

## INSS Insight No. 839, July 31, 2016 The Failed Coup Attempt in Turkey: A Boost for Iran-Turkey Relations Sima Shine and Gallia Lindenstrauss

At first the attempted coup in Turkey aroused much concern in Iran, and it is therefore no coincidence that Tehran sided with Turkey's President Recep Tayyip Erdogan a few hours after the events began and was the first to express support for him.

Iran and Turkey share a long border, and relations between them have known ups and downs in the decades since the Islamic Revolution. Tension arose between the two countries before the rise to power of Erdogan and the Justice and Development Party, both because of Turkey's membership in NATO and its special relations with the United States – regarded by the Iranian regime as the Great Satan – and due to the special relations between Turkey and Israel and their close military cooperation. The gradual improvement in Iran-Turkey relations that began with Erdogan's rise to power contributed to expanded trade relations between the two countries, especially once the West tightened its sanctions against Iran because of the nuclear program. During those years, Turkey was an essential resource for Iran, which used their shared border to bypass the sanctions. Among the known transactions, in "gold for oil" Iran converted Turkish currency payments for the oil and gas Turkey bought into gold (Turkey could not pay in dollars), purchasing the gold in Turkey and transferring it to Iran. As such, the Turkish banking system, in effect, helped Iran evade the restrictions imposed on its use of the global banking system and the Swift clearance mechanism.

Furthermore, in 2010, Turkey and Erdogan himself were partners with Brazil in an attempt to formulate a proposal on the nuclear issue that could have prevented harsher sanctions against Iran. In this framework, Turkey proposed storing half of the uranium enriched to a low level in Iran on Turkish territory, and in exchange, within a year, the international system would supply what Iran needed in uranium enriched to a medium level for medical purposes. The deal did not materialize, but Turkey's proposal to mediate on the nuclear issue contributed to closer relations with Tehran. The deterioration in relations between Turkey and Israel and the consolidation of Erdogan's rule likewise enhanced the deepened economic, political, and intelligence relations between Turkey and Iran.

In recent years, however, Iran and Turkey have been on opposite sides regarding the civil war in Syria. Iran sees Bashar al-Assad's continued rule as essential for promoting Iranian policy and securing Tehran's regional status, and therefore positioned itself, together with Hezbollah forces, on the side of the Syrian army. Turkey, on the other hand, initially demanded that Assad conduct a dialogue with the rebels, and after the failure of Turkish efforts at persuasion, unequivocally demanded Assad's overthrow, and in effect allowed free passage across its border to Syria for jihadist fighters. Turkey also gave weapons to some of those combatants. In March 2015, Erdogan also severely criticized Iranian policy in Yemen and Iraq, and accused Iran of aiming to dominate the region.

Nonetheless, and despite the substantive differences on the Syrian question, which sometimes included vicious personal attacks on Erdogan from Iran, trade relations continued relatively without hindrance. Presidents Erdogan and Rouhani spoke with each other recently, and expressed their mutual interest in expanding trade between the two countries from the current amount of \$10 billion to \$30 billion. This exchange reflects clear interests of the two neighboring countries that perceive the potential for greater economic activity following the removal of the sanctions, even though the removal of sanctions actually reduced Iran's economic dependence on its relations with Turkey. Iranian-Turkish trade has fallen sharply since reaching \$22 billion in 2012 (a peak in gold for oil transactions).

The attempted coup in Turkey confronted Iran with the alarming prospect of a violent conflict in a large, important neighboring country that could be exploited by the Kurds living in Turkey, and which would also affect ethnic minorities in Iran, including the Kurds living there. A possible downfall of an Islamic regime, even a Sunni one, was regarded by Tehran as a dangerous precedent. The Iranian regime views the possibility of an internal uprising with growing anxiety, due primarily to consternation over the public protests in Iran in June 2009 against what was popularly perceived as the rigging of the presidential elections. Since then, the Iranian regime continues to persecute anyone considered a supporter of the public's demands, as expressed during the 2009 demonstrations, and keeps the leaders of the protest, Mir-Hossain Mousavi and Mehdi Karroubi, under house arrest.

Against this background, the nature of the Iranian response to the attempted coup in Turkey is of particular interest. The Iranians emphasized their support for the existing elected regime of Erdogan, and hurriedly compared it to the "elected" Syrian regime of Bashar al-Assad as a basis of their demand for continuation of his rule and future elections in Syria (under the obvious assumption that the election results would guarantee the extension of the Syrian regime). Iran relied on hints made in the days before the attempted coup that Ankara might change its position on the removal of Assad from power, yet failed to realize how unwelcome this comparison would be in Ankara. In addition, already in the first condemnation of the attempted coup, Iran hinted at possible external intervention in the events, apparently in an attempt to generate tension between Turkey and the West, especially the United States. This linkage to external intervention fits with longstanding Iranian accusations that the United States is trying to interfere in Iran's internal affairs. Iran believes that it now has an opportunity to take advantage of doubts in Ankara in order to rein in freedom of action for American planes taking off from the air base in Incirlik for missions in Syria.

Changes in Turkish foreign policy that preceded the attempted coup are of importance in this context, including the end of the crisis in relations with Israel. According to senior Israeli and Turkish officials, the normalization process between the two countries will not be slowed down by the attempted coup. At the same time, Turkey has improved its relations with Russia, after the severe crisis that followed the shooting down by Turkey of a Russian jet in November 2015. These developments, combined with the rapprochement over the past two years between Turkey and Saudi Arabia, and the continued struggle of the elements against the Assad regime supported by Turkey and Saudi Arabia, were a source of concern to Tehran. The change in relations between Turkey and Russia, and in this context the realization that Turkey is likely to prove more flexible on the question of Assad remaining in power in exchange for halting the Kurdish advance in northern Syria, is important to Tehran, both for the substance of the region.

Indeed, the developments in the Iranian-Turkish sphere are beyond mere bilateral relations. Saudi Arabia will likely not easily abandon the close relationship it cultivated with Turkey since the ascension of King Salman bin Abdulaziz to the throne in January 2015. One expression of Riyadh's wish to continue its warm relations with Ankara can be seen in Saudi Arabia's immediate consent to Turkey's demand to arrest the Turkish military attaché to Kuwait at the King Fahd airport on suspicion of involvement in the failed coup.

For its part, Iran aims to exploit Ankara's need to display success in its regional policy, as well as the Turkish need to focus more on the internal arena. Tehran seeks to advance its interests in the region, while at the same time strengthening the bilateral ties with Turkey. Nevertheless, the countries must solve outstanding disputes between them, for example, the price charged by Iran for its natural gas sales in 2011-2015 and the price in future transactions. The international arbitration ruled in favor of Turkey on the question of Iranian overcharging, but the implementation of the ruling is a matter of dispute between the two countries.

The varied consequences of the unsuccessful coup in Turkey can be added to a long list of changes in the region in recent years that have future ramifications as well. The effects of the coup are expected to be significant for the array of forces in the regional arena, especially the balance of power between the Sunni alliance that Saudi Arabia is trying to form and the Shiite alliance led by Iran. In view of the cooperation agreements between the United States and Russia on Syria and a possible softening of Turkish positions on the struggle against the Assad regime, developments in the Syrian arena may well affect Israel's interests in the overall Iranian context. Iranian and Russian success in ensuring the continued rule of Bashar al-Assad is likely to enable Iran to consolidate a permanent grip in Syria, thereby creating another border with Israel, similar to the one with Lebanon. These developments call for a close Israeli-US dialogue on the question, particularly given the developing cooperation between the US and Russia on Syria.

