERNS OF AUTHORSHIP AFFILIATION

Finding 2.1. Literature review as the most common type of articles published

Within the overall patterns, the most common type of articles published by authors is a critical analysis of a section of published TE knowledge through summary, comparisons, clarification, and evaluation of prior research studies (see Table 4).

Table 4. *Types of Articles*

<i>Types of Articles</i>	<i>Number</i>	<i>Percentage</i>
Literature Review	42	52
Research	29	35
Report	11	13
Total	82	100%

Source: Report on the role of research in TE

These types of articles are not research studies; they do not present new data or original investigations conducted by the authors. Although the vast majority of Kazakhstani authors have a tendency to publish literature review-type articles, the second large proportion of articles belong to research-type articles. The least common type of articles published by authors was report (see Table 4).

Explanations for largely focusing on literature review-type of articles by the vast majority of Kazakhstani authors might relate to an insufficient knowledge of how to conduct original research and empirical studies. For example, in their own studies, Yessirkepov et al. (2015) discussed numerous problems encountered by researchers, authors, and editors in Kazakhstan. They suggested writing skills of most authors were still inadequate and recommended that action be undertaken to help authors better understand the principles of research methods and methodology. Additionally, authors', whose affiliation is written in Russian about TE in the context of Kazakhstan, represent not only Kazakhstan, but also other countries of Central Asia, Russia, Ukraine and the United States.

Finding 2.2. HEIs as the most common type of author's affiliation

The data on professional characteristics of authors indicated that the majority (57%) were representatives of higher education institutions. Authors with unidentified affiliations represented 21% and professional authors affiliated with national, nonprofit centers and organizations accounted for 11%. Authors' articles formed by co-authorship and came from both HEIs and professional affiliations comprised 7% of the total. Teaching practitioners (4%) represented the fewest publications in academic journals. This finding aligns with the study conducted by Schoenfeld et al. 2013 that found authors associated with institutions of higher education represented the vast majority of affiliations, whereas practitioners comprised only a small proportion of authors. In their studies, Schoenfeld et al. (2013) and OSCE (2003) mention heavy workload and other administrative tasks that may discourage more ample representation of practitioners in research and publication activities.

Finding 2.3. HEIs' researchers are the most frequently publishing authors of research type articles

In order to find out who is most frequently publishing research articles, data on author's affiliation of research type articles were analyzed. The data showed that, in recent years, the great majority of researchers from HEI's (66%) of Kazakhstan have noted the importance of TE and participated actively in data collection, analysis and empirical studies. Authors associated with institutions of higher education represented such universities of Kazakhstan as North-Kazakhstan State University, Kazakh State Women's Teacher Training University, National Abai Pedagogical University, Southern Kazakhstan State University, Oskemen East-Kazakhstan State University, Kazakh Agro Technical University (Nur-Sultan), National University of Karagandy, Medical State University of Semei, and Eurasian National University. Professionals publishing research articles in academic journals accounted for 28% across all author affiliations; and practitioners appeared least frequently as authors of research articles and

accounted for 3%.

Although practitioners had the smallest number of authors of research articles, they published a higher number of report-type articles (18%) compared to other categories of author affiliation. This may relate to the fact that, in 2008, intellectual experimental schools were created by Kazakhstan government as a platform for introducing the latest innovations in education (Chukurova and Abdildina, 2014). At the early stages of this initiative, it was expected that practitioners, including teachers at schools in Kazakhstan, would represent the vast majority of research article publications. The creation of the Nazarbayev Intellectual School in Kazakhstan required professional development programs in TE to help teachers to develop necessary skills and knowledge. However, this assumption was not confirmed within the current study. It may serve as the basis for further research that would investigate the reasons behind low representation of Kazakhstani practitioners in original research. Authors from professional and practitioner affiliations represented such organizations as the National Center for Professional Development “ORLEU” of Kazakhstan’s different regions, Center of Excellence, Nazarbayev Intellectual Schools, Institute of Professional Development of Pedagogical Workers of the Kostanay region, and the Institute of Improving Teachers’ Qualification of the Aktobe region.

Finding 2.4. Shared authorship

The majority of articles (62%) were written by authors in a joint co-authorship, while 38% of 82 articles appeared to be published by single authors. There was an observed shared authorship between authors affiliated with institutions of higher education and professional organizations. Authors co-authored articles most frequently with their colleagues from Kazakhstan, a few co-authored with colleagues from Russia or the United States. About 38% of single authors is most frequently associated with a Kazakhstani affiliation.

To sum-up, several important features of TE research in Kazakhstan can be highlighted. First, the most common type of articles published by authors is descriptive in nature. Relatively less original research on TE written in Russian language has been conducted in the context of Kazakhstan within the last decade. Second, authors associated with institutions of higher education represent the vast majority of authors across all types of articles. Moreover, they appear most frequently as authors of research articles. Third, there is a general tendency of co-authoring article between authors affiliated with institutions of higher education and professional organizations; authors co-author articles most frequently with their colleagues from Kazakhstan; articles are most frequently written by authors in a joint co-authorship rather than in a single authorship. Fourth, practitioners appear least frequently as authors of research articles; however, they mostly appear as authors of reports. Fifth, analysis indicates that TE research in Kazakhstan has been strengthened in the last 4 years and has been steadily growing since 2012, reaching the highest number of publications in 2015. Sixth, the vast majority of publications in the area of TE is devoted to discussing the application of IT and innovative approaches in TE practices, the development of competence skills, personality and patriotic feeling of teachers. Several topics never seemed to emerge related to the field of TE that would address rural teacher needs giving the fact that rural teachers comprise the vast

majority of general teacher population in Kazakhstan. Moreover, the topics with regard to sustainability initiatives in TE research seem to appear less often in Kazakhstan.

CONCLUSION

This study helps to improve our understanding of the general typology of peer-reviewed literature output available in the electronic database related to TE in Kazakhstan within the last decade. Specifically, the study explores the trends related to the types of articles published, the patterns of authors' affiliation and the current topics discussed in the area of TE research, and calls for the need to facilitating a sustainable development of TE research in Kazakhstan. TE research in Kazakhstan needs to become more original in nature, multi-disciplinary and apply multi-methodological approaches (Pipere et al., 2015). Although the evidence for TE research in Kazakhstan has been steadily growing since 2012, more empirical studies are needed on TE in relation to various aspects. More research training opportunities should be provided to practitioners in Kazakhstan that would encourage their active participation in research; share and disseminate their knowledge and experience across the field. More balanced dissemination among affiliations of authors representing higher education institutions, professional organizations and practitioners across literature is necessary in order to enhance more comprehensive body of peer-reviewed TE research in Kazakhstan. It is hoped such research collaboration will help to form foundations for a research-rich TE system at the time of designing TE policies and practices.

Policies need to be directed toward building and strengthening the scientific capacity and research infrastructure of authors representing higher education institutions, professional organizations and practitioners to foster rigorous and innovative TE research. More participatory action research conducted by practitioners and teachers may help to appear them as the authors of research articles, reorient TE towards sustainable development, and construct the vision for the future in teacher education (Salite, 2008, 2015; Salite et al., 2009). It will allow teachers acquire the skills, competencies, attitudes and values necessary to shape a sustainable future (UNESCO, 2014) of TE policy and practice. A full-scale research is needed in order to comprehensively understand the complexity of TE research in Kazakhstan.

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**REMITTANCE INCOME AND MIGRANT
ENTREPRENEURSHIP IN CENTRAL ASIA**

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ABSTRACT

For many Central Asian citizens labor migration has become a part of their lives mainly due to difficult economic condition in their hometown like high unemployment rate and low wages. In order to cover the economic needs of their families majority of the labor migrants send 30-50% of their earnings back home which in total becomes large sums comparing with their home country GDP. In 2017, Central Asian countries in total has received \$5 billion remittance inflow in 2017 where the remittance share to GDP for Kyrgyzstan is 35% and for Tajikistan is 31% one of highest ratios in the world. The potential of remittance incomes on contributing the economic development in these countries has been widely discussed in literature. However, there is lack of information on turning this opportunity into reality part. This paper aims to analyze the recent remittance dynamics and their effect on the economic development in home country.

Keywords: remittance, labor migration, entrepreneurship, Central Asia, income.

INTRODUCTION

There were 266 million international migrants living or working around the world in 2018. While working abroad, labor migrants send a part of their earnings back home to financially support their families. The transferred earnings are called remittances and, in many cases, these incomes make up a large part of household revenues. In 2018, total remittance transfers in the world reached \$689 billion, of which \$529 billion were remitted to low and middle-income countries. In order to underline the importance of this amount, it could be said that it is three times larger than the total foreign aid distributed in 2018 (World Bank, 2019).

Due to various economic conditions, it is mostly citizens of Central Asian countries who search for job opportunities abroad. Russia is an optimal choice for the majority of labor migrants from Central Asia due to the free-visa regime, higher salaries, constant demand for labor and familiar language. The nature of their migration is circular; migrants often work in seasonal jobs and return to their home country after a period of time. The reasons for migrating to another country differ from people to people. However, when we look at the leading causes of Central Asian migrants, economic reasons are the main motivating factors (Constant et al., 2012).

A large part of the economic side of the migration literature focuses on the impact of remittance earnings on the home country's economic development process. In the literature, there is much research supporting the positive and negative sides of remittance transfers. The proponents of the positive side mainly indicate that sending labor migrants abroad lowers the unemployment level, improves the living conditions of the migrant workers' families and increases the foreign currency reserves. On the other hand, opponents mainly argue that the migration process deepens the brain drain and does not contribute to macro-level economic development, as argued by proponents (Matuzeviciute and Butkus, 2016).

In order to assess the contribution of remittance transfers to entrepreneurial activities in Central Asia, we need to look at the expenditure structure of the recipients of the remittance revenues. For this purpose, looking at labor migrants in Russia would give us a general picture of this issue. This paper aims to investigate the entrepreneurship initiatives of labor migrants in Central Asia to identify the potential of the remittance revenues' impact on economic development in the home country. Therefore, it seeks an answer to the question of to what extent remittance income is invested in entrepreneurship in the home country and does migration matter for economic development?

Methodology

This research will be based on mainly secondary sources of information and quantitative data alongside the qualitative data. The quantitative part will include data from different databases related to remittance income dynamics and economic conditions of the Central Asian countries. As for the literature review, research that is conducted on the relationship between entrepreneurship initiatives and remittance income usage will be reviewed to analyze the information gathered from quantitative research for Central Asian countries. Through the gathered remittance income and entrepreneurial activities

information, this paper aims to analyze the effect of remittance transfers on the development of entrepreneurship in the region and its potential for contribution to the economic growth in Central Asian countries.

MIGRATION FLOW AND REMITTANCE DYNAMICS

Migration Flow

Migration from Central Asia to Russia is temporary and circular, meaning migrants immigrate to another country with the purpose of searching for a job, stay for a short period and return to home country (Constant et al., 2012). This migration process benefits all sides: the host country, mainly Russia, can fill its labor shortage in a short time and, by sending labor migrants abroad, unemployment in the home country goes down, since the majority of them are migrating because they could not find a job in their hometown. As for labor migrants, they gain the chance of finding a better job opportunity with a higher salary, obtaining new skills and sending remittance to their home countries (Graeme, 2013).

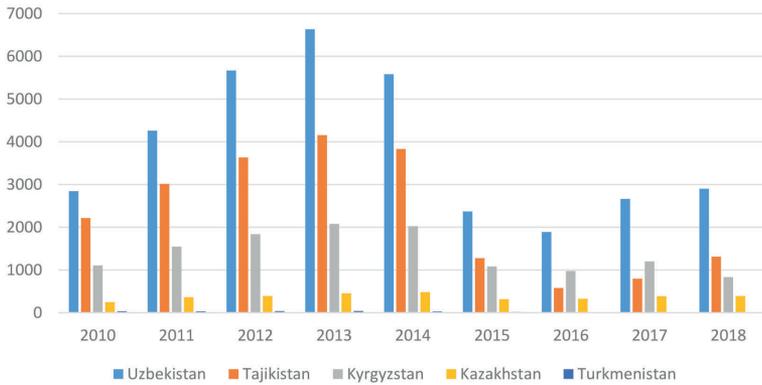
According to the Federal State Statistics Service (Rosstat), in 2005, the number of migrant workers was 702,500. However, due to the simplification of the procedure for obtaining a work permit for Commonwealth of Independent States (CIS) citizens, this figure increased to 1,717,000 in 2007. This increasing trend continued in 2008, reaching 2,425,900, however, due to the effect of the global financial crisis on the Russian economy and labor market, this figure decreased to 2,223,600 in 2009. The figure has gradually fallen to 1 million in 2014; the reason for this decrease is related to the changes in the law on migration. Previously, in order to obtain a work permit, employees needed to rely on their employers to apply for a quota (Rosstat, 2017). However, starting from 2010, the Russian government initiated a “patent” project as a replacement for the quota system. At first, it was distributed only to people who worked for individuals. Thus, a certain number of people might prefer to obtain patents since they could obtain this type of work permit directly themselves (Matveenko et al., 2017). Starting from January 1, 2015, the quota system was abolished and replaced with a patent. Accordingly, the number of foreign citizens with a valid permit to perform labor activities increased to 1.5 million in 2016 (Rosstat, 2017).

Nevertheless, these numbers do not represent the whole picture, since these are only official statistics and, according to the Federal Migration Service, 4.3 million people were working illegally in Russia, most of who were CIS citizens (Moscow Times, 2014). On this point, experts’ opinions agree on around 3 to 5 million (Mukomel and Zvonchovskaya, 2013).

Remittance Dynamics

Remittance transfer dynamics were actively fluctuating in recent years in relation to the economic situation in the major source country, namely Russia. More than 60% of the remittance inflow to Central Asia comes from Russia. Therefore, remittance transfers are quite fragile and sensitive to changes in the Russian economy (World Bank Group, 2016).

Graph 1. Remittance transfer from Russia to Central Asia 2010-2018 (Million USD)

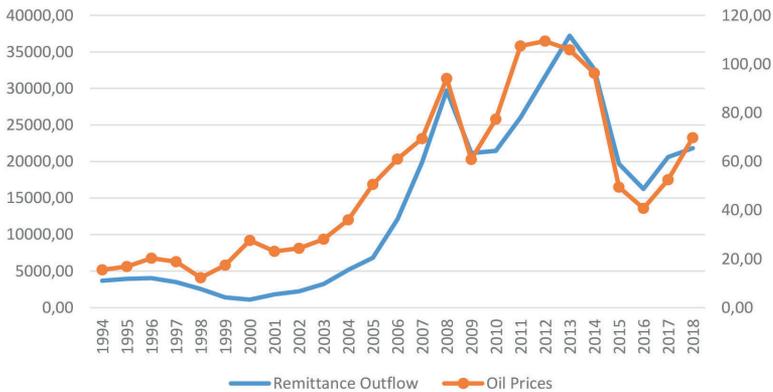


Source: Central Bank of Russia, 2019

Heavy dependence on remittance inflows from Russia has positive and negative consequences on remittance transfers to Central Asian countries. As seen from Graph 1, in line with the increasing economic indicators, remittance transfers also increase during the period 2010-2013. However, starting from 2014, remittance transfers to Central Asia at first slightly decrease and, during 2015-2016, fall sharply from \$13.3 billion in 2013 to \$3.7 billion in 2016. Only after 2017 does it manage to increase, to \$5 billion in 2017 and \$5.4 billion in 2018. If we look at the countries in the region specifically, for Uzbekistan, remittance transfers fall from \$6.63 billion in 2013 to \$1.88 billion in 2016, a \$4.74 billion (or 350%) loss in just three years. As for the rest of the countries in the region, the decreases for Kyrgyzstan are \$1.1 billion or 213%, for Tajikistan \$3.57 billion or 717%, for Kazakhstan \$128 million or 68%, and for Turkmenistan \$32 million (Central Bank of Russia, 2018).

There are a number of reasons for this significant decrease, such as a sharp fall in oil prices, a significant depreciation of the ruble against the dollar and the changes in the law on migration. The Russian economy as an energy-exporting economy is deeply affected by the significant decrease in oil prices that reflected on the remittance transfers. As seen from Graph 2, remittance outflows from Russia are strongly correlated with the changes in oil prices.

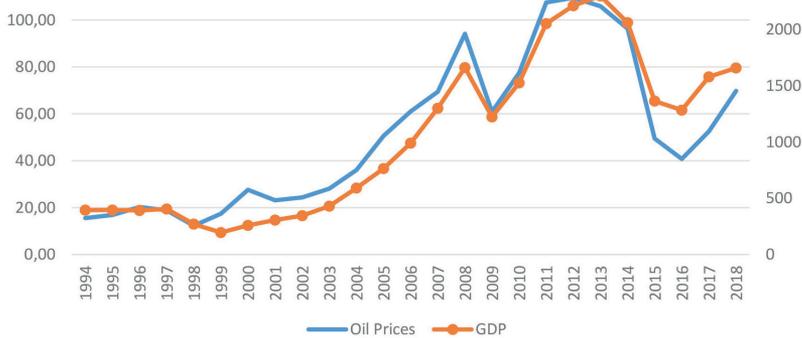
Graph 2. Remittance Outflows from Russia and Changes in Oil Prices 1994-2018 (Million USD)



Source: World Bank and Statista.com, 2019

Historical representation of the remittance flow figures indicates that it is quite sensitive to changes in oil prices. The correlation between remittance outflow and oil prices, starting from 2000 has become even stronger, where remittance outflow structure quickly reacts to the sharp fall in oil prices in 2008 and 2014, significantly reduced from \$29.7 billion in 2008 to \$21.4 billion in 2014, followed by a quick recovery period during 2010-2013 and 2016-2018. This correlation is also strongly linked with the fact that economic growth in Russia is closely related to oil prices, since oil export revenues make up a significant part of Russia’s GDP (World Bank and Statista.com, 2019).

Graph 3. Changes in Oil Prices and Russia GDP Growth 1994-2018 (Billion USD)



Source: World Bank and Statista.com, 2019

Similarly to the remittance outflows, there is a solid correlation between GDP growth and oil prices. Thus, it could be said that remittance outflow depends on the earnings of the labor migrants who are working in the country and their revenues, linked to the economic situation in a Russia that is highly influenced by the changes in oil prices. These trends also reflect on remittance inflow to the Central Asian countries as could be seen in Graph 1. It could be said that oil price levels are one of the main factors that shape the remittance inflows to

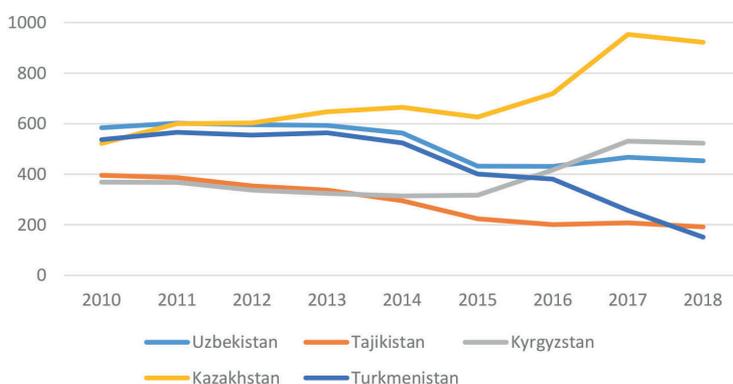
Central Asia due to its heavy dependence on remittance transfers from Russia.

Alongside this general trend, there are a number of other factors that are significant in determining the remittance inflow amount to Central Asian countries. Among them, certain changes in the law on migration in Russia and the currency factor of remittances can be seen (World Bank and Statista.com, 2019).

From January 1, 2015, the Russian government made a number of changes to the law on migration that tightened the procedure and increased the price of work permits. One of the main changes was replacing the quota system with a “patent”. In legal terms, this new change liberates employees from depending on an employer to get a work permit. However, the cost of additional documents and giving the authority to set a work permit price to governors increased the price of work permits, especially in the larger cities, such as Moscow and St. Petersburg, where more than half of the migrant workers arrive looking for job opportunities. The patent is given for a maximum of a year and needs to be renewed every year and, with the new changes, the annual cost of getting a patent reached 58,000 rubles in 2015, equal to the two-month average salary of a migrant worker in Russia (Hashimova, 2015).

In addition, the depreciation of the ruble against the dollar was probably the major reason for the sharp decrease in remittance amounts in dollar value. In December 2014, the ruble lost more than half of its value against the dollar and labor migrants are paid in rubles, but convert into dollars when sending their earnings back. This is also another reason why numbers decreased so sharply, they are calculated and reported in dollar value (Central Bank of Russia, 2016).

Graph 4. *Average Amount of One-Transfer of Remittance 2010-2018 (USD)*



Source: Central Bank of Russia, 2019

Looking at the average amount of one-transfer figures shows a similar picture, such as the total remittance amount (Graph 4). However, certain changes in the remittance transfer can be observed more easily in these statistics. For instance, it is expected that being a member of the Eurasian Economic Union (EEU) would have certain benefits for member countries, such as Kyrgyzstan and Kazakhstan. During the joining process of the EEU for Kyrgyzstan, proponents advocated that entry and finding a job would be easier for Kyrgyz citizens and they would be exempt from obtaining a work permit and its costs. It appears they were right and we can observe the scope of benefits since we have data

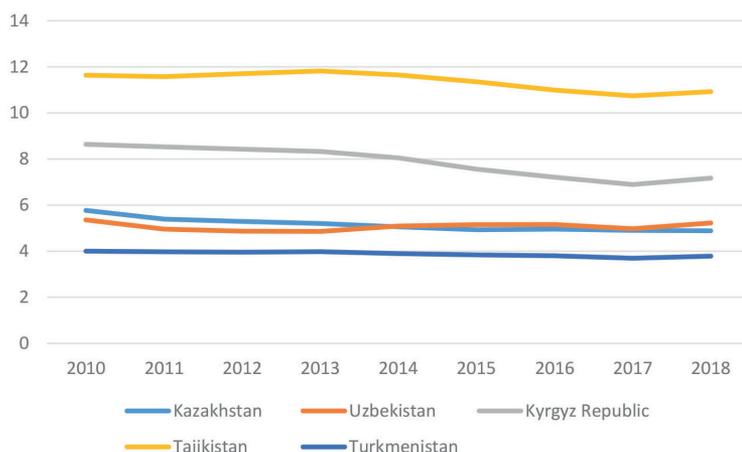
for the post-membership period of 2015-2018. By joining the EEU, the average amount of one-transfer to Kyrgyzstan has increased from \$314 in 2014 to \$523 in 2018 (Central Bank of Russia, 2018). During the 2010-2015 period, the average amount of one-transfer to Kyrgyzstan was in the range of \$314-\$369 and the change in the post-membership period was almost \$200. It could be said that becoming a member of EEU played a role in softening the falling trend in remittance inflow in 2016 and allowed a strong rise in 2017 (Central Bank of Russia, 2018).

As for Kazakhstan, the average amount of one-transfer was in the range of \$522-\$626 during the same period and stood at \$665 in 2014 but, after becoming a member of the EEU, the transfer amount increased to \$922 in 2018. By looking at these numbers it could be said that becoming a member of the EEU added around \$200-\$300 or 60% to the remittance inflows to Kazakhstan and Kyrgyzstan. On this point, negotiations between Tajikistan and EEU have been going on for some time and if, in the near future, they become a member state, their remittance revenues could also increase by an average 60%, as seen in Kyrgyzstan and Kazakhstan (Central Bank of Russia, 2018).

REASONS FOR MIGRATION AND GENERAL ECONOMIC OUTLOOK IN CENTRAL ASIA

The literature of remittance and economic development correlation is full of mixed opinions where some argue remittance transfer is good for economic development in a country, while others state that the negative effects outweigh the positive contribution (Matuzeviciute and Butkus, 2016; Kakhkharov, 2017). In order to analyze the entrepreneurial activities of migrants and their effect on the economy, it would be useful to start by representing the general economic outlook in these countries; they lay out the main reasons for migration because, in many cases, it is economic reasons that push them to search for a job opportunity abroad and present an idea about the business environment in the home countries.

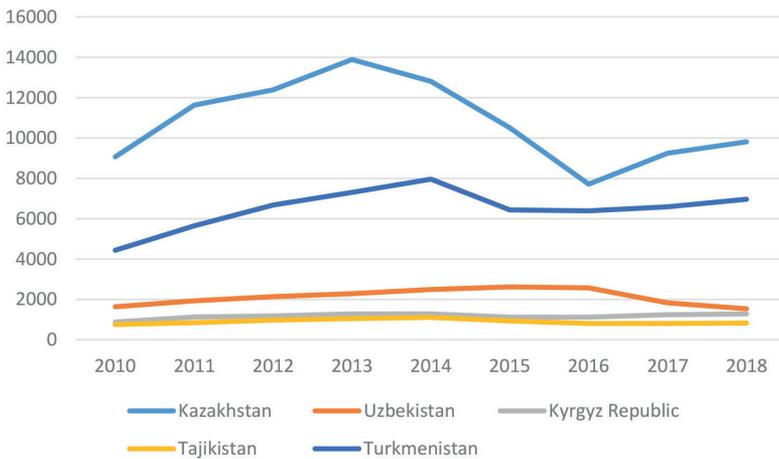
Graph 5. *Unemployment in Central Asia 2010-2018 (%)*



Source: World Bank, 2019

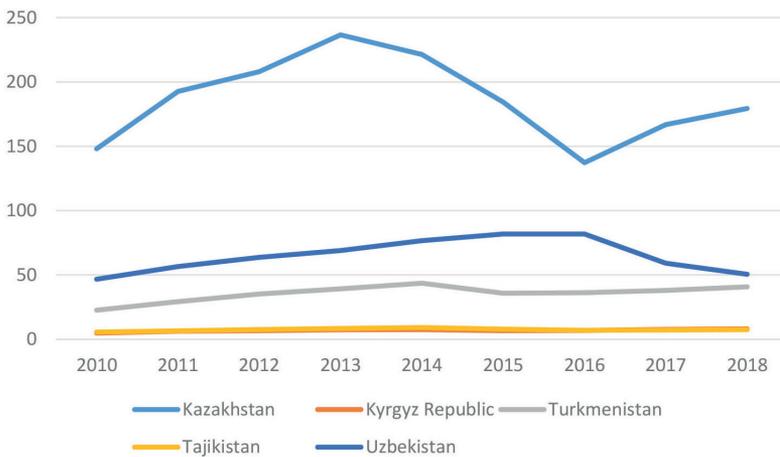
In the region, each country has in a different economic situation: Kazakhstan is the most prosperous country in terms of many economic indicators, such as GDP, GDP per capita, and unemployment rate. Turkmenistan’s economy is the closest one in the region to the world market: thanks to its natural gas and other natural reserves, it is in a relatively good position compared with other countries in the region. The rest of the countries (Uzbekistan, Kyrgyzstan, and Tajikistan) have had to face various economic difficulties and regarding migration, the most concerning part is the high unemployment rate. On this point, Tajikistan takes the lead with 10.9%, followed by Kyrgyzstan and Uzbekistan at 7.1% and 5.2%, respectively, in 2018. For Kazakhstan and Turkmenistan, the unemployment rate is 4.8% and 3.7%, respectively. These countries are the major labor migrant-exporting countries in the region, where millions of people go abroad annually and the main destination for many of them is Russia (World Bank, 2018).

Graph 6. GDP per capita in Central Asia 2010-2018 (USD)



Source: World Bank, 2019

As mentioned above, due to low wages and high unemployment in the home country, many family members, especially the men, decide to migrate to earn a sufficient income or to improve the living conditions of their family. Another important economic condition that affects the migrants’ decision-making process is the purchasing power capacity in the home country. Graph 6 shows major labor exporting countries have lower GDP per capita, compared with Kazakhstan (\$9,812) and Turkmenistan (\$6,966). Tajikistan has the lowest GDP per capita with \$826, followed by Kyrgyzstan with \$1,281, and Uzbekistan with \$1,532 (World Bank, 2019).

Graph 7. GDP current US\$ in Central Asia 2010-2018 (Billion USD)

Source: World Bank, 2019

When we look at the GDP (current US\$), Kazakhstan is distinct from the other countries in the region. With \$179.3 billion, Kazakhstan takes the lead in 2017, while Uzbekistan is a distant second with \$50.4 billion. The difference between the richest and the poorest countries in the region, namely Kazakhstan and Kyrgyzstan, is between 23 times in 2018 and 32 times in 2014 (World Bank, 2018).

RELATIONSHIP BETWEEN REMITTANCE AND ENTREPRENEURSHIP IN CENTRAL ASIA

To grasp the relationship between remittance and entrepreneurship in Central Asia it would be useful to look at the general conceptions of the issue. In the remittance literature, one of the most popular and discussed issues is its potential contribution to the migrants' home country economy. The annual inflow of money remitted by migrant workers to their families is, in certain cases, considerable, equaling around 20-30% of their countries' GDP in Kyrgyzstan and Tajikistan. Every year, almost 30% additional income has been transferred to these countries where their economic growth rates do not generally exceed single digit level. The idea of the potential contributions of this additional income to economic development has been attracting the interest of researchers for many years.

On this point, there are many arguments regarding the remittance inflows effect on economic structure in the migrants' home countries. For instance, Ratha (2013) argues that remittance income reduces the poverty level of households and increases their capability to save and invest in developing countries, which would pave the way for an positive outcome for economic growth prospects for the countries receiving remittances. Adams and Cuechuecha's (2010a) findings complement the arguments of Ratha on poverty alleviation, indicating that the remittance income effect is more powerful in diminishing the depth of poverty rather than its extent.

It could be said that the additional income that comes with the remittance transfers

undoubtedly improves the households' economic conditions and increases their capabilities to solve their economic difficulties. Remittances allow a larger financial 'playground' for them to further develop their economic conditions, permitting them to use the additional income for investment purposes or just save it for 'rainy days'. As Rapoport and Docquier (2005) indicate, that remittance can foster a household's ability to engage with entrepreneurial activities and invest in their businesses that, in turn, would have a positive impact on their country's economic development process. In another case, Haas (2007) points out that some households use their remittance income as a long-term investment strategy by spending on educational purposes. All in all, many researchers put forward various positive outcomes of remittances for the economic development of origin countries.

On the other hand, as Kapur (2004) and Chami et al. (2013) argue, there is an ambiguity of connections between remittance inflow and economic development. According to their views, the researchers who advocate a positive relationship between remittances and economic development do not seem to fully understand how, in reality, these remittances are being used and what the main reasons are for receiving households to engage in entrepreneurial activities. In their arguments, they indicate that not all the received money is spent on investment purposes since a large part of the additional income is used to cover the consumption needs of the families. Moreover, generally the money for investment is not allocated due to entrepreneurial spirit but rather as an insurance mechanism against any economic difficulties. Thus engaging in entrepreneurial activities if it occurs with the remittance revenues is another way for them to reduce their poverty level rather than their willingness to contribute to the economic development of their countries.

Taking into the general conceptions into consideration, the analysis of the economic scope of the remittance transfers to Central Asia and their usage purposes would allow us to see the relationship between remittance income and entrepreneurship in Central Asia more clearly. In 2018, of \$689 billion global remittance transfer, \$529 billion went to low and middle income countries. Central Asia's share stood around \$5 billion or 0.83% and 1.07%, respectively. Although the remittance amount might be small at the global level, for the region it is a quite significant financial resource (World Bank, 2019). In terms of transferred remittance amount equivalence to GDP, Kyrgyzstan and Tajikistan have quite high ratios with 33.2% and 29%, respectively, in 2018. For the rest of the countries in the region, the amount is relatively small where the ratio is around 3% for Uzbekistan, 0.3% for Kazakhstan, and 0.04% for Turkmenistan. This is due to the large difference between countries in terms of GDP amount and number of labor migrants sent abroad (World Bank, 2019).

For Kyrgyzstan and Tajikistan, the annual remittance transfers are great opportunities for the economic development process of these countries. An extra annual income in the amount of 30-35% of GDP could have a significant impact on the business sector if they were fully channeled to entrepreneurial activities, such as foreign direct investment in these countries. This argument has been mostly discussed in the migration literature on the economic development aspect of the remittance income to the home country. The total amount of remittance is seen as potential investment capital and analysis of this issue is often based on

this assumption that a certain amount of this money will be used to open new businesses or develop existing ones. However, the most important point here is the will of recipients for entrepreneurial activity and how much they are willing to invest. To answer this question we need to look at the expenditure structure of the labor migrants' families (Central Bank, 2015).

According to a survey conducted by Central Bank of Russia in 2015, labor migrants living and working in Russia send on average 30-50% of their earnings to their families. The same survey indicates that they send on average \$300-\$400 a month, where the range of the transfer could change from \$100-\$2,000. Out of these remittance incomes, recipients in the home country spend 60-65% of this sum on daily consumption needs, 13% payment for services, 1.8% repayment of loans and 20.2% other expenses (Central Bank, 2015).

Other research conducted on the topic of remittance transfer and entrepreneurship in Uzbekistan states that only 6.4% of their respondents decided to migrate to gather capital to start a business in their hometown. In addition, only 7.4% of the remittance money was used for business purposes in 2013 (Kakhkharov, 2017). As for Kyrgyzstan, the share of investment for entrepreneurial activity was just above 10% in 2013 (Bruck et al., 2018), meaning that a large part of the billions of dollars sent that could have had a macro-level effect on the economies in the region are spent on basic needs of the families. Remittances for many recipients are either only spent on household revenue or significant portion of them.

In Central Asia in general, a large part of the remittances are used for pure consumption needs, such as food and clothing and other basic needs, around 60-70% on average (Central Bank of Russia, 2016). In addition, cultural ceremonies, such as weddings and other commitments also reduce the savings of the families gathered from remittance revenues. Moreover, families of labor migrants put a part of the remittance money aside to save it for 'rainy days'. In many cases only after these priorities, is remittance income is spent on investment purposes.

Within the investment pot, the money again divides into groups because not all the money saved for investment goes on entrepreneurial activities. For instance, migrants also see building a house and other construction expenditures as an investment. However, if the house is not built for business purposes then this type of investment could be considered as consumption that has a value but is not used for profit purposes. Moreover, the entrepreneurial reasons also divide into groups, where it might be used as a startup capital for a business or for options such as buying animals to benefit from their products to cut the costs of food expenditures. Among established businesses, the type of this initiative is either a sole proprietorship (SP) or a small and medium enterprise (SME), due to lack of financial capital (OECD, 2015; Kakhkharov, 2017).

As these surveys indicate, only fraction of the remittance revenues are spent on investing in a new business or developing it. Moreover, when we come to the effect of remittance on the economy, it could be said that, although new businesses provide new job opportunities, however due to their small size, their effect on the economy at the macro level is limited. A research finding for Tajikistan indicates that 77% of the respondents hired fewer than five people and among them, the proportion of individual business owners was 30% in 2014. Having said that they are also the main job providers where SPs and SMEs

provide 98% of the jobs in the labor market (OECD, 2015).

In Tajikistan, within the sectoral composition of businesses, agriculture takes the lead with 38%, transportation and trade are 25%, retail 14%, services 12%, and manufacturing is only 4%. When we look at the region in general, the trade sector is one of the most popular among migrant entrepreneurs (OECD, 2015).

This structure of the firms is also related to the financial capital opportunities of entrepreneurs in the region. Due to financial constraints on access to bank credit, they have few alternatives other than their savings and the remittance income. According to a survey on access to financial resources in Central Asia, difficulty in getting a loan from a bank is top of the list.

Access to bank credit to open a small business in Central Asia is limited, where banks require collateral and charge high interest rates because they see them as high-risk clients and there are only a few long-term loan programs offered by banks. For instance, in Tajikistan, the share of bank credit as major financial capital is only 13.3%. However, this ratio is around 42% for large companies (OECD, 2015). Smaller companies find it difficult to meet the requirements of the banks and are unable to get a credit from a bank to start a business, having to rely on their own savings and remittance incomes. The same issue occurs when they are running their business if they need further financial assistance for their business. Tajikistan survey respondents state that they try to cover their needs from their business revenues at first. If they cannot rely on their personal savings, remittance income, asking friends and family and only after these choices, does obtaining credit from a bank become an option. The last step is asking for help from the government (OECD, 2015).

A survey conducted in Kyrgyzstan reveals an interesting profile for entrepreneurs in this country by dividing them into age, gender and geographical location. According to the results, men are more eager than women to set up in business, middle-aged people are more likely than younger people, and people with no skills and higher education are dealing with business more than people with higher education and skills. The information provided in this survey presents a profile that the majority of entrepreneurs in Kyrgyzstan are middle-aged, married, unskilled people, mostly with secondary education. This representation alone might seem odd but when combined with other factors, it makes more sense (Bruck et. al., 2018), taking into consideration that many operate SPs or small companies that might not require any additional skills and higher education, such as running a small shop, a cafe, driving a car or trading.

Another point is that, within the literature, it has often noted that returning migrants are more eager for entrepreneurial activities compared with circular migrants or locals. The reasons behind this entrepreneurial spirit are often not purely due to a desire to open a business but rather a necessity in relation to the situation in the labor market. This is the case for many migrant workers when they return to their hometown if they did not arrange an employment position prior to their return. After the return, they search for job opportunities with a significant income. However, they also need to earn their living to take care of their dependents therefore, until they can find a suitable employment position, they open a business and become self-employed. This will help them make a living and softens their economic integration into the labor market, and is

defined as a 'parking lot' by Harris and Todaro in 1970. Thus, return migrants might be more eager for entrepreneurial activities but the underlying reasons for their actions are rather oriented toward survival rather than strategic economic moves, which would improve their economic prosperity.

The results of the survey conducted in Kyrgyzstan also support these views, since entrepreneurship levels are higher in villages and North and South regions in the country when compared with large cities, such as Bishkek and the Central part of the country (Bruck et al., 2018). Although it is unusual for rates of entrepreneurial activities to be higher in villages than cities, opening an SP or small business can become a life jacket for those who cannot find employment with a decent salary rather than an innovative attempt to develop their economic prosperity that could positively affect the economic development process in the country.

Matuzeviciute and Butkus (2016) studied the remittances effect on economic development with panel data from 116 countries for the period 1990–2014. According to their results, remittances, in general, have a small but a positive effect on economic development. However, depending on the different economic conditions, the country-specific results may vary. The breakeven point for a country to benefit from remittance revenues is that its GDP per capita needs to be higher than \$8,250–\$8,960, depending on estimation technique. Moreover, remittance share to GDP also needs to be lower than 10.4–11.9%, depending on estimation technique (Matuzeviciute and Butkus, 2016).

Under these conditions, remittance inflows would have a positive effect on economic growth in the long run as stated in the literature, meaning that remittance transfers would benefit mostly developed countries and large economies. As for many developing countries, especially the ones below \$8,250 constant GDP per capita and the remittance share to GDP being higher than 10.4%, remittance inflows either have no effect or negatively affects the economic growth in these countries (Matuzeviciute and Butkus, 2016).

Applying these figures to Central Asia, we can see that only Kazakhstan could benefit from remittance transfers, since its GDP per capita is higher and its dependence on remittances is lower than the turning point numbers. However, due to the small size of the remittance transfer compared with Kazakhstan's total GDP, the positive effect of the remittance incomes could play a fractional role in Kazakhstan's economic growth rate. As for the other countries, Tajikistan and Kyrgyzstan's figures fail to match on both indicators, therefore enter the group where remittance transfers have a negative effect on the economic development process.

Uzbekistan and Turkmenistan are not heavily dependent on remittance revenues, which is a good sign because with the improvements in the economic situation and increase in GDP per capita they could join the positive effect group. However, taking into consideration that GDP per capita for Uzbekistan is only \$1,504 and it is quite possible that it will not reach \$8,250 very soon, and remittance transfers to Turkmenistan are quite small, even if these countries reach this level it will not have a significant effect on economic growth.

CONCLUSION

Remittance transfers to Central Asian countries have undergone a difficult time, especially between 2015-2016, where the amount of inflow dropped significantly due to international events. However, as figures also indicate, troubled times seem to be passing and the remittance transfer amounts are gradually recovering in relation to the improving economic situation in Russia and increase in oil prices, starting from 2017. Moreover, becoming an EEU member has positively affected remittance inflows to Kyrgyzstan and Kazakhstan, with a 60% increase on average one-transfers.

A brief investigation of entrepreneurial activities and businesses in Central Asia reveals that entrepreneurs often face problems acquiring financial capital to start or develop their businesses. This is due to the requirements of banks when approving loans to small businesses where they ask for collateral and charge high interest rates since they are seen as high-risk clients. On this point, it should be mentioned that the share of large firms accessing bank loans is twice as high, however, the majority of businesses in Central Asia consist of SPs or small enterprises.

In order to shed light on the topic of the effect of remittance income on economic development, this paper studied the answer to the question of to what extent remittance income is invested in entrepreneurship in the home country. As a result, this research found out that only a small part of remittance income is spent on investing in entrepreneurial activities: the average proportion is around 7% and the rest is spent on the different needs of the family, where more than 70% of the remittance income is spent on basic needs, such as food, clothes, etc. This means that a large part of the remittance money is spent mostly on pure consumption purposes and if some is left after basic needs, cultural ceremonies and savings for rainy days, then the recipients of the remittance might consider using the money for investment purposes.

Self-employment in Central Asia is seen as a temporary solution until employment can be found. Therefore, migrant entrepreneurs are mostly middle-aged people, men with no skills or higher education. For these people, having a business is a way of survival rather than a strategic economic initiative to improve their economic prosperity and contribute to the economic development of the country.

In addition, an econometric study on remittances effect on economic developments reveals that in order for remittance to support economic growth, a home country economy needs to be at a certain economic level. Except for Kazakhstan, the countries in Central Asia fall into the negative effect group and, due to a small amount of remittance transfers, effects on economic growth in Kazakhstan is insignificant at the macro level.

Therefore, when exploring the potential of remittance revenues for economic development in Central Asia these factors need to be taken into consideration in order to create a more realistic analysis. The remittances need to be divided into parts and portion of the remittance amount taken into account rather than the total amount. In this way, calculations regarding the potential would also have more efficient and better results.

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BOOK REVIEWS

**KAZAKHSTAN AND THE SOVIET LEGACY:
BETWEEN CONTINUITY AND RUPTURE**

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Jean-Francois Caron (Ed.), *Kazakhstan and the Soviet Legacy: Between Continuity and Rupture*, Palgrave Macmillan, 2019. pp. 209.

In December 2019, Kazakhstan celebrated its 28th year of independence. After nearly three decades of independence, it is now good time to assess the how the state of Kazakhstan has established its presence in the eyes of the global community as well as in the eyes of its citizens. The book “Kazakhstan and the Soviet Legacy: Between Continuity and Rupture”, edited by Jean-François Caron is a timely contribution on this matter. The book’s main argument is centered around the statement that Kazakhstan’s governance is showing more continuity with its colonial past and that its willingness to assert its uniqueness is still mainly a symbolic phenomenon than a reality.

The book is full of examples from a range of topics covering a lot of ground. The reader, whether a graduate student on post-Soviet space or an expert of sociology or political geography will surely find the story intriguing. While the book seems to present a panoramic picture on today’s -as well as yesterday’s- Kazakhstan, it heavily relies on Nur-Sultan-based, and specifically Nazarbayev University based experts which casts shadow on the diversity of the views actually present in the country.

Aziz Burhanov and Neil Collins contributed the book with a chapter on the political Culture in Kazakhstan. The authors basically divided Kazakh society into three: disenchanted or ‘critical’ citizens; civic or ‘stealth’ citizens; and, nostalgic or ‘enthusiastic’ citizens. The chapter argues that the political culture in Kazakhstan is a combination of continuity of the Soviet ‘passive majority’ political legacy and a new, emerging group of pro-active citizens, who are able to act even in a politically restrictive environment.

In his chapter “End of an Era? Kazakhstan and the Fate of Multivectorism”, Charles J. Sullivan underlines the significance of Kazakhstan’s unique position in international arena which deems it necessary for the country to adhere a wise foreign policy. This position unfolds itself in at least four dimensions: Kazakhstan is a newly independent, a landlocked, a multiethnic country, bordering with two great powers of Russia and China. For Sullivan, this wise policy should be “proactive multivectorism”, which Kazakhstan used to follow until recent

crises. Regarding the crisis between Russia and Georgia, Kazakhstan issued a “muted protest”, which was, according to Sullivan, understandable. However, as to the Crimea problem, Kazakhstan has more openly aligned with Russia. To illustrate, Kazakhstan abstained from voting on the United Nations resolution concerning the “territorial integrity of Ukraine” in March 2014. The chapter also summarizes the official Kazakh attitude towards the Syria problem.

Beatrice Penati shows in her chapter, that the way the government has been dealing with the protection of environment over the last 25 years (Penati calls this “Kazakhstani way”) shows a lot of similarities with the old Soviet way. Even though the government has emphasized its willingness to correct the environmental tragedies of the past, namely, the drying up of the Aral Sea and the long-term nuclear contamination in eastern Kazakhstan (Semipalatinsk/Semey), it has not challenged the former logic in real terms. Like in the Soviet period, environment has to be dealt with engineers and economists. To illustrate, in Kazakhstan 2050 strategy, “ecology” is still perceived as “management of natural resources” and technical solutions are prioritized.

Alexei Trochev and Gavin Slade’s analysis of Kazakhstan’s Criminal Justice Reforms is an interesting one as this subject is one of the least studied themes in post-Soviet Kazakhstan. Authors emphasize the need for further research on the ground with an aim to answer how and why some judicial reforms are accepted, while others are ignored.

Barbara Junisbai and Azamat Junisbai’s chapter, “Comparing Political and Economic Attitudes: A Generational Analysis” looks closer to the ideas and attitudes of the “Nazarbayev Generation”, the youth in the independent Kazakhstan in comparison with the transition generation (i.e. the people who have witnessed both the Soviet and the post-Soviet Kazakhstan). In their lengthy analysis which is loaded with data, the authors conclude that the youth in today’s Kazakhstan is heavily affected by the official views emitted by the state authorities. The ‘regime values, policies and practices’, as the authors call, have a strong shaping power over the young people’s mind-sets.

In the chapter “Youth Organizations and State–Society Relations in Kazakhstan: The Durability of the Leninist Legacy”, Dina Sharipova provides a detailed analysis of state-society relations in Kazakhstan after 1991. Sharipova observes that the Leninist legacy is still considerably alive in Kazakhstan through the functioning of similar structures and institutions as well as application of the same strategies by the ruling elites to build the state and nation. And for Sharipova, the creation of mass youth organizations including Zhas Otan, Zhas Ulan, and Zhas Kyran Soviet models and ideas. The hierarchical and centralized structures of the youth organizations are copied from those of Soviet youth organizations.

Hélène Thibault’s chapter on religion in independent Kazakhstan reaches intriguing conclusions contrary to some alarming reports disseminated by global think-tanks. The author, although aware of the threatening potential in unchecked radical religion movements, does not see a considerable risk for Kazakhstan. Thibault substantiates this view through three points. First, despite Kazakhstan suffered from a number of terrorist acts by radical Islamists in recent years, perpetrators seem not to be connected to global jihadist networks. Second,

these acts of violence can be better explained by pressing social problems of the country such as unemployment, poverty, and perception of injustice. And third, the secular structure of the Kazakh society is a powerful barrier against the radical religious ideas to thrive in the country.

Editor Jean-François Caron contributes the book with a chapter on the urbanism in the capital city of Kazakhstan, renamed recently as “Nur-Sultan”. He argues that Nur-Sultan’s architectural design reveals a “Kazakhisation” policy which, according to the author, is at odds with the more liberal rhetoric of the Kazakh government which usually emphasizes the harmony of multiple ethnicities. According to Caron, Kazakhisation, as exemplified by Nur-Sultan’s architecture, is a policy that represents a rupture with the Soviet and Russian legacy of the country.

All in all, this book tries to cover many faces of Kazakhstan. From religion to architecture, from youth to issues of justice, the reader may find many illustrative cases to compare and contrast the current policies of identity in Kazakhstan, with the legacy of the Soviet Union. However, one critical dimension of independent Kazakhstan seems to be largely ignored. It is the ongoing cultural integration of Turkic nations which Kazakhstan attaches great significance to. The word Turkic appears only twice in a single page, with reference to historical antecedents of Kazakh ethnicity. However, since its independence, Kazakhstan became increasingly engaged with the rest of the Turkic world. Today, Nur-Sultan hosts the Turkic Academy, science and research center of the Turkic world, of which Kazakhstan was a founding member back in 2012. Turkic Academy is an international organization under the aegis of the Cooperation Council of Turkic Speaking States (Turkic Council) which was established in 2009 as an intergovernmental organization with an aim of advancing the cooperation among its member countries. Likewise, Kazakhstan is a founding and active member of this organization. Hence, this book could have been more complete with a chapter on Kazakhstan’s new web of relations within the Turkic world.

Overall, the book promises a good read for the students of Central Asia and Eurasia, in particular. The cohort of authors is articulate about their cases and well-presented their ideas. I recommend this book to both general reader searching for an introductory piece to the politics and society of Kazakhstan and Central Asia, and also to the expert-level reader who is inclined to find food for refined thought.

**THE NAZARBAYEV GENERATION:
YOUTH IN KAZAKHSTAN**

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Marlene Laruelle (Ed.), *The Nazarbayev Generation, Youth in Kazakhstan*. Lexington Books, Lanham, Boulder, New York, London, 2019. pp. 331.

In the post-Soviet period, Kazakhstan faced a number of social problems, particularly with regard to national historical consciousness, language, identity, and some demographic issues inherited from the periods of rule by Tsarist Russia and the Soviet Union. To overcome these problems, the Kazakhstani leadership has initiated numerous projects and action plans in addition to the legal and institutional regulations. At the same time, Kazakhstan has recorded considerable achievements in the economy, and also the reconstruction of the country. Since 2002, GDP per capita has risen six-fold, and as a result, today, Kazakhstan has taken place in the upper-middle-income group of state. However, it should be noted that compared to the years of the 2000s, there are still a number of significant economic and social issues that should be taken into consideration.

Before proceeding with the book review, it is useful to highlight two major issues related to research on Kazakhstan. Firstly, there are not enough academic studies about the social change and transformation process experienced by Kazakhstan, and secondly, it can be said that most of the studies—particularly those of western origin—do not adequately consider the heritage from previous periods including the Kazakh Khanate and the Tsarist and Soviet periods that have had an immense impact on today's Kazakhstan.

The book edited by Marlene Laruelle is structured into four main parts comprising a total of fifteen chapters written by seventeen authors. Those four main parts are “Kazakhstani Youth and National Identity,” “Youth Voices on Moral Changes,” “Globalization And Cultural Blending,” and “Youth Activism.” Within the given framework, this book aims to examine “the Nazarbayev Generation” with several methods and perspectives, seeking answers to the questions “Who are they? What do they think and wish for? What are their social and cultural practices and behaviors?” and finally, in light of the answers to these questions, “Who is going to shape the future of Kazakhstan?”

Part I is devoted to studying the Kazakhstani youth and national identity with the findings of a number of quantitative and qualitative field studies. In chapter one,

Barbara Junisbai and Azamat Junisbay, drawing on field research conducted in 2012, critically seek the answer of “Are Youth Different,” and state that the Nazarbayev Generation is attitudinally different from the previous generation. The second chapter focuses on youth perceptions in connection with national identity. Applying two different surveys (conducted in 2005 and 2016), policy documents, and media discourses, Burkhanov states that, although there are several state projects and instruments which aim to strengthen national identity, the Kazakhstani youth tend to follow their own paths, instead of reacting to external intervention. Additionally, he considers the media discourse and asserts that media has a significant impact on identity construction. Following a brief theoretical and methodological introduction, chapter three seeks to find out how the Kazakhstani youth perceive their national identity. In this regard, a number of factors (variables) such as language, religion, education, and ethnic identity were examined in a broad sense. Among these, ethnic identity (Kazakh ethnicity) is the most salient, and has a primary influence on national identity. Some shortcomings should be mentioned in this chapter: firstly, the author’s statement that “Most citizens of Kazakhstan identify themselves with the Muslim tradition, but in reality, people can be atheists” (p. 77) sounds rather assertive and controversial. If this statement is a finding of the research which is not explicit in the text, it should have supported by statistics. Another problematic approach is to throw all religions and beliefs in the same pot when measuring religiosity, since the dimensions of religiosity scales naturally vary from religion to religion. Chapter four, with a couple of striking concepts used mostly by a patriotic circle in literature, provides a striking analysis of the relationship between ethnicity and national identity. At the beginning of the 2010s, several critical literary works began to draw particularly on Chingis Aitmatov’s “mankurt” motif. Through the books such as *Mankurt-stan* (A. Tokish) and *Mankurts in the Megapolis* (G. Mukazhanova) discussion spread widely, especially on social media, on “nagyz Qazaq” (a real Qazaq who speaks in Kazakh, and maintains traditional values) and “shala or asphalt Qazaq” (a half or hybrid Qazaq who speaks Russian, and does not adhere to traditions). Nevertheless, it is not easy to determine the framework of the concepts—mankurt, shala, and nagyz—since Russian is still the most prevalent language, and the perception of ethnicity is complex and vague.

Part II focuses on youth perspectives on moral changes. Chapter five, through several interviews and participated observation, provides an analysis of western-educated youth on the issue of nationalism. Defined as pro-Western, young people construct and share a cosmopolitan and global identity and sense of belonging, while on the other hand, somehow, keep adherence to Kazakh culture and traditions. Using the data of two qualitative studies applied to students of two different universities, chapter six shows the perception and attitudes of the youth towards modern conservatism and core liberal values. The findings indicate that young people make a distinction between the concepts of democracy and liberalism, which the former is perceived more positively than the latter. Chapter seven focuses on analyzing the cultural space of youth’s self-identification. Based on a survey (450 respondents) conducted in three big cities (Almaty, Astana, and Shymkent) in 2014, using questions such as “Please draw a circle around those nationalities, a member of which you would not choose as president of Kazakhstan: Russian, Kazakh, Uzbek, Tatar, Uyghur, Korean,” which might be considered inadequate in terms of context and methodology.

Part III deals with the issues of cultural globalization, popular music and cinema, young returnees from the United States, and hipsters of Almaty within the “cultural blending.” Chapter eight delves into the Kazakhstani youth’s consumption of global culture through the survey. The findings suggest the internet, social networks, and mass media have an influence on gender construction and gender equity. By giving a brief historical background and theoretical framework, chapter nine looks at Kazakh popular music such as the Q-pop (Kazakh pop) band Ninety-One and hip-hop artist Scriptonite that has been gaining popularity among young people since the beginning of the 2010s. It can be inferred that Kazakh popular music has become an important platform for the youth where they can express themselves, and also criticize some social norms and practices. Chapter ten analyzes Kazakh cinema by focusing on several movies such as *The Tale of a Pink Bunny*, *The Sky of My Childhood*, and *The Sixth Post* in order to show their position in the process of identity construction. The chapter concludes with the assumption that there is continuity between the Soviet and post-Soviet periods of Kazakh cinema, which are partially compatible in terms of modern values. Chapter eleven, by using findings of 92 semi-structured personal interviews conducted in 2011, deals with experiences, attitudes, and perceptions of young returnees who studied or lived in the US for a while. As a result, the author of the chapter claims that returnees are the main carrier and mediator of the process of globalization, and also are the pioneer of individualism and entrepreneurship, while at the same time, questioning social norms. Finally, it should be noted that this chapter with the same title was previously published in another book edited by Marlene Laruelle (*Kazakhstan in the Making* (Lexington, 2016)). By using Homi K. Bhabha’s concept of “hybridity,” chapter twelve analyses one of the most interesting subjects of the book, “the Almaty hipster” based on only ten interviews from Almaty. It is asserted that the Almaty hipster emerged as part of “cafe culture” among young urbanites who share liberal values, and are shaped by the process of globalization.

Part IV examines youth activism in the sphere of social media, contemporary art, and sexuality education. In a brief but satisfying assessment on the social structure of Kazakhstani youth, chapter thirteen focuses on the social media run by young people, and its relationship with politics and society. Kosnazarov, by analyzing the content of four social media platforms, “Za Nami Uzhe Vyekhali,” “Jurtyn Balasy,” “Le Shapalaque Comics,” and “SaveKokZhailau,” where young people share their messages, and also show their reactions on some issues such as soft politics, corruption, urban transportation intergenerational differences, and critiques of some Soviet-style practices that still continue. Chapter fourteen evaluates the role of contemporary art in Kazakhstani society. According to the author of the chapter, contemporary art plays a significant role in Kazakhstan where the social institutions are still being built up. Chapter fifteen dwells on the implementation of youth sexuality education in Kazakhstan by giving some remarkable data about the current situation, and comparing it with other countries.

Summing up, one can say that this Marlene Laruelle’s collection indeed manages to present various valuable issues and perspectives in connection with Kazakhstani youth. The collection, therefore, will appeal to scholars particularly interested in the society and social structure of Kazakhstan as well

as those generally interested in Central Asia. However, there are some serious shortcomings in the edition to be considered. First, some chapters were mainly conducted with a limited number of respondents, and also limited to cities such as Almaty and Astana (chapter 12). Second, it should also be noted that there are some weaknesses in the use of research techniques and methods (chapter 7-11-12). Another shortcoming of the collection is that there is carelessness with using some concepts such as “minorities” that are highly controversial in terms of international law and history (chapter 3). Finally, it is not understandable why in such a broad collection, education, one of the most important social institutions, was not examined separately, since it has been most apparent characteristics of the “the Nazarbayev generation” by some outstanding institutions and tools such as Nazarbayev Intellectual Schools (NIS), National Schools of Physics and Math, Nazarbayev University, and Bolashak scholars.

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Eurasian Research Journal aims to publish scientific articles on dynamic realities of the Eurasian region in economics, finance, energy, transportation, security and other related fields. It also aims to contribute to the scientific literature, particularly, on Turkic speaking countries.

Submissions to *Eurasian Research Journal* should be original articles producing new and worthwhile ideas and perspectives or evaluating previous studies in the field. *Eurasian Research Journal* also publishes essays introducing authors and works and announcing new and recent activities related to the Turkic world.

An article to be published in *Eurasian Research Journal* should not have been previously published or accepted for publication elsewhere. Papers presented at a conference or symposium may be accepted for publication if this is clearly indicated.

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The following rules should be observed while preparing an article for submission to *Eurasian Research Journal*:

1. Title of the article: The title should suit the content and express it in the best way, and should be written in **bold** letters. The title should consist of no more than 10-12 words.

2. Name(s) and address(es) of the author(s): The name(s) and surname(s) of the author(s) should be written in **bold** characters, and addresses should be in normal font and italicized; the institution(s) the author(s) is/are affiliated with, their contact and e-mail addresses should also be specified.

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4. Body Text: The body of the article should be typed on A4 (29/7x21cm) paper on MS Word in Size 12 Times New Roman or a similar font using 1,5 line spacing. Margins of 2,5 cm should be left on all sides and the pages should be numbered. Articles should not exceed 7.000 words including the abstract and bibliography. Passages that need to be emphasized in the text should not be bold but italicized. Double emphases like using both italics and quotation marks should be avoided.

5. Section Titles: The article may contain main and sub-titles to enable a smoother flow of information. The main titles (main sections, bibliography and appendices) should be fully capitalized while the sub-titles should have only their first letters capitalized and should be written in bold characters.

6. Tables and Figures: Tables should have numbers and captions. In tables vertical lines should not be used. Horizontal lines should be used only to separate the subtitles within the table. The table number should be written at the top, fully aligned to the left, and should **not** be in italics. The caption should be written in italics, and the first letter of each word in the caption should be capitalized. Tables should be placed where they are most appropriate in the text. Figures should be prepared in line with black-and-white printing. The numbers and captions of the figures should be centered right below the figures. The figure numbers should be written in italics followed by a full-stop. The caption should immediately follow the number. The caption should not be written in italics, and the first letter of each word should be capitalized. Below is an example of a table.

Table 1. Information Concerning Publications in Eurasian Research Journal

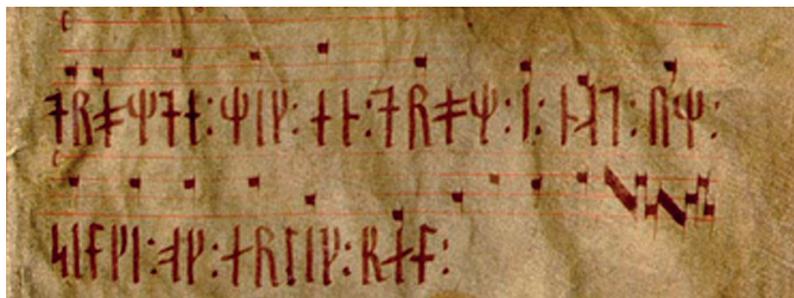
Publication type	Number of publication	Number of pages			Number of references		
		N	X	SS	N	X	SS
Article	96	2,042	21.3	7.5	2,646	27.6	15.8
Book review	4	30	7.5	4.4	31	7.8	8.3
Total	100	2,072	20.7	7.9	2,677	26.8	16.1

Source: Statistical Country Profiles

7. Pictures: Pictures should be attached to the articles scanned in high-resolution print quality. The same rules for figures and tables apply in naming pictures. The number of pages for figures, tables and pictures should not exceed 10 pages (one-third of the article). Authors having the necessary technical equipment and software may themselves insert their figures, drawings and pictures into the text provided these are ready for printing.

Below is an example of a picture.

Picture 1. *Ancient Rune script*



Source: en.wiktionary.org

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Citations within the text should be given in parentheses as follows:

(Koprulu 1944: 15)

When sources with several authors are cited, the surname of the first author is given and 'et. al' is added.

(Gokay et al. 2002: 18)

If the text already includes the name of the author, only the date should be given:

In this respect, Tanpinar (1976: 131) says ...

In sources and manuscripts with no publication date, only the surname of the author should be written; in encyclopedias and other sources without authors, only the name of the source should be written.

While quoting from a quotation, the original source should also be specified:

Koprulu (1926, qtd. in Celik 1998).

Personal interviews should be cited within the text by giving the surnames and dates; they should also be cited in the bibliography. Internet references should always include date of access and be cited in the bibliography.

www.turkedebiyatiisimlersozlugu.com [Accessed: 15.12.2014]

9. References: References should be placed at the end of the text, the surnames of authors in alphabetical order. The work cited should be entered with the surname of the author placed at the beginning:

Example:

Isen, Mustafa (2010). *Tezkireden Biyografiye*. Istanbul: Kapi Yay.

Koprulu, Mehmet Fuat (1961). *Azeri Edebiyatının Tekamulu*. Istanbul: MEB Yay.

If a source has two authors, the surname of the first author should be placed first; it is not functional to place the surname of the other authors first in alphabetical order.

Example:

Taner, Refika and Asim Bezirci (1981). *Edebiyatımızda Secme Hikayeler*. Basvuru Kitapları. Istanbul: Gozlem Yay.

If a source has more than three authors, the surname and name of the first author should be written, and the other authors should be indicated by et.al.

Example:

Akyuz, Kenan et al. (1958). *Fuzuli Turkce Divan*. Ankara: Is Bankasi Yay.

The titles of books and journals should be italicized; article titles and book chapters should be placed in quotation marks. Page numbers need not be indicated for books. Shorter works like journals, encyclopedia entries and book chapters, however, require the indication of page numbers.

Example:

Berk, Ilhan (1997). *Poetika*. Istanbul: Yapi Kredi Yay.

Demir, Nurettin (2012). "Turkcede Evidensiyel". *Eurasian Research Journal, Turk Dunyasi Sosyal Bilimler Dergisi* 62: 97-117.

Translator's, compiler's and editor's names (if there are any) should follow the author and title of the work:

Example:

Shaw, Stanford (1982). *Osmanli Imparatorlugu*. Trans. Mehmet Harmanci. Istanbul: Sermet Matb.

If several references by the same author need to be cited, then the name and surname of the author need not be repeated for subsequent entries following the first entry. A long dash may be used instead. Several references by the same author should be listed according to the alphabetical order of work titles.

Example:

Develi, Hayati (2002). *Evliya Celebi Seyahatnamesine Gore 17. Yuzuil Osmanli Turkcesinde Ses Benzesmesi ve Uyumlar*. Ankara: TDK Yay.

_____ (2003). *XVIII. Yuzuil Istanbul Hayatina Dair Risale-i Garibe*. Istanbul: Kitabevi.

If **more than one work by the same author of the same date** need to be cited, they should be indicated by (a, b).

Example:

Develi, Hayati (2002a). *Evliya Celebi Seyahatnamesine Gore 17. Yuzyil Osmanli Turkcesinde Ses Benzesmesi ve Uyumlar*. Ankara: TDK Yay.

Develi, Hayati (2002b). *XVIII. Yuzyil Istanbul Hayatina Dair Risale-i Garibe*. Istanbul: Kitabevi

For **encyclopedia entries**, if the author of the encyclopedia entry is known, the author's surname and name are written first. These are followed by the date of the entry, the title of the entry in quotation marks, the full name of the encyclopedia, its volume number, place of publication, publisher and page numbers:

Example:

Ipekten, Haluk (1991). "Azmi-zade Mustafa Haleti". *Islam Ansiklopedisi*. C. 4. Istanbul: Turkiye Diyanet Vakfi Yay. 348-349.

For **theses and dissertations**, the following order should be followed: surname and name of the author, date, full title of thesis in italics, thesis type, city where the university is located, and the name of the university:

Example:

Karakaya, Burcu (2012). *Garibi'nin Yusuf u Zuleyha'si: Inceleme-Tenkitli Mehtin-Dizin*. Master's Thesis. Kirsehir: Ahi Evran Universitesi.

Handwritten manuscripts should be cited in the following way: Author. Title of Work. Library. Collection. Catalogue number. sheet.

Example:

Asim. *Zeyl-i Zubdetu'l-Es'ar*. Millet Kutuphanesi. A. Emiri Efendi. No. 1326. vr. 45a.

To cite **a study found on the Internet**, the following order should be followed: Author surname, Author name. "Title of message". Internet address. (Date of Access)

Example:

Turkiye Cumhuriyet Merkez Bankasi. "Gecinme Endeksi (Ucretliler)" Elektronik Veri Dagitim Sistemi. <http://evds.tcmb.gov.tr/> (Accessed: 04.02.2009).

An article accepted for publication but not yet published can be cited in the following way:

Example:

Atilim, Murat and Ekin Tokat (2008). "Forecasting Oil Price Movements with Crack Spread Futures". *Energy Economics*. In print (doi:10.1016/j.eneco.2008.07.008).

