



UNIVERZITA KARLOVA

Charles University in Prague
Faculty of Social Sciences

**TURKEY AND THE BALKANS IN THE GEOPOLITICS OF
THE CONTEMPORARY REGIONAL DEVELOPMENT**

Master's Dissertation

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International Area Studies
Balkan, Eurasian and Central European Studies

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Abstract

The aim of the thesis is to explain how and why Turkey influences the development of the Balkan region in contemporary geopolitics. In order to determine the areas of influence I used Saul Cohen's book about the Geopolitics of the World System. I chose the geopolitical approaches and features, which are related to Turkey's activeness in the Balkan region. Moreover, Saul Cohen's equilibrium is taken into consideration in order to show how Turkey shifts, and will shift, the equilibrium to a new level. In the thesis I talk about sustainable development and corporate social responsibility to show that Turkish companies, as well as the government, are creating mutual needs in order to develop the region for further cooperation on an economic and political level. Additionally, I argue that energy cooperation can lead to greater benefits for Turkey, as an energy hub, and also for the Balkans, as a gateway to the European Union. In that sense, I argue that it is not a competition but rather cooperation between the European Union and Turkey in the Balkan region. By analyzing the economic and political activities of Turkey in the Balkan region, I came to the conclusion that Turkey is influencing the Balkan region for five reasons; these are shared history, human aspects, geography, economy and regional power.

Key Words: Geopolitics, CSR, Sustainability, Economy, Society, Turkish Companies, Turkish Soft Power, Regional Power, Common History, Culture, Energy, and Regional Development

Abstrakt

Cílem této práce je vysvětlit, proč a jak Turecko ovlivňuje oblast Balkánu v současných geopolitice pro regionální rozvoj. Za účelem určení oblastí vlivů, které jsem Saula Cohenovo knihu o geopolitice světového systému. Vybral jsem si geopolitické přístupy a funkce, které jsou spojené s aktivitě Turecka v balkánském regionu. Navíc, rovnováha Saula Cohen je vzít v úvahu, aby se ukázat, jak Turecko přesouvá a posune rovnováhu na novou úroveň. V práci jsem se zmínil o udržitelném rozvoji a společenské odpovědnosti firem ukázat, že turecké společnosti, stejně jako vláda se vytváření vzájemných potřebuje k rozvoji regionu pro další spolupráci v oblasti hospodářské a politické úrovni. Dále tvrdím, jak spolupráce energie může přinést více výhod do Turecka jako energetického centra a Balkánu jako vstupní brána do Evropské unie. V tomto smyslu, tvrdím, že to není soutěž, ale spolupráce mezi Evropskou unií a Tureckem v balkánském regionu. Na základě analýzy ekonomické a politické aktivity Turecka v balkánském regionu, jsem došel k závěru, že Turecko je ovlivňuje balkánský region pro pět důvodů; tyto jsou, společná historie, lidský aspekt, zeměpisu, hospodářství a regionálního sílu.

Klíčová slova: Geopolitika, CSR, udržitelnost, ekonomika, společnost, turecké společnosti, turecký měkká síla, regionální velmoci, společné dějiny, kultura, energie a regionální rozvoj

Declaration of Authorship

1. The author hereby declares that he compiled this thesis independently, using only the listed resources and literature.
2. The author hereby declares that all the sources and literature used have been properly cited.
3. The author hereby declares that the thesis has not been used to obtain a different or the same degree.

Prague, 15 May 2015

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Topic: Turkey And The Balkans In The Geopolitics Of The Contemporary Regional Development

Research Question: “Why does Turkey influence the Balkan region and in what ways does this influence define further relations and developments in the region?”

Hypotheses:

1. Energy pipelines strategies can develop the economical and political conditions of the Balkan region
2. Economic cooperation can further deepen the cooperation between Turkey and Balkan countries
3. Geopolitical strategies of Turkey could play a supporting role in solving frozen conflicts and bring peace to the Balkan region
4. Creating shared values in economical and political relationships can bring political and economical sustainability to the Balkan region

Outline:

Chapter 1: Introduction

Chapter 2: Davutoğlu ‘s Geopolitical Concept Towards the Balkan Region

Chapter 3: Turkey’s Balkan Involvement

3.1 Political Relationship

3.2 Turkey’s Soft Power in the Balkans

3.3 Economic Partnership

3.4 Turkey as an Energy Hub and the Balkans as a Gateway

3.5 Sustainability of the Region and The Role of Businesses

3.6 Economic Cooperation from Corporate Social Responsibility (CSR) View

Chapter 4: The European Union’s Position on Turkey-Balkan Relations: Competition or Cooperation?

Chapter 5: Conclusion and Recommendations

Methodology

The dissertation is based on current economic and political infrastructure and intends to explain the current situation and how the situation should be realized in the future. One of the important commitments of the dissertation is to drive and to propose further development through data collection and information. In this study I collected and analyzed data statistics about the proposed topic by using qualitative and quantitative findings to examine and investigate the proposed hypotheses.

The data used came from published authors, from books and articles, as well as online journals. The biggest limitation of the author is that the time when the paper was written is not perfect. The governments are still discussing the proposed projects and we are waiting for governmental agreements on the specific proposed project. This means that my research paper is not accurate in terms of timing. Unfortunately, an author cannot predict the future. This study will be undertaken using a combination of books, online journals, articles and the electronic data of many institutions that are dealing with economic and political studies.

It was planned to conduct an interview with a specialist on the subject, either face-to-face or through another method, such as a telephone or email correspondence. However, I was unable to conduct any interviews due to the fact that no specialists were willing to give me an interview. Furthermore, I was unable to travel to the Balkan region. This research was chosen because I think that Turkey is one of the major actors in the regional development of the Balkans. Moreover, Turkey is an important strategic partner for the Balkan region as well as for the development of the Balkan region economically, politically and socially.

The study focuses on a subject that is widely discussed in the literature. I used accessible data and information to analyze and make the best out of it. The most of the sources will be used in English. Thus, when studying Turkey's role, the author can employ his language fluency in Azerbaijani and Turkish to analyze publications from those countries in their native language.

Literature Review

There are a huge number of books, articles and discussions that focus on Turkish and Balkan relations. Most of the literature that is connected to the research question will support my argument and will help me to take an objective approach to the hypotheses. During the review, I will collect all the related literature and divide it into sections: literature that relates to the economy and literature on political aspects.

There are many sources that exist on economic relations between Turkey and the Balkans. This, in a way, indicates very clearly that there are many studies concerning economic cooperation. According to the German Marshal Fund (GMF), Turkey considers Balkan countries to be strategic economic partners and this partnership stands within the European Union level of economic cooperation (GMF, 2012). Importantly, the South East European Corporation Process, as well as other institutions, will be analyzed in order to answer the research question. Moreover, the aim of those institutions in the Balkan region that Turkey actively participates in is to secure the political situation and strengthen economic relations and cooperation on different economic, social and political levels.

I formulate the basis of the thesis on "Geopolitics of the World System", a book written by Saul Bernard Cohen. Cohen talks about the concept of equilibrium and states that this equilibrium is dynamic (2003, p.60). Moreover, for Cohen "equilibrium is the quality of dynamic balance between opposing influences and forces in an open system" (2003, p.60). Therefore, balance can be restored with the introduction of new objectives and motivations (2003, p.60). Cohen states that the geopolitical world delivers an ideal system for investigating

the relationships between the political configuration and the geographical situation. Therefore, it is required to mention that these connections generate the geopolitical dynamics that structure the geopolitical scheme (2003, p.58). According to Cohen's ideas, I can mention that working on the geopolitical system, such as developing economic and political relations with neighboring countries, can lead development to new stages of equilibrium. For Turkey and the Balkans it is necessary to be surrounded by economically and politically strong countries in order to achieve new stages of equilibrium for the greatest outcomes. Moreover, Cohen mentions universalistic geopolitics and its three approaches: "(1) *polycentric, international power system*, (2) *a unitary, economically based world system* and (3) *an environmental or socially ordered geopolitics*" (2003, p.26). According to this I will make an assessment in order to see what approach Turkey is applying towards the Balkan region. Cohen highlights several geopolitical features (2003, p.35). I chose the most relevant ones for my research such as:

- *Capitals or Political Centers*: the capital serves as the political and symbolic focus of activities that govern the behavior of people in politically defined territory and includes architecture, monuments and other structures which have importance for the state (Cohen, 2003, p.35).
- *Ecumenes*: these are the areas of the highest purpose for population and economic movements. In the past, transportation linkage was a major part of this, however, in the contemporary era telecommunications is also interconnected with ecumenes (Cohen, 2003, p.35). Ecumenes have the most progressive share of the state economically and are the most significant political part (Cohen, 2003, p.35).
- *Effective National Territory (ENT) and Effective Regional Territory (ERT)*: these are reasonably occupied zones with promising resources; moreover, these zones have had great improvements in wealth and prosperity. Therefore, they also offer social development and economic enlargement, which is a sign of future power (Cohen, 2003, p.35).

Additionally, I will talk about the sustainability of the Balkan region economically and politically. In order to analyze sustainable development I use Peter Senge's book "The Fifth Discipline" and Stephen Covey's book "The Seven Habits of Highly Effective People". "Utility Principle" by Jeremy Bentham is also mentioned in order to show the morality behind the relationship between Turkey and the Balkans. These themes help to provide an understanding of why Turkey influences the Balkan region and to what extent these relations can further develop in order to benefit the region in the long run. Porter and Kramer indicate that there is a necessity for the integration of society and business in order to serve business itself as well as the poorest parts of society (2002, p, 7). In order to be successful, companies in developing countries should provide education, healthcare and equal opportunities to workers and local communities. Porter and Kramer talk about Creating Shared Value (CSV) (2011). Porter and Kramer state that companies can be profitable by forming societal standards (2011, p. 52). The notion of CSV

modifies the restrictions of capitalism, such as developing values in one region to give other regions a chance to development. Porter and Kramer emphasize linking companies' achievements with societal development (2011, p. 52). Such a situation unlocks many methods to aid new desires, advance productivity, create diversity and enlarge markets.

In the Balkan region Turkey's interests are not a secret and, throughout history, Balkan countries have played a significant role in supporting Turkish integration towards the European Union. Turkish policy makers always take the region in strategic level of partnership. For this reason, Turkey, with its multilateral relations, seeks to solve conflicts in the region and bring peace to ensure further developments. As it states in the article, *"Turkey follows an ambitious policy to facilitate the solution of chronic problems, plays a mediator role between conflicting parties, stabilize the region, and paves the way for a regional order in the Balkans"* (GMF, 2012). According to the Transatlantic Academy, the AKP government has accepted a foreign policy determined with the views of *"zero problems with neighbors"* and *"strategic depth"* (2010). The aim of the policy supports relocation of Turkey through numerous associations while declaring its regional and global encouragement and objectivity. It also aims to take important roles in its former Ottoman territories: *"dialogue and cooperation"* over *"coercion and confrontation"* (Transatlantic Academy, 2010). We can say that Turkey's contemporary political cooperation or geopolitical relationship with the Balkan countries should be to meet the equilibrium point of the relationship. Moreover, by meeting the equilibrium the economy as well as the social variables can be met.

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Chapter 1: Introduction

Foreign policy strategies of the Republic of Turkey, until 1991, were generally defined in terms of security qualities and ideologies. The foreign policy was mostly built and centered on the Ottoman tradition from the 19th century and a huge shock of disintegration escalated a battle for regional cohesion and legitimization of Turkey (William, 2000, p.37). Parallel, policies were intensely designed by Western minds in the coordination of a new republican elite, which facilitated the creation of a contemporary, secular and independent nation state (Aydin, 1999, p.159; William, 2000, p.39). These aspects manipulated Mustafa Kemal and his supporters to formulate security oriented foreign relationships, with power and regional integrity as the key foreign strategy. On the other hand, Turkey is now engaged in an active attempt for regional development in a competitive international atmosphere. These transformations placed Turkey in a position to redesign their geopolitical strategies.

Turkey's interactions throughout the 20th century with the Balkan states sought to align with the Turkish transcontinental strategy and were controlled by established principles. After gaining independence, Turkish foreign policy concerning the Balkan region was connected to protecting the status quo and keeping away from intensification of international tensions and clashes, which could generate a modification of zonal boundaries that could threaten the sovereignty of the Republic of Turkey. Turkey managed its security-oriented diplomacy over multilateral agreements and attempted to find an equilibrium of the great powers' impact on regional development. Turkey was dynamically involved in the establishment of the Balkan Entente and attempted to emerge its concentrations by placing its trust in cooperative security engagements and finding an equilibrium of power (Barlas, 2005, p.449). In the interwar period,

Balkan countries were in an important geostrategic position. The Balkans' most portions lost earlier importance for Turkey's geostrategic intentions, due to supremacy arrangement in the intercontinental scheme that reformed significantly since the Second World War ended. After the war Turkey turned out to be an obvious player in the Western alliance in the Balkan region (Barlas, 1999, p.73). Therefore, most of the Balkan states during the Cold War were socialist oriented and Turkey did not attempt to progress its collaboration with the Balkan states. The transformation to a multipolar structure in the international system occurred after the 1990s. For Turkey it was a period of great instability, which led the Turkish government to modify its foreign policy. The conflicts in the Balkans and disintegration of Yugoslavia led Turkey to intensely review its policies on the Balkan region. Turkey attempted to determine a correct reaction to these regional improvements and redefine itself in the latest geopolitical arrangement. Starting from the 1990s Turkey began developing its foreign policy towards a multi directional strategy, especially towards its neighboring countries. The conflicts in the Balkans were one of the key worries for Turkey in its foreign policy and Turkey dynamically responded to the Bosnia problem. However, Turkey was less noticeable in the region due to its internal political and economic conditions.

The situation began to change since 2002, with the Justice and Development Party (in Turkish: Adalet ve Kalkınma Partisi, AKP). Following this, AKP designed its principal government. As a result, Turkish foreign policy was modified by a different vision, which developed a new drive. The key political intellectual that changed the view on the Turkish Foreign Policy was Ahmet Davutoğlu. In 2002 he became the main transcontinental policy counselor of the Turkish Prime Minister. In 2009 he became Turkey's Minister of Foreign

Affairs and from 2014 he became the Prime Minister of Turkish Republic. The modified foreign policy with contemporary values in the 21st century was founded on the book *“Strategic Depth”* by Davutoğlu. The new vision has had a significant influence on Turkey’s dealings with other countries.

According to the established advances in geopolitics, Davutoğlu claimed that by simply implementing dynamic and multidirectional overseas strategies Turkey could place itself in the developing multi-polar world. Starting from 2009, Turkey began communicating with superior confidence in its interactions with other nations, particularly neighboring countries. The Turkish foreign policy’s new vision has been reflected in the transformation of structure in Turkey’s foreign policy uniqueness and performance. Therefore, since 2009 Turkey’s foreign policy is defined as an active and superior willingness to interpret the risks. The necessary features of contemporary politics with qualities such as *“win-win”* and *“zero-problems with neighbors”*, which are contradicting traditional Turkish foreign policy (Kirisci, 2006, Larrabee, 2010).

Davutoğlu’s strategy for Turkish foreign policy was not just based on geography, but also history. Davutoğlu considers that geographical location and historical heritage describes Turkey’s strategic strength. Therefore, Turkey should connect its foreign policy on these elements. The historical legacy of the Ottoman era should be used as the essential framework in establishing the foreign policy of Turkey (Davutoğlu, 2008, 2010). Consequently, Turkey has been dynamically involved in the Balkans since Davutoğlu became the Minister of Foreign Affairs. This engagement was based on the shared cultural and historical legacy that Turkey has with the Balkan region. Therefore, Turkey’s past foreign policy values are substituted with a

functioning transcontinental strategy and its latest foreign policy uniqueness is centered on the Ottoman heritage (Alexander, 2006, p.953).

Geopolitics is important when investigating the relationships between countries. Turkey's geopolitical range is based on different types of relationships with Balkan countries, such as economic, political and social relationships. Geopolitics should be assessed in a variety of forms and perspectives due to the contemporary economic and political expansions under the umbrella of globalization in which new economic and political players are becoming more visible in the international ring. Therefore, it is necessary to state that relationships, either economic or political, cannot be assessed individually in the geopolitics of the contemporary regional development. In the contemporary era, Turkey has attempted to transform its development concerning its strategies in the Balkan region. Thus, the new foreign policy model drives Turkey to become a major regional player. Turkish foreign policy concerning the Balkan region is based on geopolitics and geo-economics. Additionally, it is beneficial for Turkey to be one of the active political and economic players in the Balkan region. It is obvious that any economic or political crisis in the Balkans can affect Turkey's own economy and politics. Therefore, it is necessary to maintain and develop sustainability in the Balkan region in order to ensure peace, justice and a high standard of living for the current and potential citizens of the Balkan region. According to geopolitical instructions, there is a need to find equilibrium in the Balkan region. The integration of a Turkish company into the Balkan region should find this equilibrium in a way that satisfies the needs of citizens living in the region. Furthermore, the geopolitical equilibrium will bring about sustainability to the Balkan region. When Davutoğlu became the Minister of Foreign Affairs, Turkey was recognized for its return to the Balkans. The Balkan region, for both

Turkey and the Balkan region itself, has been a great and successful geopolitical experiment.

Turkey's close economic and political involvement in the Balkan region can maintain the equilibrium. This equilibrium can reinstate a level of trust between Turkey and the Balkan region. The AKP's aim is to develop relationships with the Balkan countries due to its cultural, historical and religious familiarity with the region. One of Turkey's major objectives is to create the Peace Corridor through Balkan region to other European countries. When I use the word peace, I mean strong economic and trustful political relationships. Throughout my research I identify how and why Turkey influences the Balkan region and what the consequences of this close relationship will bring to the Balkan area. On the contrary, Turkish new activism in the Balkan area are in favor of the European Union in terms of the development and growth of the Balkan region. Additionally, the success of Turkey's Balkan experiment can improve the image of Turkey in the international arena and help to portray Turkey as a model for other regional players to develop the region.

In the research I talk about sustainable development, which is an important concept for the health of future relationships. Sustainable development is a long-term view that embraces creativity. The concept of sustainability has been actively debated in the last decades and has captured the attention of the most successful countries and companies. It is important to understand what sustainable development is, how governments understand and support sustainable development, and how companies understand the embracement of sustainable development. It can be said that it should be of great interest to both countries and companies because it is a social and economic obligation. Governments and companies have to understand the goals, values and exercises of sustainable development. In general sustainable development is

a strategic process. In the 21st century companies began to modify their strategies as they entered into the market economy, where the key goals are economic growth and the improvement of living standards. The sustainable development model was presented in 1987. A report from the World Commission on Environment and Development quoted that: *“sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs”* (Kates, Leiserowitz and Parris, 2005). From this statement we can imply that, in the development of sustainability, the duties of governments and companies should reflect their goals to improve the wealth of a country or company in the present and in the future in order to implement successful sustainable practices. Therefore, the government acting in a financially sustainable and ethical way will result in long-term benefits for the development of the region’s society, economy and politics.

Additionally, the research is analyzed from a Corporate Social Responsibility (CSR) view. Globalization is a 21st century view and became an essential influence in the business environment as well as in politics. This notion touches on the economy, politics and society in many ways. The changes are seen in competition, technology and the transfer of knowledge. Most companies are affected by these changes and they need to build strategies according to such changes. These changes are part of geopolitics. As companies are part of society they need to act in accordance with social norms and principles in the business environment in order to act socially responsible. In the contemporary world politics is the head and businesses are the hands and legs. These two things are important elements in achieving new stages of equilibrium in order to develop the Balkan region. However, the misbalance between economic and social units is unavoidable in developing countries. The dichotomized nature of these two factors makes it

difficult to satisfy one without disadvantaging the other. The dichotomy is mostly seen in emerging markets where people face lack of infrastructure, lack of supply networks, lack of legal frameworks and other globalized and democratic qualities. Therefore, serving the emerging markets is profitable for businesses and for the country. It is also an ethical act towards those people, because vast potential profits lie in these emerging marketplaces and development can be improved by creating shared values and normative stakeholder principles such as mutual benefits, voluntary acceptance, free-rider possibility, sacrifice, cooperation, and justice (Michalos, Poff, 2013, p.85). In the relationship between Turkey and the Balkans, I mention CSR because, since AKP came to power, the regional development principles are based on mutual benefits and cooperation and other values. Turkish companies are currently applying these principles, however, they need to be developed further.

After 2009, the shifting attitude towards foreign policy in the Turkish government provided huge development opportunities for Turkey itself as well as in its neighboring countries. Strong countries will always have a positive effect on the economic and political growth of neighboring countries. This leads to an expansion of the economic area, trustful political relations and an increased standard of living in the society. The aim of the research is to investigate why Turkey influences the Balkan region and in what ways this influence defines the further relations and developments of the region. All the principles above and Cohen's theory on geopolitics guided the research in finding the answers to the research question.

The time frame of the thesis captures the developments from 2002 until now, especially, the period since the AKP began to rule. The reason why I chose this period is because since the AKP gained power the foreign policy of the Republic of Turkey has changed. The leaders shifted

their thinking towards more win-win strategies. By win-win strategy I mean bringing benefits to one's own country as well as to the surrounding region by creating shared values. This includes developments in economic, political and social connections. My research question is "Why does Turkey influence the Balkan region and in what ways does this influence define further relations and developments in the region?" I have four hypotheses guiding the research to answer the research question. The four hypotheses are as follows:

1. Energy pipeline strategies can develop the economic and political conditions of the Balkan region
2. Economic cooperation can further deepen the cooperation between Turkey and Balkan countries
3. Geopolitical strategies of Turkey could play a supporting role in solving frozen conflicts and bringing peace to the Balkan region
4. Creating shared values in economic and political relationships can bring political and economic sustainability to the Balkan region

Chapter 2: Davutoğlu's Geopolitical Concept Towards the Balkan Region

During the Yugoslav War, regional and international influences increased the ethnic tensions in the Balkan region. The more prevalent view is that the importance of ethnic issues decreased or was at least hidden during 1991. This is a time when the Balkan region faced a strategic transformation. Ethnic and religious multiplicity in the Balkans gave rise to geocultural conflicts and led to a situation in which wars in the Balkans were more likely to occur. But this complexity was not a result of the Cold War; it was nothing new in the Balkan region. There are many explanations for the wars and ethnic conflicts that followed. As Davutoğlu mentions, in the Balkan area there are two rudimentary lines that express the geopolitics of the Balkan region. The split between the Bosniak, Croatian and Serbian geopolitical and geocultural zones are defined by the Drava-Sava Rivers and the Morava-Vardar Rivers split the Albanian, Macedonian and Serbian geopolitical and geocultural territories (Mitrovic, 2014, p.39). Consequently, conflicts in the Balkans triggered clashes between local and international players who sought control around these critical positions.

There are three key international organizational disagreements, which have given rise to the conflicts in Bosnia and Kosovo (Davutoğlu, 2008, p.191; Davutoğlu, 2008, p.81):

- The first is challenging the importance of United States of America and Europe on the international stage
- The second opposition concerns the Anglo-French alliance and additionally Germany and Russia
- The third is that the willingness to control the region led to fights that triggered the transformation of global institutions

Following this, Eastern Europe became part of the European Union. As such, the United States decided to intensify its involvement in the Balkan region. This is due to the fact that the European Community did not succeed in autonomously resolving the difficulties in the Balkans whereas the United States strengthened its impact. According to Davutoğlu, NATO's involvement in Kosovo aimed to end ethnic conflicts and stop the humanitarian disaster (Mitrovic, 2014, p.40). Through NATO, the United States also increased its impact in the Balkan region and in Central and Eastern Europe by generating different levels of equilibrium of supremacy (Davutoğlu, 2008, p.196; Aras, B., 2012). Therefore, as Davutoğlu states, the European Union's aim is to build European safety (Mitrovic, 2014, p.40). On the other hand, NATO's function in Europe, particularly in the Balkan region, straightforwardly impacts Turkey's position in regional activities and dealings (Davutoğlu, 2008, p.197). However, it is also necessary to highlight the fact that Turkey is a member of NATO as well. Therefore, the negotiations between the European Union, Turkey, and NATO can shift the geopolitical equilibrium in the Balkan region to a new level.

The analysis above allows us to see the geopolitical picture of Turkey in the Balkan region. Currently, geopolitics and the creation of equilibrium of supremacy are habitually at the central aim of Turkey. The Balkan Entente was established as a way to maintain an influence in the Balkan region. In order to achieve this, Turkey attempted stable regional relationships that would impact other political supremacies' relationships with the Balkan region. The Balkan region is currently in the process of forming a new regional supremacy equilibrium. It is therefore necessary for Turkey to participate dynamically in the Balkan area. The Balkan region is extremely complex and illustrates huge uncertainty, particularly in the key geopolitical ranks of

the rivers. For Davutoğlu, the Dayton Agreement that concluded the Bosnian war expresses a provisional resolution (Mitrovic, 2014, p.40). However, the Albanian issue remains unresolved. Therefore, Davutoğlu supposes that the contradictory concentrations and supremacy fights in the Balkan region will have an impact on the completion of the structure of European safety and protection (Davutoğlu, 2008, p.193; Petersen, T., 2014, p.122, 123).

The influence of powers causes dynamic transformations in sensitive regions. The Balkan region is a prime example. The dynamic changes in Turkey's politics should address long term developments in the regional development of the Balkan region. The deadlock in the relationship between Turkey and the European Union has driven Turkey to the United States and Israel, which unavoidably shaped Turkey's Middle Eastern and Balkan policies. The countries with superior strategic capabilities have healthier conjuncture in transcontinental businesses. It is necessary to analyze the earlier historical involvement in the separation of ranges of effect in the Balkan region. There are three essential provisions in the Balkan region that descend from the 19th century (Davutoğlu 2008, p.209):

- The first is a dynamically German concentration in the Balkan region, which extends to the Adriatic Sea Croatia, Slovenia, over Hungary and Austria (Davutoğlu 2008, p.209)
- The second relates to Russia's Orthodox-Christian Slavic tries, which extend their impact from Bulgaria and Serbia to Greece, the Aegean and the Adriatic Seas (Davutoğlu 2008, p.209)
- The last one is the Ottoman heritage that is intensely based on the ethnic clutches on the Balkan region that were acknowledged attentively by the

Ottomans (Davutoğlu 2008, p.209)

In the 20th century, Turkey's impact on the Balkan region has been significantly reduced in comparison to Germany's and Russia's. For that reason, the conflicts of the 1990s in the Balkans were a huge risk to the entire removal of Islam and Ottoman distinctiveness from the Balkan region as well as the whole destruction of Turkey from regional activities. Therefore, significant actors appeared in the Balkan region to take on various roles. The United States has individual concentrations in the Balkans, which habitually contradict German and Russian agendas. For this reason, the United States has been on the side of the Bosniaks and Albanians throughout the conflicts in the Balkan region, which has led to an increase in its impact and a shift in the regional equilibrium in favor of its interests. As such, it is favorable for Turkey to have a strategic partner such as the United States, whilst sustaining a suitable relationship with other international players that have curiosities in the Balkan region. This can be called competitive geopolitics based on strategic capability (Davutoğlu, 2008, p.209).

Turkey's decision to expand its transcontinental policy selections caused prospects and threats in the contemporary geopolitical model. The condition of the Balkan region stipulated the best achievable circumstances to enlarge its scope of impact (Strauss, Gardner, 2010, FT). Turkey's efforts for an arbitrating position in the Balkan region were equivalent to the growth in its economic supremacy. The importance placed on the essentiality to differentiate transcontinental policy communications and be involved in a broader area was observed as a win-win strategy. Cem explores the idea that the establishment of the Turkish economy concurrently permitted the state to increase its international business processes (2000, p.64, 65). Its capability to improve the importance of its scope of internal economies led to the modification of

transcontinental policy dealings (Cem, 2000, p.64, 65).

The concentrations of Christian-Orthodox Slavs, demonstrated by Serbia and Greece conflicting with the Turkish legacy, are to blame for Turkey's bad reputation in the Balkan region. According to Davutoğlu, negative attitudes concerning the Ottoman heritage in Serbia and Greece, as well as in other countries in the Balkan region, are an obstacle that Turkey must overcome in order to achieve a healthier situation in the Balkan region (2008, p.210). Therefore, in order to protect its overseas policies in the Balkan region for regional development, Turkey is generating a new equilibrium through new economic and social activities. This equilibrium should take into account the protection of the Islamic look as an optimistic model for the area. Moreover, it is well matched with widely known values such as human moralities, freedoms, values of democracy and international dealings to support the Islamic selection on reestablishing Ottoman heritage. Taking this into account, focus on the Islamic features and Ottoman traditions are key components of Turkey's strategy in the Balkan region that nevertheless exist in the geo-culture of the contemporary Balkan region. *"The challenge for Davutoğlu is to consolidate Turkey's strategic-political achievements with economic and cultural engagements"* (Aras, B., 2009, p.14). Accordingly, I can mention the Capitals, or Political Centers, which is one of the geopolitical features (Cohen, 2003, p.35). Turkey has culturally engaged itself in Balkan countries such as Bosnia and Herzegovina, Albania and Kosovo. Common cultural monuments and other important historical heritages lead Turkey to engage geopolitically in that region. Moreover, it also possible to relate the ERT feature here for economic cooperation in regional development.

According to undeniable historical insight of Turkey in the Balkan area, the AKP creates

unique components in the Balkan strategy with the concept of geo-culture. Therefore, the Ottoman legacy could be implemented as a tool for applying Turkey's impact. This kind of approach was active during Özal's stage, however in different tactic. Turkey's economy had been excessively shaped Özal's transcontinental strategies where Ottoman heritage was used predominantly in that direction. However, the foreign policy of AKP has convincing geopolitical elements, mainly observable in the Balkan region. The AKP's foreign policy affects innovative tools in performance. Its ultimate aim is the same as the aims of the Balkan Entente and the Balkan Pact. Turkey's participation in the improvements of the regional development obtains regional interdependence and finds the equilibrium of international supremacies' involvements in the Balkan region and keeps regional stability. As Davutoğlu emphasizes this regional dependency could be extremely advantageous for Turkey and could also change the internal equilibrium, whereas international supremacies and their regional or strategic partners are involved in the development of the region (2008, p.212).

The Ottoman legacy is visible inside the modern cultural and religious shapes of Bosniak and Albanian ethnic groups. According to this, it should be mentioned that Turkey could protect its priorities such as businesses and political deals in the Bosniak and Albanian region by showing positive attention to the security of those groups that maintain their Ottoman heritage. Bosniaks and Albanians, in some sense, feel supported politically, economically and culturally by Turkey for the development of the Balkan region (Aras, B., 2012). This kind of strategy could be the key tool of Turkey's strategy towards the Balkan region. Additionally, supporting Muslim communities in the Balkan region is essential for Turkey to accomplish its international aims economically and politically (Davutoğlu 2008, p.210). For Turkey, it is essential that the large

number of Muslim communities in Sandzak, Kosovo and Bosnia remain connected. In order to sustain safe and peaceful relations, it is necessary that Turkey supports Muslims in Balkan area, particularly in economic investments and cultural engagements. As Davutoğlu states, for Turkey's political, economic and cultural protection, Bosnia and Herzegovina plays an important role concerning Central Europe, whereas on the Eastern Mediterranean and Adriatic zones Albania performs an important function in Turkey's strategies (2008, p.211). Therefore, from a geopolitical point of view, the potential regional developments of the Balkan region depend on Bosnia and Herzegovina and Albania.

By taking into account these regions it is crucial that Turkey secures that vein in order to keep the connection in the region unbroken. The withdrawal of the Ottoman heritage in the Balkan area and a reduction in the potential Turkish impact can occur if the Muslim communities in the Balkans get separated. Supporting this idea, even Davutoğlu stated that keeping internal safety and cultural distinctiveness whilst establishing economic, political and social networks for Muslim groups in the Balkan region could protect Turkey's role in the Balkan region (2008, p.211). Turkey should perform effective and forceful diplomacy with all players in the Balkan region, by taking into consideration the international supremacies' relationships and place itself in the Balkan region. As Davutoğlu states, for developing its interest area, Turkey should develop regional interdependency and should be part of the equilibrium created by international powers while developing its care for Albanian and Bosniak people (2008, p.212). The most applicable way to attain the equilibrium in the region is a regional support and improvement of collaboration from Turkey in the Balkans. As Davutoğlu mentions, Turkey should take a dynamic and principal position in the SPSEE and SEECF (2008, p.214). The cultural collaboration and

safety of Ottoman and Turkish heritage are essential aims in the Balkan region. Moreover, Turkey should secure the Balkan region's proposals to preserve cultural and educational privileges of diverse ethnic groups and provide support to the welfare of those ethnic groups. For that reason, an economic collaboration is very important in the 21st century. Additionally, the positive economic collaboration can shift the level of new equilibrium in the Balkan region. In that sense the equilibrium can benefit Turkey as well as the Balkan area. Economic investments could bring together diverse zones in the Balkan region and could support the regional developments that are required.

The following chapters will demonstrate why regional developments and the establishment of regional proposals are one of the core tools implemented by Turkey in its existing interactions with the Balkan region. Within the regional cooperation for regional development Turkey, under the jurisdiction of AKP, advances its capabilities in directional and dimensional diplomacy by supporting the idea of zero problem policy with neighbors. As it is visible from the establishment of the Turkish Republic until present, safeguarding respectable cooperative dealings over the cooperative safety of the Balkan region was a significant component of Turkey's regional strategy. There is a strategic tool that Turkey should use in its interaction within the Balkan region. This being the fact that Turkey is a member of NATO. Moreover, an additional way to influence the Balkans is to integrate new economic activities in the region. Turkey's new economic activities can shape the Balkans in positive way, which can be seen as an ethical act. In some sense Turkey's concentration in the Balkan region could be matched with the United States' interests. Thus, their collaboration and participation in the Balkan region could benefit both sides and could shift the level of equilibrium to the new stage.

The Bosniaks and Albanians' cultural distinctiveness and the political situation have to be protected. In that sense, in the Balkan area, the fortune of the Ottomans has been chosen (Davutoğlu, 2008, p.215). Therefore, Turkey should create its own zone of impact in the Balkan area; otherwise Turkey cannot be one of the key regional players and consequently not a dominant player in the world's political system. Turkey should always be dynamic in the economic zones of the Balkan countries, which could impact the formation of a new equilibrium in the global geopolitical system. By looking at the Balkan case from the European Union's point of view, Turkey's economic and political concentrations in the Balkan region are in contention with the European Union and with its central players. On the other hand, such close interaction of Turkey with the Balkans could be in the interest of the European Union due to its policies towards developing the region economically. In the Balkan region the European Union needs a strategic partner such as Turkey. Turkey is in favor of European Union expansion in the Balkan region because both Turkey and the European Union's interests are to generate sustainable economic and political stability in the region. Both are in favor of collaborating towards regional development. This is because the Balkan region is seen as a main gateway to both parties.

Chapter 3: Turkey's Balkan Involvement

Turkey's overseas policy towards the relationships with the Balkan countries has been based on Davutoğlu's vision for the Balkan area. Generally, the Balkan area has always been thought of as a prime position for Turkey because of its geography, economy and culture. The Balkan region is thought of as unique because of its remarkable ability to influence the Turkish state and for the social relationships that exist throughout the region (Turkey, Relations with the Balkan region, Ministry of Foreign Affairs). Furthermore, Balkan countries are potential candidates for the European Union, therefore for Turkey the Balkan area is extremely important. For Turkey, the Balkan region bridges the gap between European territories and Turkey. As such, it is of significant strategic importance to Turkey (Ministry of Economy, Turkey, Balkans Regional Information; Somun, H., 2011, p.34). After 1990, with the end of the clashes in the Balkan area, Turkey embraced dynamic behavior in all transnational plans and instruments that were formed to protect stable reconciliation, safety and wealth in the Balkans. The safety of the Balkan region was studied as an important geopolitical area in Turkish transcontinental strategy. Furthermore, for Turkey, boundaries of the new sovereign countries in the Balkans became specified and Turkey has embraced the territorial integrity, liberation, and freedom, since Kosovo announced its liberation in 2008 (Mitrovic, 2014, p.48). For the establishment of the state structures and for embracing territorial safety in Kosovo and Bosnia and Herzegovina, Turkey considers that the transnational occurrence is rationally fundamental (MFA, Turkey, Relations with the Balkan region; Demirtaş, B., 2013, p.171-175).

The four strategic lines below are designed and centered on values such as "*regional ownership*" and "*inclusiveness*": powerful diplomatic interchange, wellbeing for the entire

region, ultimate economic incorporation and the protection of the multi-ethnicity, multi-religious multi-cultural community configurations in the Balkan area (MFA, Relations with the Balkan region Turkey; Davutoğlu, 2011, p.6). Turkey's actions are of unique importance in the growth of self-sufficient teamwork instruments in the Balkan region. For regional development, it is necessary to create or develop mutual zones of interest. According to that point of political and economic integration, the Southeast European Cooperation Process (SEECP) stands as a distinctive collaboration in the region between Turkey and the Balkan countries. It is seen as the only domestic creativity plan in the Balkan area. On the trilateral discussion the certified policy documents place superior importance, as Turkey's substantial influence is to illustrate respectable cooperative interactions for regional development in contemporary geopolitics. The trilateral discussion instruments originated from Turkish resourcefulness between Serbia, Bosnia and Herzegovina and Turkey as well as between Croatia, Bosnia and Herzegovina and Turkey. Turkey was extremely pleased with the April 2010 Trilateral Balkan Summit in Istanbul, where the Heads of States from Serbia, Bosnia and Herzegovina and Turkey were present (Demirtaş, B., 2013, p.173). The Istanbul Declaration was accepted following this Summit and was carried out jointly by the Serbian and Bosnia and Herzegovinian presidents since the War (MFA, Turkey, Relations with the Balkan region; Demirtaş, B., 2013, p.173). Additionally, the second reunion of the Trilateral Balkan Summit was on April 2011 in Karadjordjevo, Serbia. These summits show that the representatives of those countries are keen to be effective players in the Balkan area and work towards regional development in contemporary geopolitics.

Since the AKP came to power, Turkey has displayed superior engagement in the Balkan region both economically and politically. For Turkish citizens and entrepreneurs, the Balkan

states are a great economic zone for Turkish overseas policy. In the Balkan region, there are approximately ten million Turks with Balkan origin (Gangloff, 2005, p.10). Moreover, between four and ten million citizens from Balkan states are currently living in Turkey (Gangloff, 2005, p.10). For the Republic of Turkey and its rulers, the accomplishment of the overseas policies, especially in the Balkan region, is correspondingly significant for local economic goals. The discussions and dialogues about friendship and familiarity with the Balkan region from 2009 were mostly made available to local audiences of the Turkish Republic. The political collaboration and influence of Turkey in the Balkan area is based on *“zero problem policy with the neighborhood”*, which advanced with practical and proactive diplomacy constructed on negotiation, high diplomatic interchange, economic cooperation and interdependence (Evin, Kirisci, Linden, 2010). In the 21st century the realism of sub-regional or regional collaboration has progressively developed as an important element. For example, numerous states have made the move towards closer cultural, economic, and political communication. The Balkan region has conventionally been discussed as an area of disintegration and collapse. However, it currently has an opportunity to develop itself as an additional sub-region. Even Davutoğlu in his article “A Forward Looking Vision For the Balkans” sees a respectable opportunity to succeed by launching new initiatives towards regional development and concentrating on the upcoming years rather than what happened in the past (Davutoğlu, 2011, p.4). Therefore, Turkey desires to have the Balkan region as an area of success rather than an area affected by continuing disagreements or conflicts. The Balkan region should not be studied on the edge of the European Union. It should instead be viewed as a region that needs to entice consideration as a sub-region that might subsidize the European Union with its reliable society, politics and

economics.

Turkey has been very dynamic and functional with regards to its responsibilities as a chairman of the Southeast European Cooperation Process (SEECP). Turkey's main objective was to embrace a forward-looking vision that could help to support the dealings and reduce the issues in the Balkan region by using SEECP (Davutoğlu, 2011). For the resolution of the regional issues there is a need to implement functional and multidimensional methods. Growth of the Turkish economy in the region should be accompanied by political stability as well as economic growth of the Balkan countries that are supported by numerous important economic and social developments. Turkey, as one of the important regional players, inspires reconciliation and safety via numerous channels to transform its economy. For the stability of the Balkan region, and in order to remain dynamic and attractive to foreign investors, there is a need for more liberalization of the economy and to forge active alliances. Turkey's contribution to the growth of the Balkan economy is important in the establishment of regional reconciliation and safety. It also influences the regional development in contemporary geopolitics. The Balkan region is located between Turkey and European Union and consequently economic and political collaboration have a direct effect on Turkey's economic interactions with the European Union. Due to that, Turkey studies the economic stability and political security of the Balkan region as a necessary connection to guarantee sustainable economic and political collaboration. Following this chapter, I added political and economic sub-chapters in order to show Turkey's political and economic interactions in the Balkan region.

3.1 Political Relationship

From a political point of view, Turkey has strengthened multilateral advanced dealings

with Balkan representatives since 2009. Taking the one-year chairman of SEECP assisted Turkey in managing numerous amounts of advanced political consultations and establishing frequent regional actions, according to its key axes in the Balkan politics (Türbedar 2011, p. 142). The one-year chairman of SEECP was an important and reliable regional mission as well as a vital tool that linked Turkey to earlier Balkan proposals. In terms of political relationships, Turkey puts excessive stress on bilateral and trilateral agreements in the Balkan region. By looking at Turkey's political interactions in the Balkan region, it is mentionable that Turkey, by putting emphasizes on bilateral and trilateral agreements, can draw a new political equilibrium in the Balkan region. This new political equilibrium showed its effects in the economic collaboration between Turkey and Balkan countries. Turkey introduced a new concept that is a shift of a mind. For sustainable political security in the Balkan region, the shift of a mind and self-reflection on the political actions took place. Turkey assisted the Balkan region to look at the cases from different perspectives and gain the benefits by interacting politically. Additionally, for Turkey the political stability in the Balkan area is necessary for regional economic development, as well as for European Union' economic integration. For example, Turkey took the intermediary position in the unresolved issues between Serbia, Bosnia and Herzegovina and Croatia and started advanced summits and meetings between these states.

Moreover, according to the "regional ownership" principal, Turkey's main significance is based on advantages of the regional collaboration and stability (Uğur Ekinci, M., 2013, p.16). Therefore, from this principal it is necessary to highlight that for the new equilibrium there is a need to inspire advancement in the institutionalization of the SEECP in order to consolidate its function and movements and slowly occupy the roles of transnational organizations and

assignments by local and regional players. According to this approach, it will target the old equilibrium to break the impacts of external supremacies throughout the Balkan region and allow the regional players, including Turkey, to settle their particular issues and to create a new equilibrium that is established by the regional actor for contemporary regional development. In order to embrace the developments rapidly in the Balkan region and to begin respectable cooperative relations, Turkey has constantly supported the improvement of services in the Balkan countries and has increasingly supported governments financially in recent years. The table below in the appendix shows official development aids from Turkey to Balkan countries. Kosovo and Bosnia and Herzegovina are receiving the highest aid from Turkey. The details of Official Development Aid from Turkey in Million \$ is shown in the appendix (Figure 1) (Uğur Ekinci, M., 2014, p.110). Moreover, it is necessary to mention several institutions and assignments in the Balkan region and Turkey's activeness.

- *South East European Cooperation Process (SEECP)* – This is a diplomatic and political interchange as well as an economic and social cooperation for further developments in the Balkan region (RSPCSEE, 2015). Turkey is one of its active participants.
- *Regional Cooperation Council (RCC)* – This is the functioning section of the SEECP responsible for connecting external partners. It embraces mutual cooperation in economic and social matters, as well as in terms of energy, infrastructure and security (RCC, 2015). Turkey is on the board of the RCC and is an important contributor to its plans.

Apart from these, there are other institutions and missions as well, which include:

- *South East European Law Enforcement Centre (SELEC),*
- *Kosovo Force (KFOR), Peace Implementation Council (PIC),*
- *European Union Rule of Law Mission (EULEX),*
- *EUFOR ALTHEA, South Eastern Europe Brigade (SEEBRIG)*
- *United Nations Interim Administration Mission in Kosovo (UNMIK)*

Turkey actively participates in all of these organizations. These institutions are mostly based on the peace and security of the Balkan region. Therefore, Turkey should participate in their political and diplomatic dialogues. The SEECP and RCC are two important processes that make connections in the Balkan countries more active and attractive. The successful implementation of planned strategies and stabilization of peace and security can create an opportunity for further economic investments from other countries.

According to Turkey's foreign policy and by highlighting the historical attachment and traditional support, Turkey presents its situation as the main political participant in the Balkan region, as an intermediary agent and as an arbitrator in regional questions and in disagreement resolutions (Türbedar 2011, p.143). For example, Turkey took on the responsibility of an intermediary agent concerning administrators who were appearing for executives from Serbia and Bosniaks from Bosnia and Herzegovina as well as arbitrated the situation concerning Bosnia and Herzegovina and Croatia (Türbedar 2011, p.143). This arbitration was provided by organizing mutual meetings on a representative level as well as on a ministerial level, such as the exchange of information. Turkey began systematizing trilateral discussion conferences with the motivation of strengthening interchange between these ethnic areas with the decisive target of developing peacefulness and safety in the Balkan region and for embracing the regional integrity

of a different ethnic groups and collaborative culture of Bosnia. According to such support from Turkey, it is possible to mention that the Ottoman tradition in the area pushes Turkey to strengthen its regional influence in regional developments.

Until 2012, there were several meetings between Turkey, Bosnia, Croatia and Serbia, concerning the security and stability in the Balkan region. In April 2010, over these summits Turkey succeeded in encouraging Serbia to accept the reestablishment of an ambassadorial position in Bosnia and Herzegovina and acceptance of determination on Srebrenica from Parliament of Serbia (Türbedar, 2011, p.148). Nevertheless, this has enriched the relationship between Serbia and Bosnia and Herzegovina. However, it triggered an uncooperative response in Republika Srpska. For instance, a Serbian representative in Bosnia and Herzegovina was in contradiction to Turkey's connection in the difficulties of Bosnia and was disapproving Turkey's support for Bosniaks (Somun, 2011, p.36). Between Turkey, Bosnia and Serbia, the Istanbul Declaration was authorized and has been acclaimed as one of Turkey's greatest achievements because it has motivated the presidents of Serbia and Bosnia to meet and have discussions since 1990 (Mitrovic, 2014, p.52; Türbedar, 2011, 148).

Turkey highlighted superior relations with Bosnia and Herzegovina and supports regional integrity. Turkey contributed to the "Butmir process" and, in cooperation with the USA and the European Union, led to an attempt to make a contract between the main local political participants on the applications associated with the constitutional transformation, and also to the questions about the state and security (Babuna, 2014, p.18, 19; Türbedar, 2011, 143). However the heads of the key Bosniak, Croat and Serb parties disallowed the planned bundle of modifications, therefore, development was closed. Following this event, Turkey came out with

its own differentiation method (Barçın, Y., 2010). Therefore, there are three types of policies concerning Bosnia and Herzegovina from Turkey's perspective; local level, regional level and international level (Murat K., 2009). On the local level the target is to support discussions of various ethnic units within Bosnia and Herzegovina. The reason why Turkey is aiming to solve the issues between ethnic groups is because Turkey states that Bosnian representatives should aim for cooperation rather than have legal modifications in the constitution enforced by Western states. Therefore, there is a need to form a new government in order to create a new table for discussions. On the regional level, Turkey aims to bring together Bosnia and Herzegovina, Serbia and Croatia so that neighboring countries can find the solution to existing difficulties. Turkey's regional method could correspondingly provide an improvement in relations since it can support and develop common assurances and esteem between various ethnic units in Bosnia and Herzegovina. On the international level, Turkey aims to lobby for Bosnia and Herzegovina and portray itself as an agent of Bosnia and Herzegovina on the international stages. Therefore, whilst accelerating Euro-Atlantic incorporation the differentiation method by Turkey aims to support the regional reliability and multiethnic attractiveness of Bosnia and Herzegovina.

Furthermore, in order to have successful results in the Balkan area Turkey needs to have a positive relationship with Serbia. Turkey applied its adaptable foreign strategy and developed close dealings with Balkan participants, despite their different interests in the Balkans. The *“zero problem policy with neighbors”* puts to an effort to realize a *“win-win”* approach and collaborative dimensional negotiation processes (Uğur, E., 2013). Although not adjacent, Turkey defines Serbia as its neighboring country. To achieve effective relations in the entire Balkan region Turkey attempted to develop a safe and compact relationship with Serbia (MFA, Turkey,

Relations between Turkey and Serbia). After the AKP party came to power governments actively engaged at a political level and relations have developed appreciably. There have been many positive stages in that path. One such example is an official visit to Serbia in 2010 by Recep Tayyip Erdoğan while the free visa deal was being signed (Türbedar, 2011, p.144). The improvement of relations increased the number of trilateral discussions between Bosnia and Herzegovina, Serbia and Turkey as well as between different governmental levels. This highlighted that, for Turkey, Serbia is the primary state for reconciliation and improved safety in the Balkan region. This being said, in 2008 Turkey acknowledged declaration of independence of Kosovo and was actually one of the first states. Nevertheless, this act did not lead to any deterioration in the interactions between Serbia and Turkey. Moreover, Turkey and Serbia contracted a free trade agreement in 2009. Furthermore, in addition to the contribution it made in its positive attempts in arbitrating with Bosniaks in Bosnia, Turkey has also shown similar behavior in the Sandzak area of Serbia.

3.2 Turkey's Soft Power in the Balkans

The progress in political connection between Turkey and the Balkan states created new prospects to improve on the social stage in order to embrace Muslim groups and also local citizens in the Balkan region. There are various institutions that Turkey is dynamically contributing to in the Balkan region. Below are numerous institutions that Turkey uses as a soft power.

Turkish International Cooperation and Development Agency (TIKA):

The TIKA institution is operating in Bosnia and Herzegovina, Kosovo, Albania, Serbia Montenegro and Macedonia, and has Programme Coordination. TIKA invested a respectable

amount of its capital in the Balkans into the education and health areas and Turkey's improvement in collaboration plans, especially from 2005 to 2010, were mostly dedicated to the improvement of social base areas. It is important to highlight that TIKA has been functioning primarily in the zones of the Balkan region with Muslim populations (Öktem, 2010, p.29). Turkey created a substantial power at the stage of distributing the soft power impact in order to increase its presence in Muslim groups of the Balkan region. In order to exercise the Turkish soft power it is based on non-conventional overseas strategy players of Turkey such as the TIKA. The TIKA has financially supported the renovation of the Parruce Mosque in Albania, a group that facilitates the development and education of poor women from Muslim families that traveled to Tirana (Menekse T., 2012; Annual Report, TIKA, 2013, p.24-30). In Montenegro it funded the restitution of numerous education centers. In Kosovo it assisted in the formation of Yeni Dönem (New Era) a Turkish TV station in the Balkan region with the aim of caring and maintaining their language, culture and customs for Turkish groups in Kosovo; furthermore, TIKA sustained the construction of water basin in Mamusha town that provides for a large populace of Turkish origin (Annual Report, TIKA, 2013, p.49-53). In Bosnia and Herzegovina, the renovations of Konjic Bridge and Drina Bridge was donated and also the restoration of the Gorazde Hospital Emergency Service sponsored by TIKA, where, for Ottoman heritage both of have significant meaning in the Balkan region (Annual Report, TIKA, 2013, p.32-39). In figures 2 and 3 (Appendix) the percentage of sectoral distribution of TIKA expenditures in Bosnia and Herzegovina and Albania are shown.

Presidency for Turks Abroad and Related Communities (YTB):

The YTB was founded in 2010. It is another communal institution. It was created in

order to support and assist Turkish residents overseas. The task is to improve Turkey's societal, economic, traditional and scholastic interactions with "kin and related communities" (Kemal, 2012, p.7, 8). The groundwork of this organization emerged from the necessity for an improved preparation and realization of community diplomacy that are under the responsibility of government agencies and organizations (Kemal, 2012, p.6). The crucial purpose of this organization is to assist and synchronize with NGO events and deliver grants for international learners (Kemal, 2012, p.8-10).

Presidency of Religious Affairs (Diyanet):

The main concern of Diyanet is to deliver religious assistances and schooling within the secular system. Diyanet also sets actions according to the Turkish and Muslim communities living overseas (Öktem, 2012, p.42). After the fall of communism it has developed itself as another network of Turkey's overseas interactions by attracting other Muslim groups. During the last years, visits of religious bodies to the Balkan region from Turkey have improved in the AK Party period. Furthermore, Muslim leaders of all Balkan states, from 2007 have been organizing annual meetings (Öktem, 2012, p.42). The reappearance of religious foundations such as vakif in the Balkan region has been discussed mainly in those meetings (Öktem, 2012, p.42, 43). The Diyanet also delivers grants for education for the Balkan region (Öktem, 2012, p.42, 43). Moreover, it has opened schools, preacher institutes and has dynamically contributed to the renovations of the mosques in the Balkan region. The Diyanet is receiving financial support from its partners' charities. Figure 4 (shown in the appendix) represents the number of grants given to the Balkan region.

Yunus Emre Institute (YEE):

The YEE was founded in 2007 and is a communal organization accountable for supporting Turkish culture and language overseas (Pusch, B., Splitt, J., 2013, p.143). The main goal of YEE is to organize numerous cultural events in the Balkans (Pusch, B., Splitt, J., 2013, p.143). YEE is considered to be one of the tools for Turkey's foreign policy.

Municipalities:

Municipalities of large and small cities have been effective in delivering support and aid to the municipalities in the Balkan region in order to arrange public and cultural events. Such close connection between Turkey and Balkan municipalities can have an aim to recover the historical appearance of the Turks in the Balkan region. Therefore, a revision of the history books about the Ottoman Empire took place in the Balkans.

It is necessary to talk about the Gülen movement in the Balkans. The Gülen movement is an international social and religious lobby ran by Fethullah Gülen. This lobby provides services on a social level. The Gülen movement is very effective in the Balkan region. In Bosnia and Herzegovina 15 educational institutes guided by Bosna Sema Educational Institutions were established in 1998 by the followers of the Gülen lobby (Öktem, 2010, p.38, 57). Moreover, the Gülen movement also operates in other Balkan countries such as:

Albania: 1 university, 4 colleges and 5 madrassas (Öktem, 2010, p.38)

Macedonia: 2 primary schools and 6 colleges (Öktem, 2010, p.38)

Kosovo: 2 colleges and 1 educational center (Öktem, 2010, p.38)

By exploiting historical heritage and succeeding in its soft power attitude, Turkey links with the populace in the Balkan region and has formally advanced the Balkan region with

different cultural and educational aids. For example, Turkish schools in Albania are viewed as being of a higher standard and have about 3000 students (Petrović, Reljić 2011, p.5). The Turkish government is involved in and actively participates in the spreading of the positive image of Turkish lifestyle and society. By using soft power in order to benefit Balkan society, Turkey has achieved a new equilibrium, especially in Bosnia and Herzegovina, Albania and Kosovo. By acting effectively in those societies the popularity of Turks has increased. It is important to mention that one of the tools in this direction is the media. Turkish state television station, TRT, broadcasts in all Balkan languages and provides Internet news and radio to the Balkan society. Overall, it is possible to say that public attitudes towards Turkey in Balkan countries have increased, especially, in those countries where Turkey has invested enormously. These countries are Albania, Kosovo and Bosnia and Herzegovina. The organizations above compete in terms of resources and followers in Turkey. However, they have common values and principles in the Balkan region (Öktem, 2010, p.25).

3.3 Economic Partnership

For the development of the Balkan region in contemporary geopolitics, Turkey's economic success plays an essential part. Turkey's economic activities in the Balkan region have increased significantly since 2000. Additionally, the geostrategic position of Turkey and the Balkans drives policymakers to adopt new and creative forms of regional development. The main objectives of the AKP party are political stability, economic enlargement and domestic reform. By taking these factors into analysis we can say that it motivated business actors to play an important role in Turkey's external environment. Business in contemporary geopolitics for the regional development being as a tool and positive political interconnections leads to adopt more

liberal regulations in terms of enlargement of the economy into neighboring countries. Turkey's "*zero problems with neighbors*" target aimed to minimize the risks and maximize the trade and investment opportunities for Turkish businesses (Mehmet, 2014, p.106). From sustainability point of view the vision is to promote a nonviolent political and economic atmosphere and an interdependent economic system. By signing a Free Trade Agreement with all the Balkan countries, Turkey contributed a boost to the economic collaboration in the Balkan region. Simultaneously, this close economic collaboration increased Turkish Foreign Direct Investments (FDI) in the Balkan region.

Turkey's neighborhood strategy is a positive geopolitical feature since it connects Turkey with the Balkan area while fostering trade and investment. When looking back to 1990 we see that there were no close economic or political connections. After 2000 an increase in trade and investment, as well as political connections, resulted in domestic developments in Turkey. While there are officials temporarily visiting the Balkan countries the entrepreneurs are becoming attached to the region. For example, in 2010 Abdullah Gül visited Bosnia and Herzegovina accompanied by 70 businessmen; so, TUSKON and TIM (Turkish Exporters Union) prepared the assembly cooperatively (Bechev, 2012, p.142). Turkey has an ever-increasing presence in Balkan marketplaces. However, compared to the European Union member countries they capture a relatively small of share in the Balkan area. The reason for that is that the Balkan countries such as Greece, Bulgaria, and Romania trade comprehensively with larger nations. The Balkans' stake in the aggregate of foreign business of Turkey is diffident and relatively small compared to other regions. Also, the European Union is Turkey's main economic exchange associate. Therefore, for Turkey, the European Union's member countries from the

Balkan region, such as Greece, Bulgaria and Romania characterize the greatest eye-catching economic target.

According to other Balkan countries, economic cooperation plays a more strategic and political role. The amount of investments into the Balkan region increases significantly every year. A Turkish firm in Serbia, priced at 120 million USD, seized one development opportunity (ME, Republic of Turkey, Serbia). In Serbia the foreign direct investment (FDI) of the Republic of Turkey's was 49 million USD between the years 2002 to 2012 (ME, Republic of Turkey, Balkans, Serbia). Following Serbia, Turkish firms in Macedonia seized and are now investing in 21 projects with a price of 832 million USD (ME, Republic of Turkey, Balkans, Macedonia). Consequently, the FDI of Republic of Turkey in Macedonia between the years 2002 to 2012 was 105 million USD (ME, Republic of Turkey, Balkans, Macedonia). Albania is another country in the Balkan region that is very important to Turkey. Therefore, the Turkish consultancy and contracting companies seized, and are leading with a price of 717 million USD in 19 projects in Albania (ME, Republic of Turkey, Balkans, Albania). FDI from Turkey in Albania was 6 million USD in 2012 and between the years 2002 and 2012 FDI from Turkey totaled 45 million USD and was regularly controlled by the business areas such banking, constructing and telecommunication sectors (ME, Balkans, Albania, Republic of Turkey). Bosnia and Herzegovina is another country, which is important to the Republic of Turkey. The FDI of the Republic of Turkey to Bosnia and Herzegovina is considerably greater than other Balkan countries and it reached about 145 million USD between the years 2002 and 2012 (ME, Republic of Turkey, Balkans, Bosnia and Herzegovina). The business areas that Turkish firms are investing in are focused on banking, airports and education centers (ME, Republic of

Turkey, Balkans, Bosnia and Herzegovina). The contracting and consultancy companies of Turkey seized and are leading with a price of 564 million USD in 12 projects in Bosnia and Herzegovina (ME, Republic of Turkey, Balkans, Bosnia and Herzegovina). The highest FDI is in Kosovo. From the Republic of Turkey, FDI reached 1 billion USD between the years 2002 to 2012 (ME, Republic of Turkey, Balkans, Kosovo). The banking and mining areas are at the forefront of Turkish investments in Kosovo (ME, Republic of Turkey, Balkans, Kosovo). In Kosovo, 4 projects are currently under the authority of Turkish companies, with a price of 502 million USD (ME, Republic of Turkey, Balkans, Kosovo).

Turkey enlarged the amount of business and economic settlements, contracts on infrastructure, transportation and free-trade agreements, but nevertheless it appears that the overseas business exchange with the Balkan region has a restricted price for Turkey. The significant improvement of Balkan countries' exports to Turkey is visible. For the business environment in the Balkan region we can say that the market conditions are already under the control of Western countries or local companies. This is because after the establishment of the Republic of Turkey, Turkish companies did not have an opportunity for economic integration into the Balkan region due to unstable political conditions. The majority of Turkish businesses started to move to the Balkan region mostly after 2000 due to positive political relations with the Balkan region as well as a more liberal economic environment in Turkey. Due to that reason, the Turkish companies have shown a significant growth in their investments to the Balkan republics. In order to capture a greater market share and gain acceptance in the Balkan countries Turkish companies should focus on differentiation strategies and low costs with the best value strategies.

The contemporary social development and economic achievement of Turkey has allowed the state to politically influence the Western Balkans. However, there is quite an obvious difference between political determinations and the uncertain increase in exchange as well as whole economic collaboration with the area. In terms of collaboration with the EU, the Western Balkan states have a justifiable record, so the participation of other players such as Turkey depends on whether they can propose the sale of goods at a significantly lower price than the European Union. On the other hand, the communication, transportation, banking, retail and mining zones are advanced by small and medium sized Turkish companies that are embraced by the administrations of the Western Balkans states. The Balkan region is in serious need of wealth and is enthusiastic for investment from foreign stakeholders, particularly such a need will lead Turkish businesses to build a successful record in the Balkan region. Turkish companies have been involved in numerous strategic missions in the Balkan region, for example the building of the Dures-Kukes-Priština highway and Belgrade-South Adriatic highway (Petrović, Reljić, 2011, p.165). Additionally, we can mention that Turkey's trade capacity with the Balkan states in 2000 was just 2.9 billion USD; however, by 2011 it had reached 18.4 billion USD (Demirtaş, 2013, p.176). About 7 percent of Turkey's overall overseas investment is directed to the Balkan region notwithstanding its geographical closeness (Demirtaş, 2013, p.176). The number is quite low but has the potential to increase in upcoming years due to the building of the energy network over the Balkan region in order to transfer Middle Eastern and Caspian gas to Europe via Turkey and the Balkan region. Such developments will increase the regions attractiveness for Turkish companies.

It is necessary to mention the two sub-regions of economic trade in the Balkans with Turkey. The first sub-region is the member countries of European Union such as Romania, Bulgaria and Greece. These three countries made 76 percent of Turkey's exports and 94 percent of imports in 2009 (Bechev, 2012, p.142). Romania is Turkey's key companion as it accounted imports with 47 percent and export with 32 percent in 2009 (Bechev, 2012, p.142). For Bulgaria and Romania, Turkey is the greatest and attractive non-EU target. The second sub-region is connected to the Western Balkan countries and is comprised of Albania, Macedonia, Kosovo and Bosnia and Herzegovina. The region's export and import functioning is developing with Turkey's active participation in that region. Increased business flows have increased Turkish FDI in Albania, Kosovo, Macedonia and Bosnia and Herzegovina; however, Turkey's function is smaller in comparison to the main states of the European Union. When overseas investments decreased, Turkish business made a difference due to the international financial crunch, particularly in the Western Balkans.

It was a great opportunity for Turkish companies to move to Balkan states to capture the market. In that sense, the domestic economic environment has appreciated business projects such as the Ramstore shopping center (Bechev, 2012, p.143). Social program think tanks in Kosovo had anxieties that Turkish financiers were taking over businesses from France, Germany and other EU countries (Bechev, 2012, p.143). Turkish companies were attempting to obtain public bonds by using the benefit of having close connections with government officials in neighboring states, for example Bulgaria's Movement for Rights and Freedoms (MRF) that was involved in the previous regimes. This is a Turkish minority party in Bulgaria.

Sisecam, a Turkish industrial company invested 160 million USD into a glasswork factory close to the Bulgarian city of Targovishte in 2004, where there is a significant Turkish population (Bechev, 2012, p.143). Sisecam received support from MRF and was a minor companion. Investment from Sisecam was the largest green investment in Bulgaria after the fall of the communist regime and by 2011 the cooperation had constructed four additional factories in that area (Bechev, 2012, p.142).

The Turkish airline has also been engaged in discussions about the acquisition of a share of Serbia's JAT. However, the deal was not completed due to disagreement between Turkish Airlines and Serbia's JAT. The disagreements occurred because the government was not willing to sell the shares to Turkish Airlines because the Serbian government had not confirmed it. However, Etihad acquired 49 percent of Air Serbia (Centreforaviation, 2013). Turkish businesses have acquired agreements to control the airfields in Ohrid, Skopje and Prishtina (Bechev, 2012, p.144). The Turkish company TAV has invested about 100 million EURO into the airport infrastructure of Macedonia (Tavnewsport, 2011).

In Bosnia and Herzegovina, Turkey follows Austria, Slovenia, and Germany in terms of investments. Nevertheless, its whole portfolio is projected at 115 million EURO, which again is a comparatively smaller aggregate when compared to other countries (Bechev, 2012, p.143). Turkish companies are increasingly visible in industries such as transportation and banking, such as the Ziraat Bank. Turkish Airlines obtained a 49 percent of share in BiH Airlines, a state-run transporter (Bechev, 2012, p.142). However, BiH Airlines retained its 49 percent shares from Turkish Airlines. Turkish oil company, Turkoil entered into the Bosnian energy marketplace for the use of 50 percent of Bosnia and Herzegovina's gas distribution

(Hurriyetdailynews, 2011). It is also necessary to mention that the Bosnian political encouragement behind the Turkish and Bosnian economic cooperation is divided. For instance, the main Turkish investments concentrate on the Bosniak-Croat populated region of Bosnia and Herzegovina. However, the Serb populated region does not contain any Turkish investments. The Ziraat Bank is operating actively in Bosnia and Herzegovina and it is in the classification of small banks. However, Turkish Ziraat is considered to be one of the most efficient banks in Bosnia and Herzegovina, with the value 0.96 to 1 (Memić and Škaljić-Memić, 2013, p.24). Additionally, Turkish Ziraat has been placed in the category of being highly efficient while ranking third in efficiency in Bosnian banking market (Memić and Škaljić-Memić, 2013, p.25). The vision of Ziraat Bank in Bosnia and Herzegovina is to be recognized as a bank that offers trust and high quality services (Ziraat Bank, 2015). Their mission is to provide support to the development of the economic and banking sectors as well as to the increase of the living standards of the citizens of Bosnia and Herzegovina. Moreover, they wish to play a key role in the establishment of economic interactions with Turkey and the expansion of Turkish investments (Ziraat Bank, 2015).

The third leading financier in Albania is Turkey, while Italy and Greece share first and second place respectively. In the telecommunication and banking industry the Çalık Holding made important investments. The Çalık Holding is the largest Turkish financier in Albania. In 2007, in the communication sector of Albania the Çalık Holding became one of the most successful companies by obtaining the biggest Internet and fixed line supplier, which are Altelecom and its GSM card Eagle Mobile (Kursunoglu, 2014). The mobile TV was firstly provided by Eagle Mobile. The FDI and entrance policies of overseas mobile operators to

Albanian communication marketplace examined by Mukli and found that Eagle Mobile and Vodafone Albania are viewed as the major companies in the Albanian communication market (2012). Albtelecom has enlarged its marketing approach by delivering excellent service, an influential technical structure as well as superior packages. Moreover, Çalık Holding bought 60 percent of the shares of Banka Kombetare Tregtare (BKT), which is one of the biggest banks in Albania (TodaysZaman, 2007). In Albanian economy, BKT was nominated as the top bank (Çalık, 2009). Moreover, there is no need for a customs obligation for all money invested from investment firms and Albania is a tax paradise (Genci, 2013).

3.4 Turkey as an Energy Hub and the Balkans as a Gateway

The reason why Turkey can play a role as an energy hub is due to its geographical location. Turkey is positioned between the Caspian Region and the Middle East. These two regions have huge gas and oil reserves. Moreover, the European Union, which is the main purchaser of these reserves, borders the West of Turkey. The main gateway for Turkey to Europe, geographically, is the Balkan region. The geographical location of Turkey brings many advantages and places Turkey at the forefront of discussions for new diversification in the energy sector. In the last 20 years the dependence of Europe on natural gas has been rising. Moreover, Turkey's dependence on natural gas has also increased. Europe is immediately seeking to find substitute bases and providers. The effective developments in Turkey can positively position Turkey as a main energy hub of Europe. By implementing the proper and correct energy policies Turkey might guarantee about 100 bcm of natural gas (Akhundzade, 2014). Turkey by becoming the energy supplier of Europe means that this diversification will affect the Balkan region as well. Moreover, countries such as Albania and Bulgaria will benefit from the energy

pipelines that pass through their lands. Moreover, the planned gas pipeline projects within the Balkans will benefit other Balkan countries. The Balkan's future energy pipelines are shown in the appendix (Figure 6).

Due to the current crisis between Russia and Ukraine as well as other potential problems in that region, the European Union is looking for alternative sources of gas in order to secure its energy sector. Seeking alternative energy supply routes means creating new regions and developing those regions, which will lead to an increase in FDI and other business opportunities. In that sense, the Balkan region can be mentioned. The Balkan region geographically positions itself as an entrance door to European Union. This could be the reason why Turkey became so active in the Balkan region by investing in education, banking and other economic zones due to increased developments in the Balkan region in order to build and plan future projects successfully. Energy trade and interchange can perform an important function in the maintaining of stability and economic growth of Balkan countries. This will make the energy market of the Balkan region more attractive to investors and lead to the construction of energy pipelines. Moreover, the creation of such an area will benefit European Union. In this case Turkey can assist the EU. Moreover, the energy corporations of both sides can integrate Turkey into the EU's energy market. This will allow Turkey to shape an effective and consistent internal energy market, which will lead to a healthy economic progression. Turkey's policies on energy, as well its development as an energy hub, will be reasonable and effective, due to positive diplomatic relations with neighboring countries by applying win-win strategies.

The reason for the European Union's efforts to diversify its supply in the energy sector is to decrease risk and not to be dependent mainly on one country, such as Russia. European

countries are dependent on Russia for 25% of their oil and 40% their of natural supplies (Souleminavov, Kraus, 2012). The extremely dependent on Russian gas are Central and eastern European countries. The expansion strategies of the European Union in finding alternative energy sources are in the economic and political interests of Turkey. Therefore, Turkey can be an active player in new energy projects and involve the Balkan countries in such projects. Logically, this will improve the social and economic conditions in the region. It is essential to say that in order to build the energy pipeline networks over the Balkan region, peace and safety in the Balkans is essential.

One of Turkey's strategies is to develop itself as a key participant in the Eurasian energy corridor. In terms of foreign relations, Turkey's aim is to play a strategic role in transporting the energy sources from Russia, the Caspian region and the Middle East. The partnership between Turkey and the European Union on energy business will affect the Balkan region and the potential outcomes for each participant are economic growth and cooperation on mutual needs by creating energy networks.

Following the successful implementation of the Baku-Tbilisi-Ceyhan pipeline, Turkey has been trying to perform an important role in the transportation route to the west. Most of the energy sources come from, and are planned to come from, the Caspian Sea, Russia and the Middle East. Currently, there are projects that are planned to operate in the near future, which will position Turkey and the European Union in a close relationship. Those contemporary projects are the Trans-Caspian Pipeline, TANAP (Trans-Anatolian Pipeline) and TAP (Trans Adriatic Pipeline), which will transport Caspian Gas (Tap-ag, 2015). The energy sources of Caspian Sea are planned to mostly supply Central and Eastern European countries. Lately, to the

west through Turkey there were discussions on the transportation of Iranian natural gas. The energy partnership of Iran and Turkey might perform a substantial responsibility in the EU's energy policy. The building and rebuilding of the energy pipelines in the Balkan region is an important movement involving Balkan countries in the participation of constructing new and alternative energy routes to Europe.

However, in order to complete all those pipelines in cooperation with the European Union, there is a need to accept a clear structure regarding gas pipeline programs and to follow the modernization processes in the internal energy market (PWC, 2014). On the other hand, being an energy hub of Europe does not mean that the close partnership will lead to EU accession. If Turkey will succeed by liberalizing its energy regulations accordingly then the success can position Turkey as one of the key international players in energy sector. Also, Turkey is showing the modernized face of 21st century negotiations. This shows that Turkey is looking for more modern and high quality projects, which leads Turkey's energy policies to be liberalized and acceptable. Due to its geographical position Turkey and the Balkan region have an important concentration in joining with all oil and gas pipeline projects, which pass over these areas. This benefits Turkey and the Balkan countries not only from an economic side, in terms of transit costs, but also from political power.

The BTC transports oil through Georgia to Turkey and from Turkey to other regions from the oil field of Azeri-Chirag-Guneshli (AZBTC, 2015). Initially, it was planned to transport only Azeri oil, however, it had a high enough capacity to add other Caspian oil producers, such as Kazakhstan. The United States of America played an important role in promoting the route from Turkey because the BTC was an opportunity to keep Russia and Iran under tension. The BTC

was an important experience for Azerbaijan and for Turkey. By achieving successful results from the BTC, Turkey was pushed to consider other potential energy routes from Caspian basin. Moreover, the BTC drove Turkey to implement effective regulations. Parallel to the BTC, the Baku-Tbilisi-Erzurum (BTE), also known as South Caucasian Gas Pipeline, began to transport gas from Sangachal, which is located in Baku (BP, 2015). The natural gas has been deposited in Georgia and later, from 2007, has been transported to Turkey. There are plans to increase the capacity of the South Caucasian Gas Pipeline as the developments in the Shah Deniz continue (BP, 2015). As an outcome, this increase can lead to connections with other new pipelines, such as from the Balkan region in order to transport natural gas from Turkey to the European Union. Additionally, in the future there is a possibility to unite Turkmen and Kazakh gas over the Trans-Caspian Pipeline. This experience gave Turkey the opportunity to build its fundamental elements towards attracting other potential natural gas pipelines. Moreover, the South Caucasian Gas Pipeline led to positive political relations between Turkey and its neighbors and the positive results with its neighboring countries attracted the European Union. This could be one of the reasons why the European Union started to be interested in creating a new energy hub. The shift of thinking in the energy industry in the European Union and Turkey guided them to look at neighboring countries. However, in order to build an alternative route over the Balkan region, it is necessary to build trusted relationships economically as well as politically.

The potential natural gas pipeline is Iraq-Turkey Natural Gas Pipeline project (Al-Monitor, 2014). According to history, there is already an existing pipeline, which is the Kirkuk-Ceyhan Oil Pipeline and plans to operate fully (Daily Sabah, 2015). The Iraqi gas pipeline's purpose is to transport natural gas to Turkey and further to Europe. Additionally, the Persian

Natural Gas Pipeline project is purposed to transport Iranian gas to Europe over Turkey (Ksenia, 2011). The capacity of this pipeline is about 37-40 bcm of natural gas per year (Ksenia, 2011). Furthermore, the pipeline's construction could be extended to Greece and Italy.

There is also another pipeline option that Turkey is capable of accomplishing; Blue Stream. Additionally, there are discussions going on about constructing the Blue Stream II (expansion of Blue Stream I) in order to transport natural gas to other European countries (Simon, Henderson, 2014). The most up to date negotiation on natural gas pipeline is TANAP. The discovery of Shah Deniz II led to the creation of the TANAP project with 16 bcm, where 6 bcm will be consumed in Turkey and the rest will be transported to Europe (Akhundzade, 2014). Additionally, it is estimated that by 2025 the capacity will have increased to 55-60 bcm (Akhundzade, 2014). The development of the Shah Deniz II will increase the capacity of South Caucasian Pipeline. Moreover, the Trans-Caspian Pipeline is still being discussed. The purpose of the pipeline is to transport gas to Azerbaijan from Turkmenistan and aims be connected to the Baku Tbilisi Erzurum in order to ship the natural gas to Turkey and further to Europe (Ksenia, 2011, p.33). The capacity of pipeline is 30 bcm (Ksenia, 2011, p.33).

Since the importance of energy pipelines is increasing, this has started to influence Turkish foreign policy in contemporary regional development. For more than a decade, Turkey has taken actions to execute numerous infrastructure plans because Turkey needs to meet the domestic requirement on energy. Moreover, Turkey develops the opportunity to position to be an energy hub for transporting to the European market over the geographical location, which leads countries to adopt contemporary geopolitical tools in order to develop the region. The rising demand for energy has given Turkey a convincing motivation to improve relations with

energy producers, such as in the Middle East and in the Caspian region. Additionally, in the zones that the pipelines will go through, political negotiations play an important role and Turkey is applying a win-win strategy and participating in solving the frozen conflicts in the Balkan region. Moreover, the international energy businesses could also finance the capital needed to construct the required pipeline infrastructure. Consequently, this will increase FDI and it will reflect on growth of the Turkish and Balkan economies. The Caucasus, Central Asia and Middle East regions are seen as excellent markets for energy sources and these sources are proving to be a great advantage for European states.

Those regions have started to look for safer transportation routes, due to security and stability factors. This is one of the reasons why Turkey started to act responsibly in terms of creating shared values politically and economically in the Balkan region. Its political success in the international arena, as well as successful internal reforms, has increased Turkey's values globally. Turkey's goal is to join to the energy strategy of the European Union. Turkey's implication in Europe's energy safety is positive. Turkey holds, not just an enormously convincing geographical location, but also many of the qualitative and quantitative features, which are required to eventually develop itself as an energy hub for Europe. For a strategic partnership, both sides have to have common strategic interests and a compact and developed stage where both sides could negotiate. As the Balkan region will play a significant part in the transit of gas to Europe, Turkey's close involvement in this region, politically and economically, is in favor of the European Union. All these will create a new equilibrium in the Balkan region by reducing conflicts and increasing cooperation. By looking at the geopolitical movements of Turkey in the Balkan region over the last 15 years we can say that Turkey aims to develop itself as

an energy hub for Europe by involving the Balkan countries. It is clearly seen that this is could be one of the main aims of Turkey's activities in the Balkan region. Generally, such cooperation on energy will increase the value of both Turkey and the Balkan region to Europe. Moreover, such development brings with itself more democratic values.

3.5 Sustainability of the Region and The Role of Businesses

The concept of sustainable development could be thought of in the same sense as a family, in which family members take on the responsibility of developing the family over many years; the habits, actions and behaviors of the members should be rational and ethical. For a family to be sustainable, education should play an important role, where each member obtains skills, habits and knowledge that shape their behavior within the family. Let's take the company's point of view, whereby the company obtains habits from entering the economic environment. Building relationships with its customers leads companies to learn new skills by implementing new actions that shape the company's behavioral attitudes towards the society and the economy.

Financial sustainability is influenced by interaction with the outer world because companies act according to the behavior of consumers, which on the other hand, shapes a company's performance, practices and ethics. For a company to go through all of these changes means that the company has gained traits that have been built on experiences. In order to improve those traits, a company should self-reflect on its business operations. Covey mentions the second habit, which is to begin with an end in mind, and the seventh habit, which is to 'sharpen the blade', through the process of self-reflection (1989, p.46, 147). In order to apply these approaches to sustainable development, the government or company should keep in mind that the aim is to be financially sustainable and second is to have a vision and mission to reflect its

financial capability to the sustainability of outer world. In terms of having an end in mind, a company has to show actions, performance, rational thinking and, in some sense, gain emotions through experiences, which builds the overall character of the company. Showing the right behavior towards customers, by supplying quality products and gaining trust in relationships with customers, can bring financial benefits to a company. In order to do better all the time, a company should self-reflect on their business operations and behaviors in order to make financial profits more stable in the long run.

Peter M. Senge brings up the idea of shift of mind and talks about the importance of learning within an organization and how learning can produce the capacities needed to create innovative solutions for business issues (1994, p.68). Moreover, Senge points out that true learning transforms directly to the heart (1994, p.8, 9). By applying Senge's shift of mind to the sustainable development model, the process has to be felt through learning in the companies. In this process, companies can recreate themselves by changing their actions, behaviors and habits; in other words to do things that have not been done before. Through the learning process, companies can redesign their business strategies. Overall, companies, through learning, will be able to think creatively by looking at the cases from different perspectives. Senge states that this is where each human being is hungry for this sort of learning (1994, p.14). Basically, both self-reflection, by Covey, and shift of mind, by Senge, are asking companies to look at their situations from different perspectives. By linking this to Turkish companies in the Balkan countries, we can say that Turkish companies have used the new foreign policy of Turkey to look at the business opportunities from different perspectives. In that sense, large Turkish companies became one of the active participants in the Balkan marketplace. Therefore, we can say that Turkish companies

self-reflected and shifted their minds in all business operations. In the long run this could potentially lead to a more sustainable internal environment and, at the same time, it could bring benefits to society and the overall economy.

Strange and Bayley report that sustainable development covers three pillars: society, economy and environment (OECD, 2008, p.27). It is necessary to mention that economic growth is an important factor. Namely, that economic growth leads to an improvement in the living standards of the people. A company, as an economic agent, contributes to economic growth and, in order to become sustainable, a company has to take into account the whole economic condition, which means taking on economic responsibilities. In this case we can mention John Nash's Equilibrium Theory. Adam Smith stated that the greatest outcome is achieved if everybody in a group does the greatest for himself; however, according to John Nash the greatest outcome will be realized if everybody in a group will do greatest for himself and the group (Osborne, M., 2002,p.19-24). By applying Nash Equilibrium, we can state that a company and society will benefit most if Turkish companies achieve the greatest result by doing what's best for them and for the rest of society. Moreover, we can indicate that Turkish companies are taking an interest in the whole economic environment, including its stakeholders. As it is mentioned in the article, the DuPont Way of sustainable growth means to obtain more clients and in order to achieve this a company should develop a business marketplace that stimulates and supports economic success, common fairness, and environmental truthfulness (Chad Holliday, Sustainable Growth, 2001,p.3). Moreover, Nidumolu mentions that companies should link the self-interests of a company to societal interests in order to meet the common economic ones (The Collaboration Imperative 2014, p.10). Therefore, it is necessary to emphasize that Turkish companies, by

obtaining more customers, lead to internal sustainability that automatically reflects on the outer world and brings benefits in the long run.

Since the profitability of a company comes from buyers it leads companies to take into consideration customer needs for sustainable development in the long run. As Aristotle proposes *“state is a natural entity, man is a natural political animal, and the state is prior in nature to the individuals”* (Collins, D. 1987, p.68). If we analyze sustainable development from Aristotle’s point of view we can state that company is a major agenda of the economy, stakeholders are being the main activists of the company, and a company should link its interests to the interests of the stakeholders. Therefore, linking the company’s interests to societal interests automatically leads the company to gain financial capabilities. The concept of linking self-interests with societal interests demonstrates that Turkish companies act right by bringing benefits to itself and to the economy as a whole in the long run. Turkish companies being an active and developing agenda of the Balkan economy will grow income increase production and lead to greater benefits to individuals and society as a whole. Economic growth is important because it reduces poverty and improves the standard of living. On the other hand, there has to be equilibrium between economic development and social growth in order to reflect on the quality of growth in the long-term.

Humans are thinkers, feelers, developers and creators. The same can be said of economic beings because there is a need for products and companies to bring products to society. Companies are designed to meet the needs of people and not just to make profits out of the society. As Tatyana Soubbotina said, sustainable development should be impartial and stable (2004, p.9, 10). Humans are also social beings and they need to be cared for, valued and accepted. When we talk about society we think about its living standards. Therefore, in order to

make the living standards better off, companies should endeavor to perform in a way that creates significant happiness to the maximum amount of people. Therefore, their actions are meaningful in the sense that they are doing what is morally right and good. The actions and strategies of companies are the ones that shape society and the environment. According to Bentham humans are utilitarian and therefore make decisions that maximize their happiness, such as seeking pleasure, and minimize their unhappiness, such as avoiding pain (2000, p.14). If we apply this to Turkish companies, we can state that Turkish companies embrace sustainability in order to maximize happiness and minimize risk in the long run. By utility, Bentham means *“actions tend to produce happiness or to prevent unhappiness to the party whose interest is considered such as if it is a community then the happiness of the community; if it is an individual, then the happiness of that individual”* (2000, p.15). In the long run, by investing into human capital, companies are able to capitalize on sustainable development. Additionally, younger generations play an important role in the economic growth and social development, where education and training are important tools for increasing human capital. In this sense we could mention the Turkish Institutions in the Balkans. They are explained in the soft power sub-chapter of the dissertation. Arthus-Bertrand, Reese, and Fischer mention that sustainable development comes from financial resources and actions taken towards sustainability are driven by skills and education (2014, p.16).

Therefore, we could conclude that companies should set the goals that will integrate economic and social considerations. Furthermore, companies should act ethically and value their stakeholders, so to bring benefits to society and company in the long run. Even, Holme and Watts state that sustainable development *“requires the integration of social, environmental and economic*

considerations to make secure and balanced decisions for the long run” (The World Business Council for Sustainable Development, 2002, p. 2). Additionally, sustainable improvement is supported by the European Union. Jose Manuel Barroso stated that the European Union’s aims for 2020 are to improve the economy through education, support of healthier competitive growth and the development of work places as well as the distribution of social solidarities (European Commission, 2010, p.3). The 21st century became an important period for investing into human capital for companies as well as for political units, which are the center of every long-term benefit. Therefore, companies should focus on the benefits of long-term investments into society and the company itself. The capitalist economy drives companies to play a crucial role in developing sustainably because they are the main agents in economic growth. If companies are major economic players then the investments into social developments become a duty due to long-terms benefits to company as well as to society. The duty of sustainable development should be based on an increase in human happiness from an economic point of view and thus advance social solidarity.

3.6 Economic Cooperation from Corporate Social Responsibility (CSR) View

There many people in the world that are suffering from poverty due to lack of economic development in their region. Those people who are facing these concerns can be placed in the Bottom of the Pyramid (BOP) markets. The Balkan region can also be placed at the BOP markets. Prahalad and Hammond stress that people who are making less than 2000 USD annually account for more than 65 percent of the world’s population (2002, p.5). According to Murgasova, a person living in poverty is one who lives on less than 2.50 USD per day (2015, p.20). The table detailing these statistics is shown in the appendix; where each country has its percentage in terms of poverty. Albania, Macedonia, Montenegro and Serbia scored relatively high. However, the

poverty line for Bosnia and Herzegovina is not defined. When we talk about the BOP market it is necessary to mention companies and their roles. Therefore, while mentioning companies we should talk about Corporate Social Responsibility (CSR). CSR is in need of regulations and, therefore, these regulations should realize by companies (Hunt, 2003, p.61). This means that CSR will benefit companies for gaining trust from their workforces, traders and local and foreign communities (Hunt, 2003, p.61). All these will influence the living standards and raise the equilibrium of the society. Therefore, for companies, CSR is seen as a strategic differentiator, because it offers an economic advantage.

Anderson and Billou stress that, for BOP, success will come if companies apply the 4As: availability, affordability, acceptability and awareness (2007, p.12). In order to serve BOP markets it is necessary to guarantee the availability of goods and services. For example, Smart Communication Inc. in Philippines stated that availability was one of the obstacles in delivering mobile telecommunication to BOP customers (Anderson and Billou, 2007, p.4). Because 65 percent of the Philippines' population live in rural areas it was impossible to provide a network to those consumers. Smart had network coverage for 75 percent of the population; however, there was a customer limitation (Anderson, Billou, 2007, p.4). Providing pre-paid cards could make business expensive and challenging for Smart, which is not beneficial. For these reasons, Smart came out with a new payment system, called over-the-air (OTA) (Anderson, Billou, 2007, p.4). Albtelcom can also be mentioned as an example in Albania. Innovative technology reduced distribution costs, made distribution faster and made business more efficient and secure in Albania. Companies should improve their modern business solutions in order to deliver availability to poor customers. Albtelcom offered special communication packages that are available for the

Albanian community. In order to overcome the problem of serving BOP customers they guaranteed that their goods and services were affordable, because BOP customers have low salaries, so the costs of goods and services need to be equivalent. The next challenge in aiding BOP markets is to advance acceptability of the goods and services. Consequently, there is a necessity to bid on goods and services that are adapted to the distinctive desires of consumers and suppliers. For example, Anderson and Billou mention that in various developing countries there is a lack of facilities such as electricity and refrigerators and so Coca-Cola delivers iceboxes to support its suppliers in keeping their products cold (2007, p.7). It is important to talk about the soft power of Turkey in the Balkan region by improving the social level. The last important criteria concerning BOP customers is lack of awareness. To overcome the limitations of awareness, the Ziraat Bank in Bosnia and Herzegovina, as well as other companies in Albania and Bulgaria, Turkish companies marketed by using posters in roads of cities and in countryside communities.

In accordance with Creating Shared Values (CSV) we can state that Turkish companies linked their economic values to the Balkan's societal value, where they launched new methods to meet the demands of the Balkan population and at the same time make a profit. On the other hand, Nestle and Coca-Cola are embracing the concept of CSV, which has presented the possibility of developing a wider understanding of CSR (Andrew, Guido, 2013, p.132). CSV framework's view is to integrate the market with societal growth. Nestle is one of the visible examples of applying the creating shared value framework. The Report of Creating Shared Value mentions that, in order to be successful, there is a necessity to create value for the community (Nestle, 2013, p.4). By this, Nestle means that bringing quality products and services to society will improve the living standards of the people (Nestle, 2013, p.4). Nestle takes CSV as a business approach, which

means that Nestle takes into consideration the principles and values of the workforces, farmers, distributors and communes where they function. Nestle mentions that CSV demands principal values of business practice as well as other necessary business principles (2013, p.4). Nestle has a Rural Development Framework operating in three countries; Vietnam China and Cote d' Ivoire (Nestle, 2013, p.14). Through this program, Nestle engages in its business activities whilst prioritizing the needs of the local population. Moreover, by implementing rural development programs, Nestle contributes to the development of local businesses, which has a direct impact on societal values, such as an increase in the income of people, the maintenance of talented people in business communities, the opportunity for locals to improve their skills. All of these features can be related to Turkish companies as well as soft powers in the Balkan region; however, they are not so visible in this sense since they do not capture a high share of the Balkan markets. However, they are concentrated on the areas of the Balkan region where poverty is visible such as Albania, Macedonia, Bosnia and Herzegovina and Kosovo. Moreover, it is necessary to mention that the big companies of Turkey could shift their might towards creating shared values in the Balkan region. By talking about the CSR, we mentioned CSV and how it is important to improve the emerging markets by creating shared values. In developing countries, we mostly see a lack of government participation in developing the living standards and creating a healthier economic environment for companies. Therefore, the cooperation of companies and government can bring great outcomes to emerging countries. As Prahalad, Stuart, and Hart mention, companies are one of the main players, there are also governments, NGOs and local communities who all have to make an effort to improve the living standards and business environment in emerging markets (2002, p.11). Moreover, for successful outcomes there is a necessity for regulations.

In order to analyze the CSR from a different perspective, it is necessary to mention stakeholder theory. Freeman specified that stakeholder theory is a new approach in strategic management (Crane, A., 2008, p.63). Stakeholder Theory involves individuals and groups who have influence over companies as well as those who are harmed by the companies' business actions (Crane, A., 2008, p.62). From a CSR perspective, companies have to have a duty to include internal and external stakeholders. It is a normative theory that demands an ethical obligation to protect the benefits of all participants in the business activities of companies. Stakeholder Theory can be studied as a CSR theory since it delivers a normative framework for trustworthy business concerning society (Crane, A., 2008, p.63). Additionally, from the Kantian perspective, companies should treat stakeholders as persons in a view of positive freedom (Bowie, N., 1999, p.7). Positive freedom improves people's capacities. According to Kant, the improvement refers to the development of rational and moral abilities (Bowie, N., 1999, p.8). Therefore, in relation to business in emerging markets, the business should provide the growth programs in human capital, in its rationality and in moral abilities. It is also necessary to include that if a company treats its stakeholders as human we can say that the business companies are moral communities. Therefore, the company should respect stakeholders; therefore, justice should govern the relationship between stakeholders and the company. Company's business actions should be based on normative principles and should take all stakeholders' interests into account. If a company has already benefited from one region's society, it is a duty to bring health, wealth and education to other regions' societies in return. This will create and perpetuate a business cycle in an ethical way. Moreover, if a company transforms into an emerging market it should bring with itself democracy, because investments into the economy increases the opportunity of local communities to

participate in the economy. This leads them to get loans from banks. For example, Grameen Bank had 5.6 million borrowers in 60 villages in Bangladesh (Baumann, H., Ruggles, R. and M. Sadtler, T., 2006, p.99). The Grameen Bank is a micro finance organization that offers loans with low interest rates. Overall, the micro finance organizations are having a greater influence on emerging markets than the World Bank and the IMF (Baumann, H., Ruggles, R. and M. Sadtler, T., 2006, p.99). In the sense of the Balkan region we can talk about Turkish banks operating in Bosnia and Herzegovina, Albania and Kosovo. They provide people with capital for investment into their business needs. Those banks have business investment packages that attract customers with affordable interest rates.

Chapter 4: The European Union's Position on Turkey-Balkan Relations: Competition or Cooperation?

Since 2000, Turkey began to show an effective relationship with different geographical zones in its foreign policy. This is visible in the Balkan region; particularly in the relationship it has with the major powers of the Balkan region, which has helped to create a sustainable region. The world's multi-polarity is an international political system towards the geopolitical structure; therefore, Turkey is one regional power that could not be underestimated in the Balkan area. In this logic, it is necessary to take into account that the presence of Turkey in the Balkans improves its' diplomatic relations with other regional powers. This can create a new type of relationship based on cooperation rather than competition.

In this respect, the European Union, by developing membership relations with Turkey, will help to create stability in Balkan countries by using Turkey's political, economic and social capabilities. More precisely, in this sense Turkey's soft power can be said to show its positive effects in the Balkan region. Additionally, Turkey's economic and political implementations towards stability in the Balkans support the new equilibrium, which is being created in the Balkan region in the joint attempt of the European Union and Turkey. Additionally, Turkey's increasing attention towards the Balkan area can increase the interests of other countries, such as Russia, which might lead to their involvement in the development of the Balkan region. A recent example is the South Stream Gas Pipeline; the cancellation of project Nabucco, pushed Russia to come out with a new pipeline South Stream (Economist, 2014). However, under the EU's liberal gas market policies, the gas market should be diversified and therefore the project was cancelled (Economist, 2014).

Another factor in the relations between Turkey and the Balkans that could affect the EU relation is the relationship with the Greece. In the past few years Greece benefited from the advantages of being a member of the EU and improved their policies towards Balkan countries in order to influence the speed of development in the Balkan region (Ayman, 2012). On the other side, there are activities of Turkey in the Balkans, which can directly affect the relationship with the Balkan region. Europeanization consequences of the Greek foreign policy in the post-enlargement towards Central and Eastern European countries have improved and Greece began to gain the support of international foreign policy (Economides, 2005). On the other hand, Greece's economic crisis led to positive results in the relations with Turkey, such as increased economic cooperation between the two countries (Itano, 2010; the International Crisis Group, 2011). Therefore, the development of Greek-Turkish relations can lead to opportunities as well as challenges for Turkey. The policies in the Balkans by Greece and Turkey can affect the developments in the Balkan region, which can bring about economic improvement and political stability. Security negotiations between Greece and Turkey can shape economic cooperation between Turkey and Greece, whereas both can contribute to the Balkan region economically and politically; therefore, EU-Turkey relations could be in a safer position.

Overall, the Balkan region and Turkey are important parts of Europe due to geopolitical and geo-economical features and both establish interest for the great powers. The Balkan region is located in an important passageway between Turkey and Europe. In this context, Turkey's foreign policy towards the Balkan region has been effective on Turkey-EU relations. However, a conflict between Turkey's interests in the Balkan area could negatively affect Turkey-EU relations. In other words, Turkey's multi-polar world order is outside the European Union and

the possibility of close cooperation with other major powers can become a factor that will complicate the European Union's policy in the Balkans. The multipolar structure of Turkey is deepening integration with the success of Turkey in the Balkans and the European Union policy towards the Balkan area will be an important factor to support. In this respect, active and inclusive assessment of Turkey in the Balkan region will create positive effects on the relationship between Turkey and the EU.

Some EU member countries consider Turkey as a cultural center of Islam. Therefore, the full accession of Turkey into European Union is now frozen, due to a calculation of the costs and benefits that Turkey will bring to European Union. The accession is frozen not only because Turkey is a Muslim country, but primarily for other, political reasons. The most practical formula for this is to connect Turkey to the union and the European Union has proposed the creation of a free and flexible status of privileged partnership by the French President and German Chancellor Angela Merkel Sarkozy (Ağca, F., 2010, p.60).

Economic development is supported by the European Union that could also support peace and safety. To be a global power or to influence the global policies in the contemporary world, Middle Eastern and Caspian Basin energy resources are playing an important strategic role. As the EU attempts to find alternative energy suppliers, Turkey is the only country in that region that could support these alternative projects in energy industry. Geographically, if Turkey is involved in energy projects, the Balkan region will also be taken into consideration. Turkey will become an energy hub for Europe as well as increasing its importance in the Balkan area and, in that logic, it will create a sustainable region for future economic investments.

The young and dynamic population of Turkey is the most important factor reinforcing its geopolitical power. In this sense, it could lead to the increase of interdependence between the European Union and Turkey. The fact that Turkey has a free market system, overcrowded with democratic institutions, equipped with transport infrastructure as well as being a transit country for oil and natural gas transportation, increases its economic attraction with each passing year. High economic growth rates and increased foreign investment in recent years confirms this.

In today's global development environment, the European Union and Turkey's economic development could result in the full accession of Turkey into the European Union. However, due to political and cultural features such an accession will not be accepted. On the other hand, a split in development responsibilities from Turkey and the European Union, can effectively feed the Balkan region economically and politically. An increase in effective economic and political relations with Turkey in the Balkan region is based on cooperation not competition. The rise of Turkey's involvements in the Balkan region will shift the relationship of Turkey and the European Union to a new level, because cooperation will lead to the adoption of new policies and strategies towards the Balkan region. The Balkan region is in need of fast development programs. Therefore, interdependence on an economic and political level will embrace new developments in the Balkan region. Therefore, cooperation of Turkey and the European Union in the Balkan region is a combination process for the regional development in contemporary geopolitics. On the other hand, Turkey's positive involvement will support EU accession of Balkan countries and could provide significant advantages in terms of the economy and security for Turkey. Currently, Turkey is a country of peace and safety in the Balkan region's development. This could provide the largest involvement.

Turkey's strength is due to the impact it has on Muslim communities in the Balkans. Turkey wants the Muslims living in Balkan nations to live in their own state in peace and in security together with economic cooperation. Turkey's foreign policy towards countries with Muslim communities in the region is granted with significant security and opportunities for economic and political safety. In particular, the Middle East and Caspian area countries and their growing trade volume between Europe and Turkey, will involve the Balkan countries in that trade. The sustainable cooperation of the European Union and Turkey in the Balkan region can contribute to great economic development and integration of the Balkan region closer to EU standards. With the help of Turkey, the European Union could be able to provide tolerance, reconciliation and a contribution to the development and improvement of different cultures living together. Therefore, such close social connections can show their effects in the level of economic and political development.

Chapter 5: Conclusion and Recommendations

During the 20th century Turkey could not fully concentrate on regional development in the Balkan region. Therefore, the geopolitical features of the Balkan region have been underestimated. Consequently, Turkey has missed out on a lot of economic and political opportunities in the Balkan region. However, Turkey's political leaders have attempted to contribute to the security position of the Balkan region. Historically and based on the contemporary geopolitical features of Turkey, the Balkan region is a bridge to the West, therefore, after 2000 political actions, as well as a growth in economic cooperation, has been leading towards contemporary regional development. It is necessary to mention that the Balkan region has always been in the interests of Turkey's foreign policy and recent political developments and economic expansions are playing an important role for this region's development. Such developments increase business opportunities in the region and therefore reflect in an increase in social conditions as well as a decrease in poverty in the region.

Throughout my research I discovered the reasons why Turkey is influencing the Balkan region and what further attempts could be applied. There are five important purposes that clarify Turkish concentration in the Balkan region. The reasons below are developing a new equilibrium in the region.

- The first motivation for the engagement in the Balkan region is the established shared history of Turks with the Balkan nations. It is not unavoidable that this shared past has not continuously been without problems or without disagreement, however, some Balkan nations share common values. Both, Turkey and the Balkan countries could take into consideration those common

cultural and historical values in order to protect a positive origin for regional collaboration in the geopolitics of contemporary regional development. In this case it is possible to talk about the geopolitical features of Cohen's, such as Capitals or Political Centers (Cohen, 2003, p.35). This feature involves the common historical signs that are connecting Turkey with the Balkan countries for further regional development.

- The second motivation for the engagement in the Balkan region of Turkey is the human aspect. According to the data, there are sufficient Turkish minorities settled in the Balkan region. Additionally, other Muslim groups in the Balkan region are crucial for Turkey. Strong connections have been created between Turkish people and Muslim groups existing in the Balkan region. One of the reasons why Turkey cannot neglect the circumstances and prospects of Muslim groups and Turks living in Balkan countries is because those communities include journalists, scholars, politicians, ministers, diplomats and others. These people could play an important role during negotiations for regional development in the Balkan region. In this sense Turkish soft power plays an important role in assuring that these groups live and will exist in good environments and have equal privileges and respect in the Balkan region. In this case it is possible to mention Cohen's geopolitical approach, such as environmental or socially ordered geopolitics (Cohen, 2003, p.26).
- The third motivation for the engagement in the Balkan region of Turkey is related to geography. The Balkan region might increase cultural, economic and

political consequences for Turkey in case of any insecurity. Therefore, for Turkish foreign policy, having reconciliation and safety in the Balkan region is at the forefront. Turkish government and companies are attempting the creation of sustainable economic and political developments in the Balkan area. In this case it is necessary to highlight that Cohen's geopolitical approaches and features are related to geography.

- The fourth motivation for the engagement of Turkey in the Balkan region is developing an economic existence in the Balkan area. Throughout the research, I found that Turkish foreign trade with Balkan countries has increased significantly from 2000, especially since the AKP party came to power. This is the result of Turkish representatives shifting their mind to a broader view and engaging positively in the Balkan region on economic, political and social levels. Moreover, self-reflection has provided important discoveries on how to engage in development and what kind of strategies are important when developing the Balkan region. The adoption of a forward-looking vision is leading to economic outcomes in the Balkan region. Turkey has been participating in business projects in the Balkan region. Additionally, so as to develop economic relationships with the Balkan nations, Turkish companies and governments should be more involved in capturing a greater share of the Balkan market. The Balkan region is an emerging market, and therefore there is a huge potential profit lying in the Balkan region. In the economic case, I would like to mention that Cohen's geopolitical features, such as Effective National Territory (ENT)

and Effective Regional Territory (ERT), are matching with the Turkish foreign policies (Cohen, 2003, p.35). By ENT and ERT I mean that the Balkan region is promising potential resources, additionally, the region has greater opportunities for potential wealth. As such, Turkey's involvement in social developments in Balkan countries, by applying soft power and economic enlargement through the expansion of Turkish companies, is an indication that the future will be more sustainable and profitable.

- The fifth motivation for the engagement in the Balkan region of Turkey is the need to secure its position in the competitive environment of the regional power of the Balkan region. Turkey by adopting new foreign policies towards the Balkan region has increased its role in the Balkan region. Moreover, such an innovation in the foreign policy has captured the attention of the European Union. Consequently, discussion about future energy cooperation has been put on the table. By building new energy pipelines, Turkey and the Balkan region will play an important role in transportation, which can increase the importance of the Balkan region for the European Union as well as positioning Turkey as a regional power. Turkey's new vision for the Balkan region has started to restore its political relations with Balkan countries. At the same time, economic relations between the states increased because of the signing of free trade agreements, which increased the role of Turkey in Balkan countries. In this case I would like to mention Cohen's geopolitical approaches. These are "(1) *polycentric, international power system*, (2) *a unitary, economically based world*

system and (3) an environmental or socially ordered geopolitics” (Cohen, 2003, p.26). By looking at these approaches we can identify why Turkey is influencing the Balkan region and what further development can occur in the Balkans for the regional development in contemporary geopolitics. To be a regional power in the Balkans is one of Turkey’s aims, as well as increasing and improving connections through economic relations and by developing and embracing the environmental and social orders by using soft power in the Balkan region.

The new foreign policy of Turkey has brought with it more innovative methods of collaborating with the Balkan countries. As Davutoğlu mentioned, Turkey has to have its own areas of interests in order to show its presence in the Balkan region. For that reason, Turkey has mainly concentrated on Muslim populations and on the areas where Turks live. On the other hand, the positive diplomatic strategy has had an effect on the citizens of other Balkan countries. Bosnia and Herzegovina, Albania, Kosovo as well as Macedonia are feeling Turkish influences, especially since 2000 on economic, political and social levels. Davutoğlu mentioned that for the new and modern foreign policy, Turkey should concentrate on historical and cultural routes with the Balkan states. Consequently, relations based on such a foundation will improve the economic, political and social environmental levels.

The analysis above on Turkey’s economic and political activities in the Balkan region leads us to say that Turkish companies, as well as the government, act, as John Nash states, in a way that achieves the greatest outcome for Turkish companies and the government, as well as for the Balkan region. Rationally thinking, bringing peace, stability and economic growth, or at least influencing the growth, will benefit both sides in the long run. Due to sustainability, the Turkish

government, as well as officials from the Balkans, should stabilize the Balkan region now in order to create and develop a better future for the next generation. Sustainability for Turkey plays a geostrategic role, because sustainable movements will benefit its economy and politics, which can represent Turkey as a regional player. Through the use of soft power Turkey, is involved in most of the social and economic activities. Turkish companies are major instruments of the Turkish government abroad. Moreover, it is necessary to mention religion. For Turkey, religion has been an important factor in influencing the Balkan region. Moreover, according to religious belief, this increases the ethical behavior of Turkish companies, as well as institutions, towards sustainable development. After 2000, the Turkish government set goals to integrate economic, political and social considerations as a package in order to bring benefits to itself as well as to the Balkan region in the long run. If we look at the activities of Turkish government and companies we can say that they have shifted their thinking in terms of strategy and have begun to think and act with an end in mind towards stability, peace and economic growth of the Balkan region. Moreover, the ethical behavior of Turkey towards the Balkan region can increase the trust that is an important factor in moving towards regional development.

On the other hand, emerging markets have the potential for innovative growth in the private sector, which is profitable for business and also ethical, because the common goods of the society are taken into consideration. The Balkan region is one of the emerging markets and hence some proportion of their population lie in the BOP markets. BOP markets have to develop as a fundamental portion of the private sector. By moving to emerging countries the Turkish companies have to develop their business principles according to a normative stakeholder framework. Developing emerging markets includes a modification in the performance of

companies as well as in the business environment of the Balkan countries. The aim is economic improvement, which involves the country where a company is operating, such as financing in infrastructure, investing in jobs, delivering health, education and other goods and services. Turkish companies, as well as its soft powers, are moving in that direction. Moreover, citizens are ready to pay for and accept ethically made goods and services, which is a financial incentive for social responsibility performance and can increase the trust in that region. By applying the CSR model to Balkan countries Turkey can differentiate itself in the market and increase its positive influence.

On the other hand, in the Balkans the different ethnic clusters that have historical, religious and cultural relationships with Turkey can be more accepted rather than expecting to convert themselves to be a part of the European Union. If the European Union ceases its expansion towards the Balkan region, Turkey might be interested in expanding its focus for further developments in the Balkan region. Different institutional structures for the SEECP should be applied in order to generate new policies towards the regional development. Launching additional bilateral, trilateral or multilateral practices would concrete the system for broader regional advantages that could be an important application of the SEECP meetings. The formation of regional uniqueness and economic collaboration is needed in order to deal with questions that could generate new clashes. The European Union, being the most effective and democratic regional union, could develop bilateral and multilateral dealings and economic interdependencies in the region with Turkey's presence. The cooperation of the European Union and Turkey in the formation of sustainable political and economic atmosphere in the Balkans can bring benefits to the European Union, Turkey and Balkan countries. On the other hand,

developing economic interdependence is essential for regional incorporation. However, the political vision also has to be applied, especially in the area of fiscal policy. In the international arena, Turkey could be the representative of the Balkan countries in G-20 meetings. Furthermore, energy collaboration is a unique part that needs more inspiration in which Turkey can perform a positive role. Turkey should develop its trust in the Balkan region by applying strategies towards ethical behavior by bringing benefits to the Balkan population. Turkey needs to present a vision of peacetime by increasing the sustainable economic, political and social strategies in the Balkan region.

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Appendix

	2007	2008	2009	2010	2011
Albania	4,3	4,4	8,6	7,8	3,6
Bosnia and H.	15,9	15,9	32,8	25,9	17,9
Croatia	0,9	0,5	0,1	0,4	...
Kosovo	20,6	22,1	22,4
Macedonia	9,2	9,9	6,0	28,3	6,8
Montenegro	1,2	5,3	2,8	10,1	2,9
Serbia	1,9	31,0	3,3	3,8	3,9

Figure 1: Official Development Aid From Turkey in Million \$ (Uğur Ekinci, M., 2014, p.110)



Figure 2: Sectoral Distribution of TIKA Expenditures for Bosnia and Herzegovina (Annual Report, 2013)

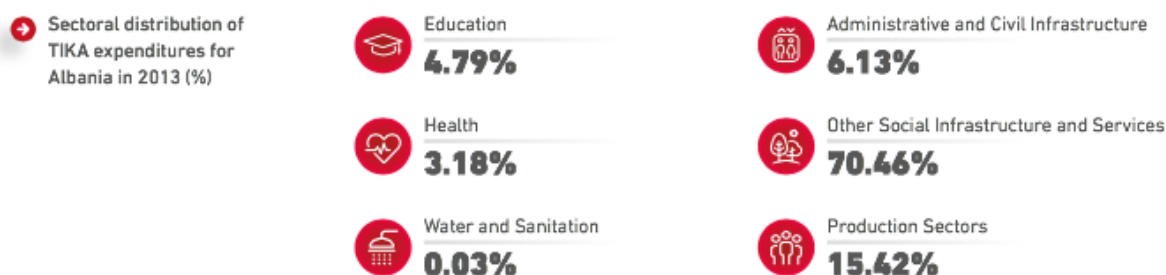


Figure 3: Sectoral Distribution of TIKA Expenditures for Albania (Annual Report, 2013)

Country	Numbers of Muslims	Recipients of grants	Turkish communities ⁵⁶
Kosovo	1.800,000	195	30,000
Albania	2.300,000	174	n/a
Bosnia-Herzegovina	2.200,000	135	n/a
Macedonia	700,000	59	70,000
Bulgaria	1,100,000	310	800,000
Serbia	500,000	23	n/a
Montenegro	110,000	-	n/a
Greece	130,000	280	100,000
<i>Western Thrace only</i>			

Figure 4: Scholarships Granted by the Diyanet in the Balkans, 2009 (Öktem K., 2012, p.44).

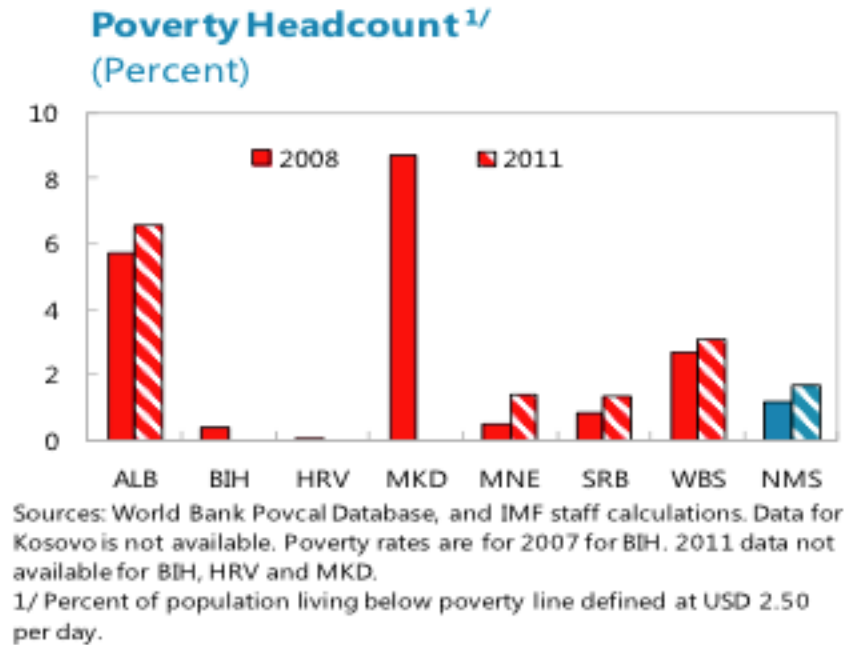


Figure 5: Poverty in the Balkan region (Murgasova, Z., Ilahi, N., Miniane, J., Scott, A. and Vladkova-Hollar, I. 2015)



Figure 6: Existing and Future Energy Pipelines in the Balkan Region (Bank Watch, 2015)