THE CREATION OF THE
BLACK SEA ECONOMIC COOPERATION
(BSEC)

A Master's Thesis

by
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Ankara

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To my family and friends

THE CREATION OF
THE BLACK SEA ECONOMIC COOPERATION (BSEC)

The Graduate School of Economics and Social Sciences

of

İhsan Doğramacı Bilkent Universtity

by

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I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Mater of Arts in International Relations.

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ABSTRACT

THE CREATION OF THE BLACK SEA ECONOMIC COOPERATION (BSEC)

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The Black Sea Economic Cooperation (BSEC) was established as the Bosphorus Declaration was signed during the Istanbul Summit of 1992. Turkey and President Turgut Özal were mostly accredited for the initiation of the regional organization. However, the foundation of the BSEC was puzzling as there were ongoing regional conflicts and historical grievances between the member states. Moreover, Turkey had been going through dynamic changes in its domestic politics ever since 1987. Regarding these puzzles, the research aims to question what role the leadership played in the formulation of the BSEC amid regional hindrances and domestic changes in Turkey. The hypothesis in respect to the research inquiry is that the role of leadership, especially that of Özal, was to bring together different actors from diverse backgrounds through regional entrepreneurship to establish the BSEC. Based on the hypothesis, the research is conducted with a qualitative methodology. The data is collected from government archives, newspaper articles, second-hand interviews, and academic publications to create a historical narrative based on process tracing. Then, different hoop tests are conducted within the regional entrepreneurship framework, which utilizes Craig Parsons' ideational logic and public entrepreneurship literature. According to the tests, the hypothesis is proven to be true as Özal led the process of creating the BSEC as a regional entrepreneur by interacting with different individuals, such as Şükrü Elekdağ and Şarık Tara. This result suggests a different

explanation for the establishment of the BSEC in contrast to the BSEC literature, which is heavily based on the structural explanation. Furthermore, the research provides an alternative theoretical framework to analyze how a regional organization is established with reference to the role of leadership.

Keywords: BSEC, Ideational, Regional entrepreneurship, Turgut Özal, Turkey

ÖZET

KARADENİZ EKONOMİK İŞBİRLİĞİNİN (KEİ) OLUŞTURULMASI

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Yüksek Lisans, Uluslararası İlişkiler Bölümü

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Karadeniz Ekonomik İşbirliği (KEİ), 1992 İstanbul Zirvesi'nde Boğaziçi Deklarasyonu'nun imzalanmasıyla kurulmuştur. Bu bölgesel organizasyonun başlatılması'nın öncülüğünde Türkiye ve Cumhurbaşkanı Turgut Özal çoğunlukla akredite edilmiştir. Ancak, üye devletler arasında süregelen bölgesel çatışmalar ve tarihsel çekişmeler olduğu halde KEİ'nin kuruluşu şaşırtıcıydı. Üstelik, Türkiye 1987'den beri iç siyasetinde dinamik değişimler yaşıyordu. Bu bulmacalarla göre, bu araştırma bölgesel engeller ve Türkiye'deki iç değişimler'in KEİ'nin oluşturulmasında liderliğin nasıl bir rol oynadığını sorgulamaktadır. Bu soruşturmasına ilişkin hipotez şöyle ki, liderliğin, özellikle de Özal'ın, KEİ'yi kurmak için bölgesel girişimci olarak değişik mesleğe sahip farklı aktörleri bir araya getirip onlara öncülük etmektir. Hipoteze dayalı olarak, araştırma kalitatif metodoloji ile yürütülmektedir. Süreç takibi (process tracing) yöntem ile belirli bir tarihsel anlatı oluşturmak için alakalı verileri devlet arşivleri, gazete makaleleri, ikinci el röportajlar ve akademik yayınlardan toplanmıştır. Ardından, Craig Parsons'ın fikirsel mantığı ve kamu girişimciliği literatürüne istinaden bölgesel girişimcilik çerçevesinde farklı çember testleri (hoop test) yapılmıştır. Testlere göre, Özal, Şükrü Elekdağ ve Şarık Tara gibi farklı kişilerle etkileşim kurarak KEİ'yi bölgesel girişimci olarak oluşturulmuştur. Buna binaen, araştırma'nın hipotezin doğru olduğunu kanıtlamaktadır. Bu sonuç, yapısal (strüktürel) açıklamaya dayanan KEİ

literatürünün aksine, KEİ'nin kuruluşu için fikrisel bir açıklamayı önermektedir. Ayrıca bu araştırma, bölgesel bir organizasyonun liderliğin rolüne göre nasıl kurulduğunu analiz etmek için alternatif teorik çerçeveyi sunmaktadır.

Anahtar Kelimeler: Bölgesel girişimcilik, Fikirsel, KEİ, Turgut Özal, Türkiye

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CHAPTER I

INTRODUCTION

1.1 The Background of the BSEC

On 19 December 1990, the foreign ministry representatives of Bulgaria, Romania, Turkey, and the Soviet Union (USSR) gathered at the State Statistical Institute of Turkey's capital, Ankara, to discuss the Black Sea Economic Cooperation (BSEC) project (Sabancı, 2013: 21). In this meeting, the participants spoke on myriads of topics related to the project, such as commencing a joint committee of ministers, creating Black Sea Trade and Development Bank, establishing a regional information network around the Black Sea, and freeing the movement of goods, capital, people, and services (Çongar, 1990). All these goals were discussed to bring economic and political stability in the region, as Tanşuğ Bleda, a Turkish Ambassador back in the early 1990s, stated that "[The BSEC will] establish an infrastructure for economic cooperation and political stability in [the Black Sea] region (emphasis added)" (Çongar, 1990: 11). Moreover, this project strongly reflected Turkish President Turgut Özal's desire to build a peaceful atmosphere within the region, primarily through economic cooperation among the littoral states (Sabancı, 2013: 19). The four countries mentioned above continued to convene on March, April, and July of 1991 in their respective capitals to discuss further the Black Sea project initiated by Turkey (Sabancı, 2013: 21). The dismantling of the USSR with the resignation of Mikhail Gorbachev and the political victory of the True Path Party under Suleyman Demirel in Turkey were unanticipated in the process of the Black Sea project proposed by the Özal administration. Nevertheless, although changes were occurring both at home

and abroad from Turkey's point of view, the heads of state and government of Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine gathered at Çırağan Palace in Istanbul, Turkey on 25 June 1992. They gathered mainly to sign the Bosphorus Declaration (also known as the Istanbul Summit Declaration) to establish the BSEC (Hale, 2013; Sabancı, 2013).

There are suggestions that the BSEC was formerly established after the Yalta Summit of 1998 (Sabancı, 2013). Since the Yalta Summit granted the international legal personality to the BSEC, it is credible that the organization became a complete regional organization after 5 June 1998 (BSEC, 1998). However, the vast majority of the BSEC literature mention Turkish President Turgut Özal and the Turkish state as the primary actors that designed and created the BSEC (Aktürk, 2006; Ataman, 2009; Aslan & Sharapov, 2014; Aydın, 2005; Başol, 2020; Celac & Manoli, 2006; Demircan & Elver, 2004; Dikkaya & Orhan, 2004; Dönmez, 2016; Efe, 2011; Gamawa, 2018; Hartwig, 1997; Karadeniz, 2007; Kardaş, 2013; Özkural & Oylupınar, 2009; Sriram & Bilgin, 2002; Tanrısever, 2012; 2014). Since Özal was part of both the Bosphorus Statement and Istanbul Declaration in 1992 but not in the Yalta Summit in 1998, it is difficult to argue that the BSEC was founded in 1998. In other words, describing the creation of the BSEC without one of the founding actors, who is Özal, is questionable. Therefore, the logical scope of explaining the origin of the BSEC should involve Özal's role.

1.2 The BSEC and the Puzzle

Under several agreements and negotiations amongst the member countries, the BSEC has grown into a regional organization with thirteen members. Unlike the sole focus on economic interest in the past, the organization now deals with other regional issues such as transnational crime, academic networks, environmental protection, and cultural exchanges (BSEC, 1999). Regarding the BSEC, many scholars, experts, and political figures discussed the success and the failure of the organization on a range of different feelings of disappointment, content, and appraisal. The difference in interpreting the organization's success stems from a different understanding of the BSEC's end goal. Generally, the end goal of the BSEC is to turn the Black Sea region into an area of "peace, stability, and prosperity," as explained in both the

BSEC Charter (BSEC, 1999) and the Bosphorus Declaration (BSEC, 1992). The problem is that the interpretation of peace, stability, and prosperity differs from person-to-person and state-to-state context. Without laying a boundary on what these end goals of the BSEC are, there will be an unending debate on how to amend the BSEC and how to measure the effectiveness of the organization. To understand the purpose of the BSEC, I propose the need to analyze why and how the organization was initially created. By tracing the origins of the BSEC, the motivations behind the organization's establishment can be identified, analyzed, and contextually interpreted to define the end goals of the organization. Therefore, to clearly identify the BSEC's end goals, the detection of the BSEC's origin is fundamental.

As shown above, the history of the BSEC is based on the Bosphorus Declaration. However, this historic agreement in Istanbul has been puzzling because the formation of the BSEC seemed impossible, according to a number of scholars and regional events during that time. In a seminar organized by the Istanbul Chamber of Industry—a couple of months before the Istanbul Summit—Dr. Alexey Kuprianov introduced three highly probable obstructions to the BSEC project: firstly, the imbalance of power among the BSEC members will inevitably lead to a harmful competition on who benefits from the BSEC 'economic pie'; secondly, the economic crisis in Russia will leave the BSEC neglected of Russia's financial support; and thirdly, the ethnic differences among members will lead to conflict rather than cooperation ("Türkiye, finans merkezi olacak," 1992: 7). Furthermore, before the agreement on creating the BSEC, the bulk of the member countries were either in the form of conflict or had had historical resentments towards one another. These historical resentments and territorial conflicts involved adverse relationships between Ukraine and Russia, the Transnistria issue within Moldova, the Nagorno-Karabakh issue between Armenia and Azerbaijan, and the Cyprus issue between Greece and Tukey (Aydın & Fazlioglu, 2007; Hale, 2013).

Moreover, some of the participating states of the Istanbul Summit were already members of different regional economic organizations even before the creation of the BSEC. Armenia, Azerbaijan, Moldova, Russia, and Ukraine had already signed the Alma-Ata Declaration in 1991 to be part of the Commonwealth of Independent

States (CIS) (Council of Europe, 1994), and Greece had already been part of the European Union (EU) since 1981. Although it is not a legalistic problem for a state to be part of multiple regional organizations, this may lead to other potential problems. According to Kelley (2010), states having membership in multiple regional or sub-regional organizations may lead to stark fragmentation, destructive competition, or intense trade diversion (31-32). Likewise, the proposal of the BSEC could have had negative consequences while Turkey tried to convince other countries to participate in the BSEC project. Despite all these hostilities, rivalries, and membership in different economic organizations, the leaders of the eleven countries agreed to commence with the BSEC project initiated by Özal and the Turkish foreign ministry. This raises a number of questions: Why would Russia, which had been the leading member of the CIS, desire to be part of the BSEC that was initiated by its historical rival, Turkey? Why would Greece, a member of the EU, risk its reputation and position in the European economic circle by participating in economic cooperation led by Turkey, a political adversary? Why would Bulgaria, forcing out Turks with the assimilation campaign since 1989, join Turkey-initiated cooperation? How did Turkey, a middle-income country that had been mainly practicing west-oriented foreign policy, initiate such an independent and ambitious regional project? All these questions lead to one central question: *Who* or *what* enabled the establishment of the BSEC under such intricate circumstances both at home in Turkey and abroad regionally and internationally?

1.3 The Research Question

Thankfully, to the question of who or what created the organization, the BSEC literature and the media at the time of the organization's establishment had suggested several actors as the organization's creators. According to a Turkish news agency, the authorities associated primarily with Turkish foreign affairs were accredited as the "ideational father(s)" of the BSEC project and were praised for their efforts in developing the idea into practice ("Karadeniz'de birliğe doğru," 1991: 11). In the case of other foreign news agencies, they regarded the project as the brainchild of Turkish President Turgut Özal (Bodgenor, 1993; Wenqun, 1992). In other details, both Cumhuriyet and Milliyet pointed out that Özal implemented the BSEC from

ideas created by other officials like Şükrü Elekdağ (Güldemir, 1992: 9; "Gözler Türkiye'ye Çevrildi", 1992: 12). Also, the majority of the scholars within the BSEC literature agree with the news reports that one or combinations of the actors above (the Turkish state, Turgut Özal and Şükrü Elekdağ) were the key contributor(s) to the establishment of the BSEC (Aydın & Fazlioglu, 2007; Aral, 2002: 73; Bozdağlıoğlu, 2003: 100; Criss, 1995: 206; Demirtaş-Coşkun, 1999: 44; Gençkaya, 1993: 550; Gumpel, 1993: 178; Hajizada & Marciacq, 2013: 306; Kona, 2003: 42; Laçiner, 2003, as cited in Karakaya, 2009: 22; Laçiner, 2009; Manoli, 2004: 71-72; Pavliuk, 1999: 128; Sayan, 2005: 335; Sayan & Zaim, 1998: 115; Schiavone, 2008: 281; Uzgel, 2010: 519-522). Out of these scholars, some mentioned that either the Bosphorus Declaration or the collective interests of the founding members was the cause of the BSEC rather than one individual actor (Celac & Manoli, 2006: 193; Dikkaya & Orhan, 2004: 65; Ecobescu, 2001: 165; King, 2008: 14; Özer, 1996; Sander, 1993: 395-397; Stribis, 2003: 130). In the literature, however, the Turkish state is seen as the primary contributor to the creation of the BSEC because individual actors like Özal are seen as responsive actors to the interests of the Turkish state (Aktürk, 2006; Ataman, 2009; Aslan & Sharapov, 2014; Aydın, 2005; Başol, 2020; Celac & Manoli, 2006; Demircan & Elver, 2004; Dikkaya & Orhan, 2004; Dönmez, 2014; Efe, 2011; Gamawa, 2018; Hartwig, 1997; Karadeniz, 2007; Kardaş, 2013; Özkural & Oylupınar, 2009; Sriram & Bilgin, 2002; Tanrısever, 2012; 2014).

I, however, perceive that the focus on the Turkish state's unitary actorship limits other possible explanations on the origin of the BSEC. Since the Turkish state is eventually a product of the modern state system (or structure), it does not consider individual will(s) but only reflects the collective, rational will(s) of the state. To understand the mechanism behind the BSEC's establishment, there needs to be an understanding of how the project was formulated by individuals within the state apparatus. Even if external conditions have a causal effect, the structural and institutional influences are processed through human cognition—rationality or a-rationality—that leads an actor or group of actors to a specific action as a whole (Parsons, 2007: 111-112), such as creating the BSEC. As much as the external conditions are important, I see human agents and especially their leadership are

crucial in creating the BSEC. Regarding the shortcomings of the BSEC literature and the need to define the role of human agents and their leadership, I formulated my research question as follows: What was the role of leadership in the creation of the BSEC? As an argument to answer the research question, I presume that Özal was the leading agent that established the BSEC even though external forces were at play. Yet, at the same time, is it epistemologically and methodologically correct to place human actors like Özal as the only subject of inquiry to define the creation of the BSEC? Is there *absolutely* no other way to explain the making of the BSEC without the emphasis on Özal's steadfast spirit, charismatic demeanor, and autonomous actions? Although Özal's actorship is undeniable in shaping the BSEC project, identifying the environmental factors and Özal's interactions with other individuals are equally crucial. Hence, by acknowledging the primacy of Özal's leadership, I concluded that Özal's role as a leader was the primary factor in the BSEC's creation. However, his actorship can be accompanied by different influences from external conditions and other individual actors as well.

By reframing the origin of the BSEC to Özal's leadership from the Turkish state, the inquiry on the BSEC's foundation changes as well: Did the end of the Cold War opened a window of opportunity for Özal to initiate a regional project? What were the domestic political tensions that influenced Özal to create the project? How did neoliberalism, a global political economic agenda, shaped Özal and his outlook to establish the BSEC? How did different political, social, and business circles and their aspirations influence Özal's BSEC plans and vice versa? Were there other individuals who supported Özal in shaping the proposal to create the BSEC? How did Özal interact with domestic and foreign actors to plan and establish the organization? These questions inquire not only what Özal *did* but also *what* led him to and *how* did he commit to the BSEC project. In other words, the main task of my research is to trace the origins of the BSEC by looking into Özal's leadership and his interactions from his leadership position with external conditions and other individuals. This requires a theoretical and a methodological framework to formulate a testable argument on what role did Özal's leadership played in the establishment of the BSEC.

1.4 Theoretical Framework and Hypothesis

Regarding the research question, I aim to understand how Özal created the BSEC with his leadership. By adjoining Parsons' (2007) ideational logic and public entrepreneurship (King & Roberts, 1988; 1991; 1992; Roberts, 1992; 2006), I proposed a new theoretical framework—regional entrepreneurship—to comprehend Özal's role in the BSEC's creation. In Parson's ideational logic, the implication is that a set of ideas, norms, and cultures are the primary factors that explain a causal relationship. Within the ideational logic, there is a two-stage analysis. The first stage examines the "proximate causal role of preexisting ideational element" in relation to the outcome being studied (Parsons, 2007: 109). It means that the first inquiry for an ideational argument is to identify and analyze ideational elements that are independent variables in respect to an outcome, which would be the dependent variable. The second stage analyzes whether the proximate ideational elements are autonomous compared to "longer-term or overarching objective conditions" such as structural and institutional elements (Parsons, 2007: 110). In this stage, the ideational elements are treated as a dependent variable that results from a constellation of structural and institutional contingencies. Hence, the ideational elements are theorized to be shaped from preexisting structural and institutional conditions before it causes an outcome. However, the ideational logic is not sufficient to be a theoretical framework to conceptualize variables, build hypotheses, and provide tools for testing. After all, Parsons states that all the explanatory approaches he provides are mere logic of explanation and not detailed research frameworks. To transform the ideational logic into a practical framework, I added the components of public entrepreneurship.

The public entrepreneurship literature is a subset of public policy change literature, theorizing how status quo policy functions change. Public entrepreneurship argues that innovation and entrepreneurship are the elements that bring change into a policy production function (King & Roberts, 1991; 1992; Roberts, 1992). As innovation— the process of reformulating or transforming a receding policy function with a new idea—is linked to ideational elements, public entrepreneurship is more available for researchers utilizing ideas to explain a causal relationship in the field of

policymaking. The entrepreneurial process, the institutionalization of innovation, also provides a solid set of conceptual categories to help conceptualize and conduct research. Although public entrepreneurship is a reliable theory to implement some factors of the ideational logic, it still needs adjustments regarding the ideational approach and the BSEC context. In terms of ideational logic, public entrepreneurship requires a framework that deals with the element of contingency and tools to identify how human agents choose an idea from the contingency. In the context of the BSEC, public entrepreneurship needs to shift the focus on policy function to regional project (or regional policy). Since the BSEC is a regional organization, a theoretical framework that explains the BSEC case must accept the foreign and regional aspects and not just domestic factors related to the public sector. Hence, I reframed the public entrepreneurship theory into regional entrepreneurship by incorporating ideational explanatory tools and regional aspects.

In accordance with the regional entrepreneurship framework, I formulated my main hypothesis as following: The role of leadership, especially Özal's, was to bring together different actors from diverse backgrounds through regional entrepreneurship to establish the BSEC. Since the regional entrepreneurship framework is composed of a two-step analysis based on Parsons' (2007) ideational logic, I divided the main hypothesis into two sub-hypotheses for clarity and feasibility to test them. The first sub-hypothesis suggests that the idea of the BSEC project was formulated by a human agent under the contingency provided by the changes in preexisting positional conditions. The human agent can literarily be anyone who has the cognitive capability to devise the idea on the BSEC project from various options of regional project ideas. The preexisting positional conditions refer to the nature of the international structure (or system) and the domestic political economic institutions. The second sub-hypothesis argues that Özal utilized his leadership as a regional entrepreneur to be involved in the four phases of entrepreneurship by interacting with different actors. The four phases are formulation/acceptance, initiation, practice, and organization phases that involve diverse actors, such as an idea generator, proposal redactor, regional project advertiser, and regional project organizer.

1.5 Methodology and Results

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Since the research goal is not to discover the general causal relationship between leadership and the creation of a regional organization but to investigate the causal processes of BSEC's establishment, which is a single case study. Henceforth, I decided to apply a qualitative approach to explain the specific causality between the role of leadership and the foundation of the BSEC. As for the methodological tool, I utilized historical process tracing (Mahoney, 2015) not only to explain the causal relationship in the BSEC case but also to describe the conditions and mechanisms underneath the causal relationship in question. In accordance with the regional entrepreneurship framework and the main hypothesis, I identified the independent variable as the role of leadership, especially in terms of ideational innovation, and the dependent variable as the institutionalization of the BSEC. I also denoted that the antecedent condition for the independent variable originates from the contingency provided by the changes in preexisting external conditions. Lastly, I placed the regional entrepreneurial process as the causal mechanism between the suggested independent and the dependent variable. Along with process tracing, I framed few questions to see what roles did Özal, as a regional entrepreneur, played to facilitate the foundation of the BSEC.

Through historical process tracing, I first narrated the changes in Turkey's institutions related to political economy. To avoid the problem of infinite regress (Mahoney, 2015; Parsons, 2007), I limited the timeline between the 1980 coup and the capital liberalization in 1989. Then, I shortly described the changes in the international structure by focusing on the weakening of the traditional Cold War context. Here, I limited the time frame around the period when Malta Summit took place in 1989. I did not include the timeline until 1991, which was the year the USSR dismantled, since it was clear in the literature that the BSEC project was already commenced in 1990 between Turkey, the USSR, Bulgaria, and Romania (Sabancı, 2013). Therefore, I limited the timeline for international structural changes within 1989 to search how leadership enabled the 1990 summit between the four countries. After presenting the changes in the positional conditions, I detailed the process of how the BSEC was established from an idea. In other words, I described how Özal, as a regional entrepreneur, had overseen the procedures of acceptance, initiation, practices, and institutionalization of the BSEC project idea. The two main areas in

which Özal's leadership interacted considerably are diplomacy and the private sector in creating the BSEC. Based on the historical narrative and the analysis with the questions I framed, the two sub-hypotheses result to be credible. This means that Özal both accepted the BSEC project idea and acted as a facilitator to create the BSEC. Hence, Özal's leadership brought the BSEC idea and facilitated different actors together under the idea, which was manifested as regional entrepreneurship.

1.6 The Roadmap

In Chapter 2, the overall BSEC literature is reviewed and evaluated. I categorized the BSEC literature into three different strands based on their focus. I chose the third strand out of the three because it dealt with issues relating to the origins of the BSEC. In the third strand, I made three categories based on different arguments on how the BSEC was created. The first argument is based on regional power theory; the second argument is based on neutrality and stability; and the last argument is based on west-oriented (or west-deviating) evidence, especially about the European Community. I concluded that the third strand of the BSEC literature lacks theoretical and methodological framework, presents weak evidence, and concentrates excessively on structural arguments based on international anarchy.

In Chapter 3, I presented different logics explaining actions and the literature on public entrepreneurship. Out of the four logics introduced in the chapter, I decided to use ideational logic, which also upholds human agency and external conditions. I utilized the theoretical groundwork on public entrepreneurship to place the ideational logic into an adequate theoretical framework. This framework explains a policy change in the public sector with concepts of innovation and entrepreneurship. With the ideational logic and public entrepreneurship, I rearranged them according to the BSEC context. I established a framework called regional entrepreneurship to develop hypotheses about Özal's agency creating the BSEC. In the last section of the chapter, I made questions based on the hoop test model to analyze if the hypotheses are valid based on the historical narrative founded through historical process tracing.

As for Chapter 4, which is the empirical chapter, I first constructed historical events based on the regional entrepreneurship framework. The changes in structure and institutions are described first, and then the entrepreneurial process is described from

the idea on the BSEC to its establishment. Based on the historical narrative, I answered the questions framed to understand the role of Özal's leadership with the evidence provided in the narrative. In the end, the answers to the questions suggest that both sub-hypotheses are credible. I detailed the role of Özal's leadership with regional entrepreneurship, which includes the processes of formulation/acceptance, initiation, practice, and institutionalization.

Within Chapter 5, I concluded the research by summarizing the aim of this research and its results based on the research question. For most of the chapter, I suggest possible modifications to conduct this research again, primarily with stronger operationalized tools that align with the regional entrepreneurship framework. By strengthening the operationalization of the theoretical framework, the historical narrative can be evaluated according to concrete measurements for either specific tests or comparable data in later research. I also presented another model of regional entrepreneurship based on the BSEC context for future research with a similar entrepreneurial model but essentially different conceptualizations. This suggestion is to see whether there is another alternative explanation of the creation of the BSEC with the same leadership factors. With more models, I desire to see modified hypotheses and a different set of tests to create more accurate accounts of explanations. Lastly, I discuss the shortcomings of the research and how it could have been improved.

CHAPTER II

LITERATURE REVIEW

In this chapter, I intend to describe, review, and evaluate studies on the origins of the BSEC. In describing the overall BSEC literature, I divided it into three different strands. The first strand focuses on critical analysis of the BSEC in terms of organizational effectiveness. Scholars in this strand evaluate the organizational capability of the BSEC, provide a set of solutions, and suggest how to implement the solutions. The second strand of the literature concentrates on the effects of the BSEC. In this strand, the economic, political, cultural, and societal phenomena led by the BSEC are the main objects of the research instead of rating the organization's level of success. The third strand, which is a minor strand in the literature, focuses on the origins of the BSEC. I divided the third strand into three different arguments: the regional power argument, the stability argument, and the European Community (EC) argument. In describing the BSEC literature, I focus on the third strand to understand how the literature answers the initial puzzle presented in Chapter 1: How was the BSEC established under various hindrances between the member states? As for the literature review, I first display the deficiencies that encompass all three arguments in the third strand and then assess the weaknesses unique to each argument. In the last section of the chapter, I suggest what the third strand of the literature needs by referring to the shortcomings of the third strand in the BSEC literature. I suggest that the literature requires a different explanatory approach about the origin of the BSEC. By referring to Parsons' (2007) work on "logic-of-position" and "logic-of-interpretation" in explaining actors' actions, I propose the use of the latter logic to

enhance the explanation for the BSEC's origin. I primarily advocate using ideational explanation from the logic-of-interpretation to reassess the establishment of the BSEC. By describing and reviewing the overall BSEC literature and proposing a new direction for the third strand, I aim to develop a new research framework with existing theoretical approaches in the following chapter.

2.1 The BSEC Literature

At a glance, the BSEC organization is involved in various fields of study. It is feasible to access scholarly works about the BSEC in the literature relating to security in the Wider Black Sea region (Bozkurt, 2011; Çelikpala, 2010; Sezer, 1996; Triantaphyllou, 2009; Vladova & Knieling, 2014), the European Neighborhood Policy (Minchev, 2006; Özkural & Oylupınar, 2009), and the Black Sea regionalism (Andreev, 2008; Manoli, 2009; Petre, 2017; Tsardanidis, 2005). These literatures, however, seldomly address the BSEC as the main subject of their research; instead, they commonly use the organization as a complementary element to discuss other topics. Moreover, the BSEC is understudied as a regional organization compared to other regional economic cooperation and integration organizations in the international system.[1] To avoid the scholarly works not related to my research, I define three different strands within the BSEC literature. The first strand focuses on inspecting the effectiveness of the BSEC as an organization. One of the purposes of this strand is to evaluate whether the BSEC is successful as an organization in terms of its economic and political achievements (Aral, 2002; Bocutoğlu, 2005; Dartan, 1999; Dikkaya & Orhan, 2004; Gençkaya, 1993; Gurstein, 2020; Hartwig, 1997; Hook & Kearns, 1999; Oktay, 2006; Şenol, 2003). This strand presents achievements and prospects of the BSEC to measure its level of success as an organization.

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[1] In SAGE Journals, Cambridge Core, Oxford Academic Journals, Taylor & Francis Online, Springer Link, and Wiley Online Library, which include top publications on the fields of political science and international relations, the Black Sea Economic Cooperation (BSEC) scholarship is scarce compared to other regional organizations. In the academic platforms mentioned above, "Association of Southeast Asian Nations" has total of 14,277 results; "European Union" has total of 422,724 results; "MERCOSUR" has total of 7,541 results; "African Union" has total of 17,512 results; and "Commonwealth of Independent States" has total of 9,656 results. In contrast, "Black Sea Economic Cooperation" only has total of 571 results, which demonstrates how much the BSEC is understudied compared to other regional organizations that deal with the issues of economic cooperation and integration. Last date of data collection is May 15th, 2021.

Scholars in the first strand also recommend pragmatic or abstract solutions to enhance the BSEC's effectiveness as a regional economic organization. For instance, Hartwig (1997) offers four solutions that the BSEC can implement for further efficiency. These solutions include creating a binding agreement for the member states, establishing BSEC-PABSEC for effective exchange structure, performing institutionalized revision, and building stronger ties with the EU (Hartwig,1997: 6-7). Hook and Kearns (1999) argue that the BSEC's improvement can be achieved by solving three organizational problems: the rivalry of sovereignty amongst the member states, territorial competition, and ethnic and bilateral conflicts between states (56). By listing a plethora of reasons why the BSEC "went wrong," Aral (2002) states that there are "specific factors that need to be addressed here, to enable us to […] think over the likelihood of better performance by the BSEC" (75). According to Aral (2002), the problems are the member state's weak willpower to strengthen the BSEC's legitimacy (75-77), faint regional identity regarding the Black Sea (77), and absence of a pivotal state(s) to lead the organization both in terms of political and economic resources (77-78). Regarding the problems stated by Aral, Bocutoğlu (2005) specifies solutions to such problems by emphasizing the need for a "macro pillar"—full support of at least one state that takes entire leadership—and a "micro pillar"—a creation of a "civil society institutions" in the region (4). In order to actualize the two pillars, Bocutoğlu (2005) argues that the BSEC must cooperate with the EU and facilitate conflict resolution in the Southern Caucasus (4-7). These are the components of the first strand of the BSEC literature, which measures the BSEC's rate of success as a regional organization and provides solutions to problems within the BSEC that hinder the organization's success.

In contrast, the second strand of the BSEC literature explores the effects of the organization on different structures, institutions, and actors. Both the first and second strands relate to similar topics, such as trade and security, but they differ because the former describes and explains the impacts of the BSEC while the latter evaluates the rate of success of the organization. Under the second strand, Civan, Genç, Taşer, and Atakul (2013) suggest that the BSEC had led to an economic effect by creating multiple economic platforms to help expand the trade volume within the Black Sea

region (108, 120-121). Although the economic effect may relate to measuring the successfulness of the BSEC, the scholars are not interested in the success of the BSEC in international trade but are attentive to the BSEC's impact on trade institutions in the Black Sea region. Savrul and Incekara (2015) also discuss the BSEC's effect on international trade by stating both static effects—trade creation and trade diversion effects—and dynamic effects—on competition, economies of scale, investment, savings, and efficiency (90). They are interested in the BSEC's organizational impact on international trade structure rather than the BSEC's effectiveness since they aim to see how regional organizations influence the international system. On a different note, Pamir (2007) discusses the energy issues in the Black Sea region. He states that the BSEC created a new platform for energy security and diversification in the Black Sea alongside the energy-rich states, such as Azerbaijan and Russia (Pamir, 2007: 254-261). By analyzing the impacts of the BSEC on its member states' energy policies, Pamir explores the effects of the BSEC with energy institutions in the Black Sea region.

The third strand of the literature focuses on the history or origin of the BSEC. Hence, unlike other strands, the third strand discusses how the BSEC was created in the first place. When discussing the origin of the BSEC, the Istanbul Summit Declaration and the Bosphorus Statement signed in June 1992 is usually perceived as the organization's establishment, as noted in Chapter 1. Although the BSEC Charter signed in the Yalta Summit on June 1998 is seen as the beginning of the BSEC as a legitimate regional organization, it is considered a reformation of the organization's founding documents from 1992 (Sabancı, 2013). This research ranges from describing basic historical facts of the BSEC, such as dates, agreements, and actors involved, to analyzing specific causal mechanisms in the BSEC's creation.

Compared to the two stands of the BSEC literature, the scholarship on the origin of the BSEC (the third strand) is relatively understudied. Furthermore, since all three strands are interwoven, finding purely origin-based research about the BSEC project is challenging. Despite the scarce literature on the origins of the BSEC, there are three arguments in the third strand to explain the organization's creation. These arguments in the third strand are essential components to answer the puzzles

presented in Chapter 1 and to formulate my research question: What was the role of leadership, especially President Turgut Özal's leadership, in the establishment of the BSEC?

2.2 A Review on the Third Strand of the BSEC Literature

In this section, I review the arguments within the third strand of the BSEC literature. The third strand of the literature is relatively understudied compared to the other two strands. Although it has fewer published works, I categorized three arguments from the third strand that explain the establishment processes of the organization: regional power, stability, and European Community (EC) arguments. I chose several keywords to narrow down the sample articles of the three arguments that link to the creation of the BSEC.[2] Although the views within the third strand have different explanations, they have overlapping presumptions on the causal relations leading to the creation of the BSEC. One commonality among the arguments is the emphasis on Turkey's actorship in establishing the organization. The scholars of the three arguments accredit Turkey's actorship to former Turkish President Turgut Özal, former Turkish Ambassador Sükrü Elekdağ, and the Turkish state itself. Here, the Turkish state is conceptualized according to a structural realist assumption in which states are 'black boxes' that operate according to "systemic incentives and constraints" rather than other factors like domestic politics (Finel, 2001: 212-218). Although the third strand of the BSEC literature does consider some domestic factors like recent realists, it does not go beyond the boundaries of national interest and the strong concept of the Turkish state being a "black box" in relation to the creation of the BSEC. The scholars refer either to one or a combination of the three actors in their arguments to define the main driving factor for the BSEC's establishment. Hence, all other assumptions made in the debates—different or common—gravitate

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[2] The common keywords for all three arguments in the third strand of the BSEC literature are "Black Sea Economic Cooperation", "Turkey", and "Region". There are several more complementary keywords used for each argument, such as "regional power", "stability", "balancing", and "European Union", etc. At first, I used Google Scholar to find publications associated to the keywords "Black Sea Economic Cooperation", "BSEC", "Turkey", "Turgut Özal", and "Sükrü Elekdağ". Then, I revised the bibliographies of the collected publications from Google Scholar to compile more works that refer to any historical narratives about the creation of the BSEC. Lastly, I conducted a process of elimination under the criteria that there needs to be a theoretical reasoning for BSEC's creation rather than simply accrediting the process to an actor.

towards these three supposed actors in the BSEC's establishment. With these actors in consideration, the third strand of the BSEC literature emphasizes an individual argument or mixture of views of the regional power, stability, and EC perspectives to expound on the establishment processes of the BSEC.

2.2.1 Regional Power Argument

The first argument regarding the origin of the BSEC is the regional power argument. This argument is based on regional-level theorizing, which grew after the Cold War and received further attention as scholars emphasized the importance of multipolarity and multilateralism. Kardaş (2013) summarizes the gist of the regional study as following:

> In short, regional-level theorizing is based on the idea that geographical proximity and interdependence forged through social, economic, political, security interactions, as well as shared collective ideas and social structures, create a smaller regional space within the global system, which then not only sets the boundaries of action but also creates constraints on the behavior of the states forming it (642).

From this scholarship developed the study on regional powers. Kardaş (2013) defines regional powers as "core actors that are distinguished by not only their special position within a given regional space but also whose very existence and behavior becomes one of the defining characteristics of a region" (642). From a similar perspective, Nolte (2010) defines regional powers as actors that "combine leadership and power over resources... [and] have to bear a special responsibility for regional security and the maintenance of order in the region" (890). He further annotates that regional powers need to fulfill certain criteria suggested by Maxi Schoeman and himself: the necessary criteria are "The internal dynamics" of potential regional power should allow it to play "stabilizing and leading role in its region"; a regional power "should indicate and demonstrate its willingness, and of course also its capacity or ability, to assume the role of regional leader"; and "the other regional states should perceive the regional power as "a leader responsible for regional security" (Nolte, 2010: 890). Regarding this regional power scholarship, the actors frequently mentioned are BRICS (Brazil, Russia, India, China, and South Africa) members and countries such as Egypt, Iran, Iraq, Israel, Nigeria, Pakistan, and Saudi

Arabia (Buzan & Wæver, 2003: 445-459; Destradi, 2010: 903-904; Kardaş, 2013: 640-641; Nolte, 2010: 886-887; Stephen, 2012: 292-293). Within this pool of actors subject to regional power analysis, Turkey also partakes ample portion of actorship in regional power scholarship concerning multiple regions like Central Asia, the Middle East, the Black Sea, and Africa (Kardaş, 2013; Müftüler & Yüksel, 1997; Nolte, 2010; Tanrısever, 2012). This body of scholarly work overlaps with the third strand of the BSEC literature, which depicts the origin of the BSEC through Turkey and regional power analysis. In other words, the regional power argument claims that the BSEC is a product of Turkey's attempt to exercise influence over the Black Sea region as a power vacuum emerged from the dismantling of the USSR.

Under the regional power argument, there are three main assumptions on Turkey's relationship with the regional power concept related to the BSEC. The first assumption is that the international system is anarchic, which suggests that "there is no centralized authority or ultimate arbiter that stands above states" (Mearsheimer, 2013: 79). Hence, nation-states, including Turkey, in an environment where the end goal is either survival to protect one's "territorial integrity and autonomy" for stability or purely gaining power derived from the human "lust for power" (Baldwin, 2016: 135; Mearsheimer, 2013: 78, 79). In either case, the accumulation of power is the primary concern for state actors in an anarchic structure. According to this assumption, Turkey's pursuit and maintenance of regional power in the Black Sea region through the BSEC arose from the Turkish state's reaction to the anarchic international system. Although the scholars do not mention the term "anarchy," "survival," or "lust for power" directly in their works, they do hint at the premises about anarchy to explain the origin of the BSEC (Kardaş, 2013; Müftüler & Yüksel, 1997). The second assumption is that the opportunity for Turkey to pursue and sustain regional power in the Black Sea region derives from the collapse of the USSR. The common causal explanation is that the end of the USSR's regional dominance in the Black Sea created a vacuum of instability with new nation-states emerging and new security issues developing in the region (Müftüler-Baç, 1996; Müftüler & Yüksel, 1997; Tanrısever, 2012). With this assumption, the regional power argument asserts that Turkey planned the BSEC project as soon as it saw the

opportunity to maximize power by exerting influence over the vacuum created after the Soviet decline. The last assumption suggests that the regional power argument does not necessarily define Turkey's aggregation of power as solely militaristic. Regarding the first two assumptions, which are based on realist axioms, it is puzzling not to describe Turkey's pursuit for power as either at most belligerent or at least defensively armed. After all, the accumulation of power resulting from anarchy has been centered on "overemphasis on military power" and less on "nonmilitary means" (Baldwin, 2016: 128).

Nevertheless, in the regional power argument of the BSEC literature, Turkey's accumulation of power is non-militaristic since the tool utilized by the Turkish state is the BSEC, which is an economic cooperation project that involves no military means. Instead of using a realist conceptualization of power, the argument follows "Dahl's (1957) definition of power in terms of *A*'s ability to get *B* to do something that *B* would not otherwise do" (as cited in Baldwin, 2016: 12). This conceptualization of power does have its share of criticisms (Baldwin, 2016: 12-14), but it best represents the regional power argument's third assumption—Turkey's power accumulation is non-militaristic. Furthermore, regarding the BSEC being an apparatus for power accumulation for Turkey, Dahl's definition aligns with Turkey's means of collecting power that seems to "lie behind all power concepts (e.g., influence, control, and authority)" (Baldwin, 2016: 13). This concept of power accumulation is manifested in Turkey more as a desire to become a "bridging" state or establish a Turkic influence (Aras & Fidan, 2009; Collinsworth, 2007; Erşen, 2013). Following the assumptions above, the regional power argument is stated in two folds: one that emphasizes the desire for regional power based on *lust for power* and the other that considers the pursuit for regional power on the basis that sufficient security is enough for *survival*. Despite the different approaches in the regional power argument and its assumptions, the regional power argument's overall purpose is to explain the origin of the BSEC in Turkey's quest for regional power in post-Soviet space.

The regional power argument that resides on the *lust for power* logic highlights the importance of the vacuum created in the Black Sea region—"a region stretching

from Southeastern Europe into the western shores of the Caspian Sea" (Aydın, 2009)—after the collapse of the USSR. Analyzing Turkey's role as a regional power, Kardaş (2013) outlines that the regional power scholarship regarding Turkey has begun after the "collapse of the Eastern Bloc and the dismemberment of the Soviet Union" (639). Furthermore, he argues that "Turkey partly capitalized on the penetration of global powers as a means to multiply its power" to compete with Russia's dominance in the Eurasian region (which includes the Black Sea region) "throughout the first decade of the post-Cold War era" (Kardaş, 2013: 657). In relation to the Black Sea region, Kardaş (2013) states that Turkey "has taken initiatives to cultivate management and leadership roles" by contributing to multiple organizational bodies, which also include the BSEC (655-656). Hence, the BSEC is a product of regional ambitions Turkey had to gain for regional leadership. Sayan and Zaim (1998) also contribute to a similar line of argument by stating that the opportunistic vacuum created from the collapse of the Soviet Bloc led Turkey to stand as a "regional power capable of playing an active role in building confidence among countries […] and the only candidate to lead regional cooperation efforts" (116). Furthermore, they associated President Özal with the Turkish state to argue that the BSEC project was "a Turkish initiative that would […] serve as a confirmation of the new status of Turkey as a regional power" (Sayan & Zaim, 1998: 117).

Similarly, Müftüler-Baç (1996) and Ünaldılar-Kocamaz (2021) also argue that Turkish ambition to become a regional power began ever since the USSR's grip in the Black Sea region weakened. Müftüler-Baç (1996) states explicitly that Turkish foreign policy "has been largely determined by the desire for regional leadership" through the "economic network" established through the BSEC (265). As for Ünaldılar-Kocamaz (2021), the BSEC was created so that Turkey could position itself in the Black Sea region according to the "regional ownership approach" (217). In other words, the BSEC was a tool for Turkey to gain control over the Black Sea region by accumulating diplomatic power. Regarding the vacuum of post-Soviet space, Torbakov (2005) also claims that Turkey had already become a regional leader when the Cold War ended: "Following the disintegration of the USSR and

relative weakening of Russia, many officials in Ankara had high hopes […] making Turkey a leading actor in the former Soviet southern periphery" (118). Torbakov (2005) further argues that the BSEC enhanced Turkey's regional role in the Caucasus and the Black Sea region (118). With less emphasis on the Turkish state's apparatus, Müftüler and Yüksel (1997) accredit the BSEC's creation to Sükrü Elekdağ, the former Turkish Ambassador, and Turgut Özal, the Turkish President, and their formulation of a new Turkish foreign policy that emphasizes "Turkey's regional power image" in the post-Soviet space (192). Although the role of the Turkish state apparatus is less asserted, the mentioned individuals are assumed to have acted according to Turkish national interest (Müftüler & Yüksel, 1997: 190-192)

Scholars, who assert the *survival* factor within the regional power argument, also acknowledge the importance of the post-Soviet space and the immediate vacuum formed after the USSR disintegrated. However, the focus is that Turkey does not desire regional leadership simply for power but for stability. Although this may invoke confusion about the differences between the regional power argument and stability argument, their distinct characters are apparent. The regional power argument views Turkey's end goal as becoming and preserving regional power, while in contrast, the stability argument does not necessitate Turkey's pursuit to become a regional power. Tanrısever (2012) is one such scholar that combines both the regional power argument and the stability argument. In the regional power argument, Tanrısever (2012) emphasizes the rivalry between Turkey and Russia to attain regional dominance in the Black Sea region. This regional rivalry facilitated the BSEC project since the two countries competed for "the emerging power vacuum in the post-Soviet space" (Tanrısever, 2012: 6). The critical point for Tanrısever (2012) is that Turkey's pursuit for regional power was not a form of lust for power but a competition between Turkey and Russia that led Turkey to initiate the BSEC project to stabilize the volatile condition of the Black Sea region as a newly emerging regional power. On the other hand, Dönmez (2016) strictly suggests that Turkey's pursuit for regional power was necessary for the creation of the BSEC by stating that the BSEC was created "to promote the view of Turkey as a (non-European) 'model' and a 'regional power' with a stabilizing role" (120). Hence, for

Dönmez (2016), Turkey's pursuit of regional power through the BSEC is not from the lust for power but the desire to stabilize the region for national survival. Thus, in the end, both perspectives residing in the regional power argument aim to explain the creation of the BSEC through Turkey's eagerness to become a regional power in the Black Sea and Caucasus region.

2.2.2 Stability Argument

The second argument in the third strand of the BSEC literature is based on Turkey's motivation to stabilize the Black Sea region. This stability argument is similar to the regional power argument in terms of the assumptions they hold. The stability argument also presumes three conditions: anarchy at the systemic level, Turkey's accumulation of power in the post-Soviet space after the collapse of the USSR, and Turkey's emphasis on power accumulation are non-militaristic. Moreover, both the regional power and stability arguments overlap closely with one another in that one utilizes the other to justify itself. In other words, in both arguments, Turkey either actualizes its regional leadership through stabilizing the Black Sea region or achieving stability through the means of accumulating power to become a regional power (Aydın, 2009; Tanrısever, 2012). The arguments also explain the creation of the BSEC as one of Turkey's methods to either gain regional power or stability in the Black Sea region. Despite the identical assumptions and views, the stability argument concludes a different end goal for Turkey and the BSEC: regional stability rather than regional supremacy. There are three distinct sub-arguments within the stability explanation of the origin of the BSEC: renewal of Turkey's national identity, regional balancing, and regional security.

The renewal of national identity is about Turkey constructing a new domestic identity to secure a stable position and adopt an effective foreign policy in the international and regional platforms. Öniş (1995) describes the state of Turkey and its need for a new identity after the Cold War as following:

> In the Turkish case, problems of sovereignty and identity are even more central […]
> The opening up of this area [post-Soviet space] provides a crucial outlet for Turkey
> to overcome its perennial sense of isolation and dependence left over from the
> slippery triangular pattern of the Cold War, when Turkey, peripheral to the

European Community and a distant associate of the Arab Middle East, had relied heavily on the United States… Two key dimensions associated with this process of growing interaction with the northern neighbors deserve particular emphasis: the Black Sea Economic Cooperation Scheme (BSEC) and the emergence of independent republics in the former Soviet Central Asia [emphasis added] (57).

Inferring from the statement, Turkey was stranded in a troublesome situation when the Cold War ended as its foreign policy investment in the western bloc became ambiguous. Therefore, Turkey found opportunities in the Black Sea and Central Asia regions to stabilize its foreign policy orientation in the new systemic structure. In this respect, the BSEC was established so that Turkey could diverge its foreign policy and create a new regional identity for domestic and international stability in and out of its national borders. Öniş (1995) further explains how Turkey's new role for domestic and regional stabilization led to the creation of the BSEC by stating:

Since mid-1990, one can detect several instances where Turkey has actively pursued a strategy extending beyond its own borders, undertaking the role of a "regional stabilizer" or "arbiter" as part of its own security interests. Indeed, it is interesting to observe that this "regional stabilizer" role has not been confined to the Middle East… the key role played by Turkey in initiating the Black Sea Economic Cooperation Scheme represents yet another attempt to diversify its external relations by regional initiatives designed to advance its own economic and security objectives (50-51).

Analogous to Öniş' "regional stabilizer" identity, Aras and Fidan (2009) also emphasize the role of Turkey as being a "Turkish Model" in BSEC as well as Economic Cooperation Organization (ECO) (200). Although Aras and Fidan (2009) do recognize the "Turkish Model" is coined by the West, they argue that Turkey was in favor of taking up the new role as its "secular and democratic political structure and its free-market economy would set an example for newly emerging republics" (200). By this role, the BSEC was one option for Turkey to enhance the "Turkish Model" identity by formulating new foreign policy (Aras & Fidan, 2009: 200). In the end, these national roles were essential for Turkey to stabilize its identity and position in respect to the rapidly changing world after the end of the Cold War. In this respect, the BSEC was a project assembled by Turkey to complement new

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national roles in the Black Sea region.

The regional balancing perspective states that Turkey created the BSEC to balance the potential rivalries or aggressive power politics arising from the post-Soviet space. The most common actors mentioned in this argument are Turkey and Russia. Referencing Ayhan Kamel, Aktürk (2006) revises the Treaty on the Principles of relations signed between Russia and Turkey in 1992, which assures "each other that in case of an attack to one of the parties, the other party will not support the aggressor and will seek to stop the attack" (341). Through this statement, Aktürk (2006) argues that the BSEC was another extension of Turkish policies to create a stable relationship with Russia in the Caucasus (341). Tanrısever (2014), who also notes the regional power argument, further argues that the BSEC originated from Turkey's attempt to balance Russia's influence in the Black Sea region.

> In such as context, well aware of Russia's preponderance in the Black Sea sub-region of Eurasia, Turkey has sought to use the Black Sea Economic Cooperation (BSEC) initiative as an institutional framework for promoting economic interdependencies in this sub-region, as the synergy from regional cooperation and integration processes in this region could create a counterweight to Moscow's regional dominance (231-232).

Tanrısever (2014) clarifies that Turkey did not have the "capacity to stabilize the region" alone, which led Turkey to create the BSEC to improve its regional influence to counterbalance Russia (232). From a slightly different angle, Gamawa (2018) sees the creation of the BSEC not as an institution to undermine Russia's regional influence for balancing but as a platform in which both Turkey and Russia could cooperate for balancing in the Black Sea region. He states that Turkey's original goal was to cooperate with Russia in the Black Sea so that they could altogether "transform the Black Sea region into a democratic zone of international cooperation and economic development" with the BSEC (Gamawa, 2018: 69). Although Gamawa's account differs from Tanrısever's, both scholars argue that the BSEC's origin is based on Turkey's (and other Black Sea littoral states') desire to reach regional stability by balancing the powers in the Black Sea.

Along with national identity and regional balancing approaches, the last approach in

the stability argument is regional security. In this argument, regional security concerns developing peace in the Black Sea region and preventing negative spillovers from flowing into Turkey. In association with peace development in the Black Sea, scholars describe that Turkey proposed the BSEC to establish peace and security in the region by supporting other member states to integrate their economy into the global market (Aslan and Sharapov, 2014; Celac & Manoli, 2006; Demircan & Elver, 2004; Kaliber, 2013; Müftüler, 1999; Özkural & Oylupınar, 2009; Schiavone, 2008). In this context, scholars present various ways on how Turkey initiated the BSEC as an economic platform to promote peace by planning itself as a "middleman" between the West and newly formed post-Soviet republics (Müftüler, 1999: 11), devising democratization processes in the post-Soviet space (Aslan and Sharapov, 2014: 128-129), and hoping to enhance political dialogues among leaders of the Black Sea littoral states (Demircan & Elver, 2004: 145). Hence, Turkey advocated the BSEC project to encourage economic interdependence in the Black Sea region to promote peace and stability. Furthermore, the economic interdependence would bring stability for both the newly found post-Soviet states in terms of economic modernization and Turkey in terms of regional position in terms of foreign policy freedom (Kaliber, 2013: 31). In other words, Turkey proposed the BSEC project to counter any possible instabilities spilled from "competition of external forces" in the Black Sea region and create a favorable environment vis-à-vis other regional actors (Efe, 2011: 433-434). Aydın (2004) specifies this spillover-security nexus by describing Turkey's predicament after the Cold War ended.

> Turkey suddenly found itself in a "security limbo" and realized that the end of the "threat discourse" was fundamentally damaging to its Western security connection, and to the military and economic benefits derived from it. While the emergence of liberal democracies in Eastern Europe created a buffer zone between Western Europe and Russia, Turkey still felt threatened by the lingering uncertainties regarding its immediate neighborhood and faced, at the same time, the possibility of being abandoned by its Western allies (Aydın, 2004: 2).

Since Turkey was facing uncertainty in the Black Sea region after the USSR dismantled, Turkey desired a new security context with neighboring regions to survive possible negative spillovers from newly created post-Soviet republics.

Hence, Turkey began to emphasize "regional peace and security" in the Black Sea region to nullify any potential threat regarding territorial and ethnic issues (Aydın, 2005: 63). In this context, the BSEC was initiated by Turkey so that a new security context could be formulated in the Black Sea by regionalizing the area to alleviate common threats through economic cooperation (Aydın, 2009: 272). Thus, fundamentally, the regional security argument is about the origin of the BSEC as a tool to promote peace in the Black Sea region and prevent potential negative spillovers penetrating through Turkey's sovereign territory.

2.2.3 European Community (EC) Argument

The final argument on the third strand of the BSEC literature is related to the EC. In the EC argument, there are two different approaches in explaining the origins of the BSEC. One suggests that the BSEC was a steppingstone for Turkey's integration into the EC, while the other argues that the BSEC was Turkey's alternative to the EC. For both cases, the assumptions are that the creation of the BSEC centered around Turkey's policies towards the EC. The EC argument does carry the assumptions from regional power and stability arguments, which are associated with systemic anarchy, accumulation of power, and the dissolution of the USSR. However, the EC argument does not suggest that Turkey's end goal was either realist—survival or power—or stability—new identity, balancing, or security. In the context of EC, Turkey's focus was to either join the EC or create a substitution of the EC. Furthermore, the EC argument has several other assumptions. One new assumption is that the BSEC initiative began as early as when Turkey's application for EC membership in 1987 failed (Aybak, 2001). Another presumption is that the BSEC's role as an alternative or complementary role vis-à-vis the EC applies to Turkey and other member states of the BSEC. Conclusively, the EU argument suggests that the BSEC was created to either help Turkey to build stronger ties with the EC or provide Turkey a new path other than Europeanization.

In the argument that the BSEC was Turkey's policy for Europeanization process, Celac & Manoli (2006) states that the following:

> It is not excessive to say that this European commitment has been a strategic goal for the BSEC, highlighted in all official BSEC documents, beginning with the

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Summit Declaration and the Bosphorus Statement of 1992. The latter contains a very clear statement of the Heads of State and Government stressing that in the building of the new architecture of Europe, their countries and peoples had an important and creative contribution to make and that the Black Sea Economic Cooperation constituted an effort that would facilitate the processes and structures of European integration (195).

According to the founding documents of the BSEC, the organization was already somewhat a destined tool for Turkey and other member states to integrate themselves into the EC. The BSEC would support the member states for European integration by providing a smooth transition to a market economy and advertising its market potentiality to the European states (Celac & Manoli, 2006: 194-197). Dikkaya and Orhan (2004) and Aydın (2014) also present BSEC as a platform created for multilateralism in the Black Sea region promoted economically. Both scholars suggest that Turkey did not only try to persuade the Black Sea littoral states but also the EC (and later EU after 1994) that the BSEC would allow an efficient and safe Europeanization process in the Black Sea region (Dikkaya & Orhan, 2004: 66-67; Aydın, 2014: 392). In the words of Hajizada (2018), "the regional cooperation [BSEC] has been a part of an integration process to Europe" through economic integration (as cited in Başol, 2020: 237). Furthermore, some scholars like Ataman (2009) make it clear that the BSEC initiative could never have been an alternative to the EC since it was built as a "complementary project" for the Europeanization of the Black Sea region (52).

Aybak (2001) also viewed that the BSEC project was a continuation of Turkey's aspiration to integrate itself into the EC, according to a Turkish senior diplomat's comment that the BSEC organization was an integral "instrument" to EC (33). Nonetheless, Aybak (2001) also makes known the other interpretation that "the BSEC stemmed from Turkey's disappointment with the European Community's negative response to its application bid for full membership" and the "BSEC was conceptualized as an alternative regional initiative to European integration" (31-32). Sriram and Bilgin (2002) also argue, similar to Aybak, that the BSEC was a "near-term alternative" if Turkey's integration efforts with EC were to fail again or take a more extended period (141). Not taking a hardline EC-alternative stance as well,

Aydın and Fazlioglu (2007) suggest that the BSEC project had an "underlying political agenda of crafting a distant alternative to the EU should Turkey's designs for eventual EU integration not work out as planned" according to Turgut Özal's thoughts (131). Unlike the careful suggestion of the EC-alternative approaches above, Angeliki (2009) and Ram (2001, as cited in Karadeniz, 2007: 101) take a more assertive stance by suggesting that the BSEC was an organizational substitute for the EC membership. From Romania's perspective, Hartwig (1997) also presents how other member states, including Romania, initially saw BSEC as an alternative economic platform other than the EC to promote market economy and increase compatibility in the global market as relatively new states (275-280). Whether it was from Turkey's or other member states' viewpoint, these are the arguments from scholars who indicate that the BSEC project's origin is from the idea to create an alternative to the EC.

2.3 Gaps within the Third Strand of the BSEC Literature

Overall, all three arguments—regional power, stability, and European Community (EC) arguments—aim to explain the creation of the BSEC. These arguments have certain assumptions that coincide, including the notion of international anarchy, Turkey being the main initiator of the regional project, and Turkey's pursuit of securing its national interest through the BSEC. The different interpretations of Turkey's national interest and Turkey's utilization of the BSEC are the elements that separate the arguments from each other. Along with such assumptions, the third strand of the BSEC literature attributes the actorship within the organization's creation to three main actors. The most commonly referred actors are former Turkish President Turgut Özal (Angeliki, 2009; Aras, 2000; 2009; Aybak, 2001; Aydın, 2004; 2009; Kaliber, 2013; Müftüler, 1999; Müftüler-Baç, 1996; Müftüler & Yüksel, 1997; Öniş, 1995; Sayan & Zaim, 1998; Schiavone, 2008; Torbakov, 2005), former Turkish Ambassador Sükrü Elekdağ (Angeliki, 2009; Aybak, 2001; Aydın, 2009; 2014; Müftüler & Yüksel, 1997; Sayan, 1998; Sayan & Zaim, 1998), and the Turkish state (Aktürk, 2006; Ataman, 2009; Aslan & Sharapov, 2014; Aydın, 2005; Başol, 2020; Celac & Manoli, 2006; Demircan & Elver, 2004; Dikkaya & Orhan, 2004; Dönmez, 2016; Efe, 2011; Gamawa, 2018; Hartwig, 1997; Karadeniz, 2007; Kardaş,

2013; Özkural & Oylupınar, 2009; Sriram & Bilgin, 2002; Tanrısever, 2012; 2014). Of the three actors, the Turkish state is generally referred to as the main initiator of the BSEC.

Despite the overemphasis on systemic level assumptions and emphasis on Turkey's role as a unitary actor in creating the BSEC, the third strand of the BSEC literature does present a valuable answer to how the organization came to existence. The considerations of historical narratives and Turkey's position within the post-Cold War context explain the creation of the BSEC. Nevertheless, the third strand disregards several essential points. Firstly, the uneasy relationship between the BSEC members before the organization's establishment is not addressed in the third strand. These arguments in the third strand omit the puzzle suggested in Chapter 1 and leave it primarily unanswered. Although some scholars mention the complex regional relations in the Black Sea area (Angeliki, 2009; Aktürk, 2006; Aybak, 2001; Aydın, 2004; 2005; 2009; 2014; Aydın & Fazlioglu, 2007; Başol, 2004; Celac & Manoli, 2006; Dikkaya & Orhan, 2004; Efe, 2001; Müftüler & Yüksel, 1997; Müftüler-Baç, 1996; Öniş, 1995; Tanrısever, 2012; Torbakov, 2005), the arguments fail to address how these regional conflicts were resolved or overlooked for the establishment of the BSEC. Secondly, the overemphasis on structural realities of the post-Soviet space and the end of the Soviet dominance in the Black Sea region outweighs the potential explanations from other non-structural factors such as ideas. Thirdly, the actorship of the Turkish state is overemphasized due to the systemic assumption that world politics is characterized by anarchy. Hence, the 'black box' problem is at hand in describing Turkey's agency in the BSEC's initiation. This contextual limitation exempts the potential explanations of events prior to the end of the Cold War. Lastly, the prioritization of the post-Cold War era limits the historical context of the research between the late 1980s and early 1990s. These drawbacks of the third strand of the BSEC literature are annotated further in this section.

2.3.1 The Unanswered Puzzle

The main goal of analyzing the BSEC literature in the first place was to understand how the organization was created even though the member states had various conflicts within and amongst themselves. The conflicts mentioned in the BSEC

literature are the Cyprus conflict between Greece and Turkey (Kaliber, 2013; Müftüler-Baç, 1996; Öniş, 1995; Pantev, 2001), the Chechen conflict within Russia (Aydın, 2014; Aydın & Fazlioglu, 2007), the Transnistria conflict involving Moldova, Ukraine, and Russia (Angeliki, 2009; Aydın, 2009; 2014; Aydın & Fazlioglu, 2007; Dikkaya & Orhan, 2004; Pantev, 2001; Tanrısever, 2012), South Ossetia and Abkhazia conflict between Georgia and Russia (Angeliki, 2009; Aktürk, 2006; Aydın, 2004; 2005; 2009; 2014; Aydın & Fazlioglu, 2007; Başol, 2004; Dikkaya & Orhan, 2004; Efe, 2011; Öniş, 1995; Pantev, 2001; Tanrısever, 2012; Torbakov, 2005), and the Nagorno-Karabakh conflict between Azerbaijan and Armenia (Angeliki, 2009; Aktürk, 2006; Aydın, 2004; 2005; 2009; 2014; Aydın & Fazlioglu, 2007; Başol, 2004; Celac & Manoli, 2006; Dikkaya & Orhan, 2004; Efe, 2011; Müftüler & Yüksel, 1997; Müftüler-Baç, 1996; Öniş, 1995; Pantev, 2001; Tanrısever, 2012; Torbakov, 2005). Several other historical confrontations exist amongst the member states, but the four most commonly mentioned conflicts are listed above. Overall, the third strand has arguments that explain the organization's establishment, but it does not explain how the conflicts were settled prior to the BSEC's creation.

The puzzling element in analyzing the BSEC's origin is how the conflicting states in the Black Sea region agreed under Turkey's leadership. Instead of explaining how the member states complied to create the organization, the scholars focused on why the BSEC was necessary for Turkey and other member states to solve their conflicts or rivalries. Öniş (1995) represents the shortcoming of the third strand concerning the puzzle:

> Yet, the constraints posed by these bilateral conflicts may be exaggerated. The project itself could provide a powerful impetus for regional cooperation to help resolve bilateral tensions. The fact that the presidents of Armenia, Azerbaijan, and Greece enthusiastically took part in signing the key agreement marking the initiation of the project in Istanbul in June 1992 provides a clear testimony to the fact that the incentives for cooperation and conflict resolution are greater than some pessimistic analysts believe (59-61).

Even though Öniş mentions the puzzle, he dismisses it as a pessimistic belief that is not noteworthy since the member states were more concerned with the benefits the

BSEC can bring to the region. Unlike Öniş and other scholars, Aydın (2009) takes a different approach to the puzzle by emphasizing the significance of the conflicts. Including the Transnistria conflict, Aydın clarifies that the conflicts in the Black Sea region must be resolved or amended to let the BSEC function as an economic cooperation organization as it was intended to be (Aydın, 2009: 279). Although Aydın gave more credit to the conflicts between the BSEC member states, he also neglected to explain the inner dynamics between the states to create the BSEC despite their bilateral issues. In either case, the scholars did not pay much attention to the political processes of the BSEC states in communicating with each other to overcome their relational problems to create an economic cooperation organization. Hence, the third strand of the BSEC literature needs a detailed explanation of how the BSEC states negotiated, mediated, or communicated with one another to create the BSEC amidst their hostile relationship in the Black Sea region.

2.3.2 Misusage of the Structural Argument

One of the common assumptions in the third strand's arguments is the existence of international anarchy. Although the concept of anarchy is not explicitly communicated in the literature, the works on BSEC's origins stem from the classical idea that "every state is for itself" as stated in Cooper's (2002) work (as cited in Young, 2002: 85). Since there is no higher authority above all nation-states in the international system in an anarchic structure, all states pursue their preferences and try to defend themselves from the intrusive interests of others. The scholars of the BSEC literature follow this structural understanding that the BSEC's design was based on member states' national interests for regional power, regional stability, or particular relationship with the EC. Whether the BSEC states took advantage of or were forced by international anarchy, they were designed to pursue their national interests for survival or satisfaction. Hence, the imposed structure of anarchy is the foundational presumption that Turkey initiated the BSEC project to maximize its national interests.

There are two steppingstones in the concept of anarchy. The first is the idea of national interest about the international anarchy based on Allison & Zelikow's (1999) work on the "rational actor model" (as cited in Baldwin, 2016: 106) and

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International Relations (IR) emphasis on power accumulation (Baldwin, 2016: 106-108). The states are often portrayed as the "national interest person" whose goal is to maximize national interest by distributing national resources on multiple goals (Baldwin, 2016: 106-107). The basis of the distribution is "that the marginal contribution to the national interest of an increment of each goal (e.g., power) is equal to the marginal cost to the national interest of the increment" (Baldwin, 2016: 106). In short, states diversify their allocation of resources to maximize their set of national interests. The reason why nation-states try to maximize their interests is due to the anarchic structure of world politics that leads a state to have "no higher goal than survival" (Mearsheimer, 1992, as cited in Baldwin, 2016: 108) or capitulate to "lust for power" (Morgenthau, 1948, as cited in Baldwin, 2016: 135). Although the motivation behind the maximization of national interest seems to be heavily realist, the national interest person is a familiar concept among all IR theories that share the idea of anarchy. If national interest is a realist concept by Waltz and Mearsheimer, the BSEC would only manifest militaristic and materialistic competition between Turkey and other BSEC states in the Black Sea region.

The second characteristic of anarchy is the concept of rationality embedded within states. Since the international anarchy is based on structural argument, the main explanatory elements stem from material (natural or physical givens) or artificial obstacles according to Parsons' (2007) "logic-of-position" (13). These obstacles are "external constraints" that lead actors to be objectively rational in their responses (Parsons, 2007: 13). However, the idea of rationality and the anarchic structure seems to contradict one another as the former emphasizes the existence of free agencies in actors while the latter assumes that individual agency is imposed by anarchy. In this case, what explains the different motivations of actors in an anarchic structure? Is it the uninterrupted, free will of the actors pursuing national interests, or is it the structural force of anarchy imposing specific national preferences to actors? Parsons (2007) sums up this rationality-structure debate by conceptualizing rationality differently from classical understanding:

> If we assume rationality and do not focus on variation of preferences, only variation
> in structure (or institutions) can explain variation in action […] In terms of what
> explains the particular actions, then, whether rationality is explicit [from the

structure] or implicit [embedded in actors as free agencies] is not terribly important. The most crucial thing distinguishing all these claims from others is that variation in material [natural or physically given] structure does their explanatory work [emphasis added] (55).

It is radical that Parsons (2007) delinks rationalism from personal preferences, but by doing so, he pinpoints another factor of rationality's variation: the "environmental conditions" (52). Parsons (2007) defines environmental conditions as a "strategic interaction between people" led by salient material patterns within a structure (53). Hence, even if "individual preferences" are considered non-existent or epiphenomenal in structural rationality, actors are still accepted as rational since they strategically interact under "different patterns and dynamics" of a structure they are embedded within (Parsons, 2007: 61). Similarly, the third strand arguments perceive the BSEC as a product of the member states' national interests manifested by their different strategic interactions that are not strictly militaristic or realist. The regional power, stability, and EC arguments do not disagree on explaining the motivational actions in creating the BSEC but differ on "certain features of the environment [states] inhabit" (Roemer, 1982, as cited in Parsons, 2007: 59) under variations of anarchic structure.

The three arguments agree that Turkey and other BSEC states' actions were derived from the international anarchy, but they diverge in explaining what patterns of anarchy determine their interactions. For the regional power argument, the BSEC states operate under *competitive anarchy*; the anarchic structure forces the states to maximize their national interests by competing for windows of opportunity, such as the emergence of a post-Soviet geopolitical vacuum. In the case of the stability argument, the BSEC states concentrate on the pattern of *balancing anarchy* in which the international anarchy leads them to constantly balance one another to bring peace and stability for their survival. As for the EC argument, states resort to *cooperative anarchy* where they cooperate to gain access to the EC or create another alternative other than the EC. In the end, all three arguments claim that the BSEC states have operated under the anarchic structure but differed in the variation of the anarchic structure and ways in which the states pursued their national interests.

The structural explanation is not a 'wrong' approach to explain the origins of the BSEC. It is an effective line of argument as it adjoins the naturally given structure—the international anarchy—with rationality so that the decisions of the BSEC states to create the organization are explained in different variations. Nonetheless, the third strand's arguments fail to make proper use of the structural explanation. For structural arguments to function effectively, Parsons (2007) clarifies that "they must posit and show that people assign the right, intersubjective, rational meanings to structural conditions" (112). Hence, a convincing structural argument needs "rhetorical evidence" that displays that "any coherent account of human choices passes through cognition and actors' understanding" even if the argument emphasizes structural causations (Parsons, 2007: 112). Connecting structural explanation with human cognition may sound absurd since Parsons divides structural explanations as "logic-of-position" and ideational/cognitive explanations as "logic-of-interpretation" (Parsons, 2007: 13). However, Parsons clarifies that "logic-of-position claims do not suggest that people have no beliefs or norms; they just argue (to some degree) that beliefs or norms are epiphenomenal derivations of objective positions" (Parsons, 2007: 109). Unfortunately, the arguments of the third strand do not satisfy the criteria for a structural explanation because they firstly neglect or barely present rhetorical evidence of BSEC states' actions in creating the organization and secondly grant state agency above individual agency, which challenges understanding human rationality in causal explanation. For the third strand arguments to be effective in logic-of-position, they either need to uncover more rhetorical evidence of BSEC state leaders and facilitators or define actorship of the BSEC states with specific individuals for the feasible analysis of human rationality.

2.3.3 Overemphasis on the Turkish State

The Turkish state is one of the three main actors mentioned in the third strand of the BSEC literature alongside Turgut Özal and Şükrü Elekdağ. However, the Turkish state or "Turkey" is accredited more often than the two other actors. Since scholars avoid detailed explanations from individual (human) level analysis, the actorship is accredited to the Turkish state for simplification. This simplification of Turkey's

actorship is problematic as the Turkish state and its actions are conceptualized with limited boundaries. There is an assumption from the anarchic structure that Turkey is a 'black box' that acts according to the systemic dynamics and without much consideration of individuals' domestic politics or ideational spirits. Even though some scholars do mention Turgut Özal and Sükrü Elekdağ having unique agencies, their decisions and actions are heavily ascribed to the concept of national interests relating to aspiration for regional power in the Black Sea, pursuit for regional stability, or engagement (or disengagement) with the EC (Angeliki, 2009; Aras, 2000; Aras & Fidan, 2009; Aybak, 2001; Aydın, 2004; 2009; Kaliber, 2013; Müftüler, 1999; Müftüler-Baç, 1996; Müftüler & Yüksel, 1997; Öniş, 1995; Sayan & Zaim, 1998; Schiavone, 2008; Torbakov, 2005). Hence, from the international anarchy perspective, the arguments in the third strand uphold the Turkish state's agency above other actors' agencies.

Scholars of the third-strand argument assume that Turkey's national interest is unitary and not fragmented by other agencies even though several actors are involved. For instance, Turgut Özal's neoliberal agenda and active diplomacy are mentioned in the literature, but they are considered secondary causal elements. Generally, the BSEC literature perceives Özal's new foreign policies as ideational byproducts of Turkey's national interests within the international anarchy. In the regional power argument, Özal's BSEC agenda for Turkey's influence in the Black Sea region is understood as Turkey's national interest to become a regional power under the conditions of competition for power and influence (Aydın, 2009; Sayan & Zaim, 1998). For the stability argument, Özal's advocacy for the BSEC is recognized as a result of Turkey's national interest to create a regional zone of peace and stability to ensure Turkey's security against any negative spillovers from the Black Sea region after the Cold War (Kaliber, 2013; Müftüler, 1999; Schiavone, 2008). The EC argument suggests that Özal's actorship in the BSEC's design resulted from Turkey's national interest to be part of or to create an alternative to the EC to form an alliance or cooperation for national benefits (Angeliki, 2009; Aybak, 2001). Therefore, Özal and his agency in establishing the BSEC are considered a subset of Turkey's national interests in the world of anarchy. However, the emphasis on Turkey's national interests (or individuals' desires that subdue to Turkey's

national interests) disregards the importance of the non-state or transnational actors. Furthermore, framing the Turkish state as a 'black box' also neglects the experiences, ideas, and motivations behind the actors—societal groups, political leaders, bureaucracy, business associations, and academicians—within the state. Putnam (1988) refers to this problem by stating that state-centric literature has shortcomings in explaining the interactions of domestic and international politics due to ambiguous conceptualization of "state strength," ignorance of "state structure" variations over time and issues, and inconsideration of fragmentation within state actors (431-433).

The creation of the BSEC is not only about state-to-state interactions in the system of anarchy. Even though Turkey initiated the organization, there have been multi-level interactions domestically and transnationally. Furthermore, looking beyond state-centric arguments is the key to explaining the unanswered puzzle presented in Chapter 1. In addition, prioritizing other actors and their agencies provides different causal explanations for creating the BSEC, such as institutional, ideational, or psychological explanations (Parsons, 2007). These other actors involve already mentioned people, like Özal and Elekdağ, and other individuals and groups within and outside of Turkey.

2.3.4 Overemphasis on the Post-Cold War Context

The post-Cold War context is always dominant within the third strand arguments. Some scholars specify the history of the BSEC starting from the meetings between the USSR, Turkey, Romania, and Bulgaria in December 1990 (Dikkaya & Orhan, 2004; Gençkaya, 1993; Hunter, 1999; Konidaris, 1999). Nonetheless, all scholars of the third strand agree that the BSEC project with post-Soviet states was established as the USSR dismantled, marking the start of the post-Cold War era. This timeline is necessary for the arguments to explain the creation of the BSEC because the immediate end of the Cold War led to the emergence of the post-Soviet space and post-Soviet states. The scholars argue that Turkey saw the new geopolitical space for influence as an opportunity to fulfill its national interest. Hence, the BSEC was established under the post-Cold War context.

The end of the Cold War is depicted in the third strand due to the state-centric,

anarchical explanations stemming from the structural approach. It is not erroneous to pinpoint the timeline around the post-Cold War era; from a structural viewpoint, there is no better timeline than the post-Cold War era. However, limiting the historical context to the end of the Cold War ignores or at least undermines other possible causal explanations for the BSEC's design. After all, the BSEC project started as an idea introduced by Elekdağ (Angeliki, 2009; Aybak, 2001; Aydın, 2009; 2014; Müftüler & Yüksel, 1997; Sayan, 1998; Sayan & Zaim, 1998), but none of the third strand arguments deal with the exact timeline and legislation processes of when and how Elekdağ's ideas were introduced and developed. Similarly, the arguments do not clarify the legislative details on how Özal also took Elekdağ's idea to create or support the BSEC project. Moreover, there is a reasonable doubt that the BSEC is not uniquely bounded to the post-Cold War context, which starts from the dissolution of the USSR in 1991, since the 1990 meeting suggests that the BSEC project was initiated at an earlier stage (Çongar, 1990: 11). Hence, without considering the ideational chronology of the BSEC, the third strand arguments may have omitted other essential factors that contributed to the BSEC project before the end of the USSR and the Cold War. Also, supposing the BSEC started as an idea, the organization's establishment is not linked to a geopolitical history but a human history because ideas are eventually products of the human mind even though non-ideational factors may inspire ideas. Therefore, overemphasis on the post-Cold War context may be effective in the structural explanation but limits when the actors, who created the idea about the BSEC, are involved.

2.4 Conclusion

Epistemologically, the BSEC literature focuses on explaining the BSEC's origin with the structural approach. The literature assumes that actions taken by specific actors originate from "underlying material [natural or physical givens] patterns," which are also known as "structures" (Parsons, 2007: 54). These "certain set of salient material structures" affect actors to take deliberate and predictable actions since the actors will act "rationally" to maximize their preferences under specific structures (Parsons, 2007: 55). Regarding the structural approach, the third strand of the BSEC literature, which attempts to explain the organization's origin, has three distinct arguments. The

regional power argument suggests that the BSEC was established by Turkey's pursuit of regional power status, derived from either *lust for power* or *survival*. The stability argument presents the origin of the BSEC developed by Turkey's desire to stabilize its surrounding region through power balancing (especially against Russia) and stalling potential negative spillovers from neighboring states. Lastly, the EC argument claims that Turkey initiated the BSEC either as an alternative to the EC or as a platform to help enter the EC.

The three arguments have similar assumptions: 1) The international system operates under an anarchic structure; 2) The Turkish state is the primary actor with a direct influence to create the BSEC; 3) The post-Cold War context created new national interests and opportunities for Turkey. These are the assumptions that simplify the causal interactions behind the BSEC's origin. However, since the assumptions are derived from structural explanations, it downgrades the significance of ideational and human factors in the BSEC's creation. Even if structural explanations have their merits, the way the three arguments utilize them is insufficient as they lack evidence from non-state sources. The following chapter discusses other possibilities to explain the BSEC's establishment.

CHAPTER III

RESEARCH FRAMEWORK

In the literature review, I presented three main arguments that explain the creation of the BSEC from structural, state-centric, and post-Cold War perspectives. In the first section of this chapter, I present an overview of Parsons' (2007) interpretive and positional logic and its use in explaining the creation of the BSEC. After summarizing the "logic-of-interpretation" and the "logic-of-position," I discuss which logic competes with the research question: What was the role of leadership, especially relating to Turgut Özal, in the foundation of the BSEC? In the second section, I introduced the public entrepreneurship literature as a research framework to both incorporate Parsons' explanatory logic and solve the critical problems of the third strand of the BSEC literature. I also summarized shortcomings of public entrepreneurship to discuss further requirements to conduct the research effectively. The third section is about modifying public entrepreneurship into regional entrepreneurship to correspond to the BSEC context and Özal's actorship. I devised regional entrepreneurship by incorporating the elements of human agency, contingency, and foreign affairs. The final section is about how to conduct the research with regional entrepreneurship. This section will utilize qualitative methodology linked to Mahoney's (2015) historical process tracing to establish my hypotheses and tools to test them. Regional entrepreneurship has its shortcomings, but I view that this theoretical framework can explain the unanswered puzzle from Chapter 1 and propose a different explanation of how the BSEC was established.

3.1 Explaining the BSEC's Creation

According to Parsons (2007), the explanatory quest is to discuss "what causes what" (11). Similarly, my main goal is to discover what has caused the creation of the BSEC. In Chapter 2, I presented several scholars with different explanations of what caused the BSEC to exist. The literature, however, lacks methodological direction and follows a narrow set of structural assumptions. Hence, although there is a scholarship on the origins of the BSEC, the scholarship is passive (neglects deliberated quest to genuinely understand why the BSEC was designed) and confined (limits other explanatory approaches other than the assumed structural claims). To strengthen the BSEC's establishment explanations, I discuss different explanatory logics presented by Parsons to select another possible and practical explanation for the research question.

3.1.1 Four Logics of Explanation

Parsons (2007) suggests four logics of explanation: structural, institutional, ideational, and psychological, which are summarized briefly as follows:

> […] structural claims explain what people do as a function of their position *vis-a-vis* exogenously given 'material' structures like geography, a distribution of wealth, or a distribution of physical power. People's actions vary as their position in a given material landscape varies. Institutional claims explain what people do as a function of their position within man-made organizations and rules (and within the 'path-dependent' process implied by man-made constraints: people's choices at time *t* alter their own constraints at time *t* + 1). Ideational claims explain what people do as a function of the cognitive and/or affective elements that organize their thinking, and see these elements as created by certain historical groups of people. Psychological claims explain what people do as a function of the cognitive, affective, or instinctual elements that organize their thinking, but see these elements as general across humankind, as hard-wired features of 'how humans think' (though there may be multiple psychological dispositions—type A people, type B people, etc.—so not all people are necessarily the same) (12).

Each logic follows a different line of an explanatory framework, but Parsons categorizes them into two categories. In the "logic-of-position," structural and

institutional approaches are placed together because they concentrate on detailing external contexts in which an actor acts according to his accurate positioning vis-à-vis the context he is embedded in (Parsons, 2007: 13). The most crucial presumption in the logic-of-position is the "objective rationality," which suggests that all individuals rationally respond based on their "individual preferences" and "environmental conditions" (Parsons, 2007: 13, 52-53). However, under the classic definition of rationality, all actors must respond in the same way if the given structural and institutional environment is the same. In other words, there is no room for individual preferences in classical rationalism. Henceforth, objective rationality in logic-of-position seems paradoxical to the classical understanding of rationalism. To this paradox, Parsons (2007) explains that objective rationality in logic-of-position is based on the presumption that actions can vary as a naturally given structure has diversely salient material patterns (55). These material patterns of a structure can lead to different individual preferences even though the actors are under the same structure. As an example, referring to IR theories, Parsons (2007) states, "All [Marxism, Realism, and Liberalism] posit rational people channeled through material structures, but each describes different patterns and dynamics of structure [emphasis added]" (61). Hence, structural arguments are about the structures and the material patterns these structures have so that actions are explained with objective rationality.

The institutional approach also accepts that the actions vary under the same man-made institutions because of shifting patterns of a structure (Parsons, 2007: 92-94). However, the institutional approach separates from the structural one due to the concept of contingency. There are barely any uncertainties in explaining an action in a structural argument because all structures and their respective patterns are salient. The only possible explanation for uncertainty is the irrationality of human actors, which is unlikely unless the actor is incompatible to rationally reason for his well-being. In contrast, an institutional argument not only admits objective rationality but also accepts the element of contingency. Here, contingency is understood to be made in "indeterminate or unpredictable environments" caused by the changes in a preexisting structure (Parsons, 2007: 74). Therefore, contingency is a "range of alternatives" that a human actor can choose from as the change in a preexisting

structure makes a preexisting institution unmaintainable (Parsons, 2007: 91). This contingency makes an institutional argument effective because it helps researchers focus on the institutional elements that caused an action. Since contingency suggests that the change in a preexisting structure did not cause an action but provided a range of institutional options instead, it is not the causal structure but the institutions chosen from a range of alternatives. Overall, the logic-of-position arguments suggest that both naturally given (materialistic) structures and man-made institutions are causal based on objective rationality (Parsons, 2007: 13), but the institutional approach utilizes contingency while the structural approach does not.

The "logic-of-interpretation" includes the ideational and psychological explanations, which prioritize human agency more than human actorship caused by external conditions (Parsons, 2007: 13). Unlike human actorship that emphasizes objective rationality, the human agency considers that men's rationality (or irrationality) is independent of the structural and institutional changes. Hence, in logic-of-interpretation, "methodological individualism"—the view that actions are ultimately driven by human agency—is an essential aspect because an explanation of action starts from within rather than outside of a human mind (Parsons, 2007: 7, 22). Following methodological individualism, logic-of-interpretation has two approaches: ideational and psychological. The ideational approach is based on the "constellations of practices, symbols, norms, grammars, models, beliefs, and/or identities" (Parsons, 2007: 131). Also, similar to the institutional approach, the ideational approach accepts contingency but considering human agency. In the ideational approach, an explanation for action starts from the human agents who encountered the range of options caused by changes in preexisting conditions. Unlike the institutional approach, the ideational approach perceives changes in both preceding structures and preceding institutions produce a range of alternatives that a human agent can choose from. Furthermore, it is not the range of contingent alternatives, but it is the mental process of human agents that is contingent. In other words, contingency is not the unclarity of what institutional alternatives were created but the complex constellation of how a human agent chose an ideational alternative out of different options (Parsons, 2007: 110). In this respect, the contingent or "creative and accidental" alternatives are chosen with either human "a-rationality"—an actor's rational

interpretation of an objectively ambiguous reality—or "irrationality"—an actor's replacement of objective reality with his hardwired tendencies (Parsons, 2007: 101). Whether it is an a-rational or irrational response that causes an action, Parsons argues that ideational arguments need to fulfill two requirements:

> First they must show the proximate causal role of preexisting ideational element […] The second step is to show more deeply that these ideational elements reflect their own distinct dynamic, establishing their autonomy vis-à-vis longer-term or overarching objective conditions […] so an ideational claim must show that actions immediately reflect certain elements of culture or ideas or norms and that these elements arose with some range of autonomy from preexisting conditions (Parsons, 2007: 109-110).

According to the statement, ideational arguments first need to identify ideational elements, such as ideas, norms, and cultures, that were shaped before the action in question. This step is to show the causal chain between the action and ideational elements that caused the action. Then, the next step is about exploring how these ideational elements were conceived in a human agent through contingency. This second step emphasizes the autonomy of the ideational elements of the human agent vis-à-vis the preexisting structural and institutional conditions and their range of alternatives. Although the core elements are ideational factors, Parsons clarifies that both the first and second steps of the ideational approach require analysis of non-ideational factors. Except for instinctual-psychological claims, Parsons (2007) states that no human agent can make purely subjective interpretations without considering external (positional) factors surrounding the actor (112, 131). In other words, the two steps of ideational argument cannot be complete without understanding the preexisting structural and institutional context that created a range of options for a human agent to choose from. Parsons (2007) sums up the interaction of ideational elements, human agency, and preexisting external circumstances as follows:

> Ideational logic suggests that certain historically situated people develop their own ways of interpreting the world around them, and that this shapes how they act. Any ideational claim is framed around particularistic people: Chinese people, workers in nineteenth-century England, inhabitants of a certain Ukrainian region, members of the German Social Democratic Party, religious Muslims, and so on […] Any

argument that bounds its claims to a particular group (*these* historically situated people interpret things in a certain way) leaves the realm of psychology and enters that of culture and ideas [*emphasis added by the author*] (102).

The statement summarizes that the ideational logic focuses on particularistic people embedded in a certain historical context. If human agents who commit an action are these particular people, an ideational argument needs to identify the historical context within which the human agents are embedded. The historical context is the structure or institution that shaped the human agents in a particular way so that they chose a sure option from a range of alternatives of contingency. Considering the non-ideational elements from the historical context, Parsons (2007) reformulates the two steps for an ideational argument. The first step is about identifying ideational elements that caused the action in question; the ideational elements are considered as independent variables at this stage. This step ameliorates the challenge of chronological ordering by focusing on the "immediate" preexisting ideational elements; then, the immediate factor limits the causal chronology according to the action in question (Parsons, 2007: 105-110). The second step examines the identified ideational elements to trace them to the human agents that chose such ideational elements. This alleviates the question of ideational elements' autonomy by comparing its effectiveness to the action in comparison to other structural, institutional factors (Parsons, 2007: 110-115). In the process of tracing the elements in both steps, the historical (structural and institutional) context is explored to understand the agent's choice. Through these two steps, the ideational elements present the peculiarity of human agents as a credible and effective variable for causal explanations. Hence, the two-step process of the ideational approach amends one of the main criticisms from the Humean scholarship, which suggests that ideational arguments have difficulty in identifying chronological order of causal variables and addressing ideational claims as independently existent (Hume, [1748] 1975, as cited in Parsons, 2007: 105).

In contrast to the relatively comprehensive ideational approach, the psychological approach takes a more assertive and bounded stance on human agency. Instead of framing an argument with particular people embedded in a historical context, psychological arguments solely investigate men's hardwired tendencies. In a

psychological explanation, humans are insusceptible to external factors due to their irrationality, which only considers individual preferences. Therefore, unlike the ideational approach, psychological explanations tend to generalize human actions stemming from "irrational biases, misperceptions, instincts or affects" (Parsons, 2007: 161). Although ideational irrationality and psychological irrationality are similar in that they focus on agents' interpretations, psychological irrationality is assumed to be present and identical in all human agents (Parsons, 2007: 102). Nonetheless, psychological claims are closely interweaved with ideational logic due to the emphasis on human mental processes. Furthermore, they have similar conceptualized standards to distinguish different theories within their logic (Parsons, 2007: 121-129, 147-151). Hence, ideational and psychological approaches are labeled under logic-of-interpretation.

Overall, there is no ultimate answer to which explanatory logic is better than the other. All four logics have been going through transformation or evolution to reflect the so-called reality. Parsons (2007) admits that scholars in each explanatory approach may claim to be independent of other factors and be so in most extreme cases of their theoretical premises. However, he demonstrates that all explanatory logics consist of both general regularities but also particularistic dimensions in practicality (Parsons, 2007). It is simply the degree of extremism each logic takes that either emphasizes generality or particularity (Parsons, 2007: 32-34). After all, these logics are not arranged for competition but effective categorization of causal arguments (Parsons, 2007: 163). From Parsons' (2007) perspective, none of the logic is essentially "wrong" to explain an action; all explanatory logics try to explain an action from different epistemological perspectives (163). Then, out of the four explanatory logics, which is most likely to represent and explain the causal procedures leading to the BSEC's creation?

3.1.2 Choosing an Explanatory Logic

As discussed in Chapter 2, the creation of the BSEC is dominantly attributed to the structural logic. The actors, motivations, and even external conditions are all restricted by the structural assumption that the international system operates under systemic anarchy. Even though the primacy of structural explanation in the BSEC

literature seems too excessive at times, these arguments are valid and meaningful explanations. In other words, the structural argument based on systemic anarchy is epistemologically authentic to explain the creation of the BSEC. The problem, however, is the ineffective handling of the structural logic within the literature and not addressing the puzzle on why states agreed to establish the BSEC despite many relational and logistical challenges.

Regarding the problems presented in the third strand of the BSEC literature, there are two options. The first option is to amend the structural arguments in the third strand by presenting interpretive empirical proofs, such as rhetoric and discourse evidence, to bridge the causal gaps between systemic anarchy and the BSEC's establishment. However, the first option still considers the material patterns of systemic anarchy as the primary independent variable that created the BSEC. Accrediting the BSEC's establishment to different patterns of anarchy inevitably downplays the significance of human agency. Even if human discourse and rhetoric are used as evidence, the naturally given structure prevails over them. When a human agency becomes dependent on material patterns of anarchical structure, all observable human behavior in creating the BSEC is identical or at least predictable according to systemic anarchy. Then, people like Turgut Özal and Sükrü Elekdağ are simply human actors that only rationally respond to international anarchy and are not the primary actors in founding the BSEC. This approach to individual actors does not fit the research question in which Özal's agency is the focal point. Furthermore, the BSEC literature believes that Özal and Elekdağ are either the fundamental causal variable or are a crucial component to various constellations in making the BSEC. The second option is to research with a different explanatory logic other than the structural one. Briefly, the research question can be answered with either institutional, ideational, or psychological logic. In the case of institutional logic, the argument requires a two-step analysis. In the BSEC context, the first step is about discovering the set of rules, laws, or organizations that created the BSEC. Then, the second step is to identify "unintended legacies of past choices made amid structural ambiguity or unpredictability" that created different institutions before the institutions that formulated the BSEC (Parsons, 2007: 92-93). By comparing the two sets of institutions, the different institutional elements would be the primary causal

variable for the BSEC. In other words, the causal institutional element should be present in the institutionalization of the BSEC and absent in the institutional conditions preceding the institutionalization of the organization. The institutional approach, however, has a similar problem to that of the structural approach. Since the institutional elements are the main variables, the causality is accredited to only institutional elements, such as man-made rules, laws, and organizations. Since the research question concerns Özal's legacy in the BSEC project, the institutional logic is less applicable as Özal's agency diminished in the causal explanation.

Yet, is not human agency more crucial than institutional elements because institutions are *man-made*? Would not Özal's agency be an essential variable in the institutional argument on the BSEC's creation? To these questions, Parsons answers that institutions are indeed the products of men (Parsons, 2007: 75-76). Similarly, North (1990) also defines institutions as "rules of the game in a society or, more frequently, are the *humanly devised* [*emphasis added*] constraints that shape human interactions" (3). However, institutional arguments do not prioritize human agents' internal ideational and psychological proceedings because of objective rationality. What matters for institutional arguments is the rules, laws, and organizations produced rationally from a contingency—the uncertainty of the range of alternatives formulated by the changes in the preexisting structural conditions (Parsons, 2007: 91). The process of human agents choosing an option is not essential; the institutions that are products of actors' rational choices are the crucial factors. Hence, in an institutional argument, Özal is no more than a rational actor who responds to the institutions produced by a contingency. Since his rationality is bounded by structural contingency, his agency does not have causal significance compared to the institutional elements. In this respect, Özal may be a rational actor, but he is not an independent agent explaining the BSEC's creation. In this respect, the institutional argument is not adjustable to the research question, which assumes Özal's agency as one of the primary factors of the BSEC's origin.

In ideational logic, it prioritizes the constellations of ideas, norms, practices, and human agency beliefs. Under the BSEC case, the ideational argument needs to answer two questions. The first question is: What were the ideational elements that led to the creation of the BSEC? This question is about tracing the ideas, norms, and

cultures that formed the BSEC. The second question is: How did the ideational elements that caused the BSEC formulated within human agents like Özal? The second question proves that the ideational elements from the first question were autonomously perceived by human agents, like Özal, from a range of other ideational options produced by the preexisting structure or institutions. After answering the questions, the ideational argument also needs to evaluate if the human agents are ideationally a-rational—loose interpretation of the ambiguous objective reality—or ideationally irrational—hardwired tendencies closer to the psychological logic. This is done by categorizing the agent's ideational factors as affective or cognitive; ends-oriented or means-oriented; tight and consensual or loose and contested; and coherent or incoherent (p.121-123).

Even though the ideational approach considers human agency an essential factor, it also has several weaknesses. Firstly, there is a lack of tools to test and understand the human agent's ideational processing. Parsons' four dimensions to categorize the agent's ideational orientation provide the tool to classify the agent as either a-rational or irrational. However, these dimensions were explained without specific, practical tools to measure the agent's ideational orientation. Simply, how does an agent, such as Özal, choose a specific ideational element among multiple options that were made available from preexisting positional conditions? Secondly, there is a lack of theoretical work on incorporating non-ideational elements into the ideational argument. Even though ideational arguments emphasize human agents' ideas, norms, and beliefs, the non-ideational elements are also considered part of the explanatory process. The problem is identifying and explaining the non-ideational elements as complementary but not primary causation to an action. Although Parsons (2007) acknowledges the importance of non-ideational factors, he does not introduce theoretical frameworks to display how the structural and institutional elements operate with a selection of certain ideas, norms, and beliefs. He simply presents the notion of *contingency*—the "objective ambiguity or irrationality" in how a human agent decides from an unknown range of alternatives presented by preexisting positional conditions (Parsons, 2007: 110). It is necessary to present a conceptual framework about this *contingency* to comprehend how the preceding non-ideational elements contribute to the change and continuity of ideational elements and their

causation to a certain action. Thirdly, determining the chronological starting point of the ideational elements for the BSEC's origin is unclear. The notion of *immediacy* proposed by Parsons helps identify the preexisting range of ideational options before the conception of the ideas, norms, or cultural perceptions of the BSEC in a human agent. However, the concept of *immediacy* is ambiguous as well. Chronologically speaking, what is the *immediate* timeline before the designing of the BSEC? Also, what decisions and actions should be considered as the beginning of the BSEC project? Is it the first time Elekdağ presented the idea to Özal? Is it when the USSR, Romania, Bulgaria, and Turkey came together in December 1990 to plan the project? Is it when the Bosphorus Statement and Istanbul Summit Declaration were signed in June 1992? These questions will continue if the concept of *immediacy* does not have a clear theoretical boundary. Overall, these three challenges are not epistemological problems but more practical problems of the ideational logic regarding the research on the BSEC case.

Unlike ideational logic, the psychological argument aims to discover Özal's "hard-wired mental processes that do not simply match clear costs, benefits, and probabilities to a fixed hierarchy of preferences via objective rationality" (Parsons, 2007: 133). In other words, Özal's decision to design the BSEC needs to comply with certain conceptualized human psychology that suggests a universal (or conditionally universal) model of irrationality (or rationality if hard-wired psychology is used to explain rational preferences of an individual). In this case, the empirical data would include Özal's cognitive shortcuts, schema, emotional responses, biased information intake, and misperceptions (Parsons, 2007: 134) that led him to formulate the BSEC. However, the psychological approach has its weakness as well:

> But even if we picture the most detailed psychological dispositions—with inherited proclivities, say, to risky behavior, violence, or conservativism—the explanatory material that psychological claims build around action is inherently less variegated and rich than elaborate descriptions of structural positions in markets or military competition, complex obstacle courses of man-made institutions, or the often-bizarre idiosyncrasies of cultural practices […] [Psychological dispositions] seem far from real political action when compared to the sharp imperatives of a structural

threat of war, institutional pressures to defend a bureaucratic budget, or specific ideologies or rituals [emphasis added] (Parsons, 2007: 135).

In order to cope with the challenges suggested above, Parsons (2007) proposes four steps to conduct effective psychological causal research (160-161). First, there needs to be an identification of available psychological tendencies or personalities. In the case of general tendency, it requires statistical evidence that would prove that all agents, including Özal, will tend to act in a certain way. In the case of individual personality, it requires statistical evidence from a range of personalities similar to Özal to predict how Özal will act based on his personality. Then, the second step is to take the psychological tendencies or personalities of Özal and connect them to his actions in making the BSEC. In this process, the crucial point is to hypothesize the range of possibilities that Özal's psychological tendencies or personalities could have led to aside from creating the BSEC. The third step requires a collection of cases with a similar range of possibilities found in the second step but with a different structural, institutional, or ideational context. Finally, the last step is comparing Özal's psychological dispositions from other dispositions from the cases found in step three. This comparison explores "how and how much the psychological dispositions interacted with non-psychological factors" to "narrow down the possibilities" to cause the BSEC eventually (Parsons, 2007: 161). These are the four steps required to understand the creation of the BSEC from the psychological logic's standpoint.

However, the psychological approach remains questionable in its flexibility to understand Özal's agency in creating the BSEC. Although Özal's actorship is emphasized more than the institutional and structural claims due to the significance of human psychology, the mechanism of Özal's agency is strictly limited to universal or partly universal psychological claims. Therefore, the BSEC case cannot be explained outside the boundaries of Özal's psychological dispositions, meaning that positional elements are altogether eliminated. Moreover, psychological arguments are less lenient on accepting non-psychological factors compared to how structural and institutional claims are flexible in accepting the role of non-institutional claims. In terms of the research question, the psychological approach is an attractive logic; nevertheless, the logic disregards potential causal explanations, which contradicts the reason for choosing a different approach to study the BSEC's origin other than from

structural logic.

I chose the latter for my research concerning the explanatory options—strengthening the anarchic structural explanation or utilizing a different explanatory approach. Out of the institutional, psychological, and ideational approaches, I chose the ideational approach to explain the creation of the BSEC. As I am not concerned about Turkey's instrumental pursuit of the BSEC for specific preferences (regional power, regional stability, new identity in relation to the EU) in response to systemic anarchy or institutions produced from it, I decided not to use structural and institutional logics. Instead, since I am interested in Özal's role in creating the BSEC, I tend to work with an explanatory logic that emphasizes human agency. I presume that the emphasis on human agents can present more details on the BSEC's creation, which can answer the puzzles considered in Chapter 1 as well. Even though the psychological logic also emphasizes the role of human agency, it is too extreme in limiting the human agent as hardwired actors that act with no or less consideration of the ambiguous objective reality. In contrast, the ideational approach embraces both the primacy of human agents' ideational particularity and the role of non-ideational elements in presenting incentives for the agents to choose a particular ideational element.

Furthermore, the ideational approach incorporates the notion of generality only to the extent of particularity, which limits the tendency to side too much on either objective rationality or hardwired irrationality. This proposes a different possibility in explaining the BSEC's origin rather than only having structural, anarchic arguments from the third strand of the BSEC literature. The next step is to incorporate the ideational logic with a specific framework to adjust with the BSEC context and provide practical tools for the research.

3.2 Public Entrepreneurship and Ideational Explanation

Even though Parsons' ideational logic provides a general framework for explaining the creation of the BSEC, it has practical challenges. To give a specific framework to work with ideational logic, I chose public entrepreneurship. The following section gives an overview of public entrepreneurship and its literature, reasons for incorporating the ideational logic, and areas for improvement. The goal is to annotate present literature on public entrepreneurship with ideational logic to create a practical

research framework to explain the BSEC's creation.

3.2.1 What is Public Entrepreneurship?

Public entrepreneurship is a research framework that explains how a policy change occurs within a government (King & Roberts, 1988; 1991; 1992; Roberts, 1992; 2006). According to King and Roberts (1991), public entrepreneurship is a "process of introducing innovation—the generation, translation, and implementation of new ideas—into the public sector" (147). Hence, public entrepreneurs are "[individuals] willing to invest their resources in return for future policies they favor" by presenting innovation (Kingdon, 1984, as cited in King & Roberts, 1991). However, it must be noted that innovative processes and entrepreneurial processes are different even though they are necessary components for each other. Regarding the differences, Roberts (2006) states that the "innovation process tracks the evolution of a new idea through time, whereas the entrepreneurial process tracks the activities that entrepreneurs develop to promote and defend the idea against its detractors" (596). Hence, innovation stresses identifying the creation and transformation of new ideas, while entrepreneurship centers on human actors that preserve and advocate the new ideas.

Innovative process (or innovation) is defined as "the novel recombination of preexisting factors of production, or a change in the production function" (Roberts, 1992: 56). Schumpeter (1939) is identified as the one who first defined innovation as an act of "setting up of a new production function" (as cited in King & Roberts, 1991: 149). The production function "describes the way in which quantity of product varies if the quantity of factors vary," and innovation occurs when the form of the function varies (Schumpeter, 1939, as cited in Roberts, 1992: 56). Similarly, Daft and Becker (1978) claim that innovation can be technological or administrative but needs to present new ideational procedures or routines that depart from previous ones (as cited in King & Roberts, 1991: 150). Simply, innovation is a new (original) idea or a newness (adaptation or borrowing) of an idea that suggests an alternative to an already existing function of production (Roberts, 1992: 57). Hence, under the context of policy change literature, innovation is an idea that changes a preceding policy function on how a governmental administration produces its goals and decisions. The

change in policy function is conceptualized as policy innovation:

> Policies [are] a 'course of action or a set of decisions leading to a particular course of action'. Policy innovation will be defined as 'relatively large-scale phenomena, highly visible to political actors and observers' that embodies 'a break with preceding governmental responses to the range of problems to which they are addressed,' and 'unlike major crises, with which they share the preceding traits, innovations have institutional or societal effects that are in a sense lasting' [emphasis added] (Polsby, 1984, as cited in King & Roberts, 1988: 313).

Policy innovation is not an evolution of earlier policy production functions but a transformation from the preceding functions. However, not all policy innovations lead to policy change; even some new ideas do not reach innovation. The entrepreneurial process transforms the new policy ideas into policy innovations that eventually lead to policy change.

As for the entrepreneurial process, Klein, Mahoney, McGahan, and Pitelis (2010) explain it with economic and managerial concepts, such as alertness, judgmental decision making, and innovation, each proposed by Kirzner, Knight, and Schumpeter. The concept of alertness is related to the ability to "perceive *gaps* between actual and potential outcomes or performance, and look for resources to close the gap [*emphasis added by authors*]" (Klein et al., 2010: 3). For a person to be an entrepreneur, he needs to be sensitively aware of new opportunities for innovation. Judgmental decision-making is a crucial aspect in entrepreneurship about uncertainty. Since entrepreneurial activities do not start until there is a perceived *gap*, an entrepreneur must make a creative and bold judgment that there is a gap and that it is beneficial to close the gap. One may be attentive to perceive an opportunity, but entrepreneurs do so under the condition of uncertainty in which "the range of future outcomes" is ambiguous (Klein et al., 2010: 3). Due to the bold character of entrepreneurship concerning uncertainties, many scholars state that entrepreneurial judgment is characterized by risk-taking behavior (Roberts, 2006: 596). As a final piece for entrepreneurship, there needs to be an innovation. As stated above, innovation is a process of recombining or changing a production function by "disturbing existing patterns of resource allocation through bold, creative action" (Schumpeter, 1928, as cited in Klein et al., 2010: 3). However, innovation has two

different domains depending on the private or public nature of entrepreneurship. Unlike private entrepreneurship, public entrepreneurship is much more political as it is characterized by coercive exchanges, short time horizons, bureaucratic procedures, use of public assets, and complexity of objectives (Klein et al., 2010: 6). Due to the political nature, the innovation in public entrepreneurship "often seems far removed from the bold, intrinsically motivated pursuit of novelty […], often encompassing the mundane" (Schnellenbach, 2007, as cited in Klein et al., 2010: 4). Hence, public innovation may be challenging to identify as "the objectives are complex and often ill-specified; measurement of public gains and losses is difficult; the selection environment is complicated; and private and public resources may be deployed in socially harmful as well as beneficial ways" (Klein et al., 2010: 5). In short, innovation is a highly rational process deployed by politicized actors, who are embedded in political cycles of the public domain. This political understanding of innovation leads researchers to pay attention to outcomes rather than processes of public entrepreneurship since an innovational political process would be a variable dependent on public interests. In other words, innovation in public entrepreneurship can only be judged and measured by the outcomes that politicized actors create in the public domain. Disregarding the entrepreneurial and innovational process, Klein et al. (2010) present four levels of different outcomes from public entrepreneurship: 1) rules of the game; 2) new public organizations; 3) creative management of public resources; 4) spillovers from private actions to the public domain (7). According to the authors, these outcomes should be the center of public entrepreneurship studies rather than the procedures leading to the outcomes.

Regarding public entrepreneurship, King and Roberts (1988) introduce it similar to "an energy conversion process in which energy in one form (ideas), through a series of transactions and infusions of additional energy (in the form of people's time, money, commitment), begins to transform and take on greater complexity" that falls into the public domain (p.316). In essence, King and Roberts also borrow the concept of innovation from Schumpeterian entrepreneurship as Klein et al. (2010) did. However, King and Roberts (1988; 1991; 1992) state that innovation in public entrepreneurship is not entirely political in the first place; they suggest that the classic definition of political motivations does not bound public innovation because

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public entrepreneurs include more than classic political actors (also known as politicians). In the public entrepreneurship literature, the entrepreneurs can be elected or non-elected, leaders or non-leaders, and governmental or non-governmental (Roberts, 1992: 55). Hence, public entrepreneurship is not only about public interests that are advocated by politically inspired entrepreneurs but also about public procedures led by non-political entrepreneurs alongside with political ones. Roberts (1992) suggests this broader understanding of public entrepreneurship by stating that innovation is both "a *process* and a *product* [*emphasis added by the author*]" (59).

Moreover, she argues that public entrepreneurship can occur even before any public entrepreneur is present (Roberts, 1992: 65). In other words, entrepreneurship in the public sector may not initially require a public entrepreneur because there are many actors involved in different stages of the entrepreneurial process but do not go through all the stages as entrepreneurs do (Roberts, 2006: 600). According to the policy cycle, Roberts (1992) identifies three stages of public entrepreneurship: initiation, design, and implementation phase (Kingdon, 1984, as cited in Roberts, 1992: 58). The initiation (or creation) phase is where a new idea is formed in response to a problem or need at hand and proposed to be made into a specific project; the design phase is where the new idea is mended to become a tangible prototype to be tested; and the implementation phase is where the prototype is tested if it is effective, legitimate, favorable, and durable so that it survives to be an actual policy (Kingdon, 1984, as cited in Roberts, 1992: 59). Roberts (2006) calls this entrepreneurship without any entrepreneurs as "functional entrepreneurship" in which "experts from different functional areas of expertise coordinate their efforts and resources in order to push a new idea into practice" (600). Hence, according to Roberts, research on public entrepreneurship should also focus on the procedures due to different functional qualities in the public entrepreneurial process. To summarize her arguments, Figure 1 displays Roberts' (1992: 60; 2006: 601) logic tree based on the policy cycle to display different functionalities in public entrepreneurship before the existence of a public entrepreneur.

In Figure 1, the logic tree starts from the bottom left corner with whether a new idea is created and accepted. If a person does not accept a new idea and abides by the

preceding production function, he is categorized as a "system maintainer" (Roberts, 1992: 60).

Figure 1. Logic Tree of Functional Entrepreneurship
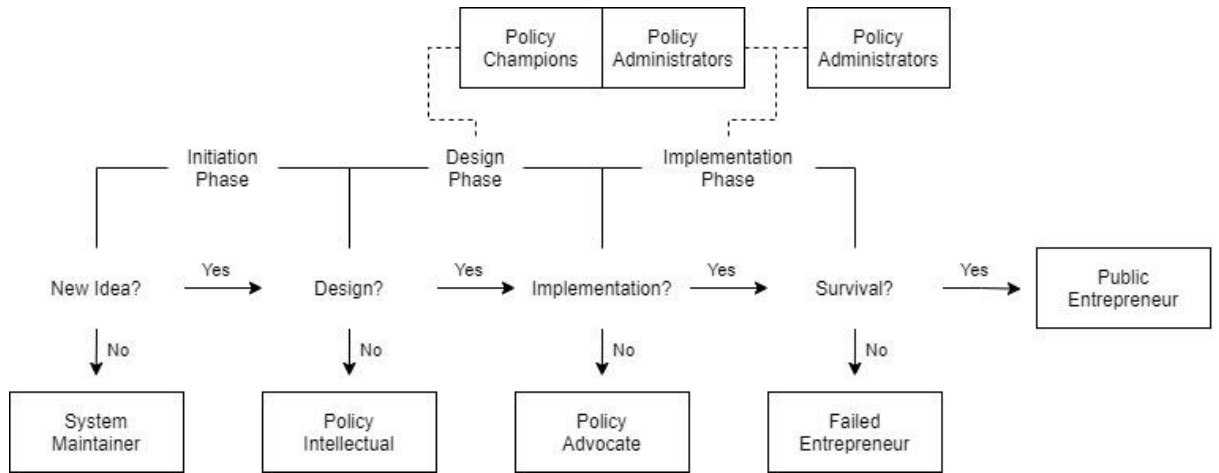
The one who creates or accepts a new idea but fails to design the idea into a formalized proposal is categorized as a "policy intellectual" (Roberts, 1992: 60). The actor who initiates and designs a new idea but does not implement it is called a "policy advocate." Policy advocates initiate a new idea and put it into a formal proposal but do not or cannot implement the proposal into an actual product like an active law (Roberts, 1992: 60-61). Hence, they usually link policy intellectuals with "policy champions" who are elected officials (Roberts, 2006: 600). By using their political position, policy champions present prototypes of new ideas to the public and maneuver through the governmental structure to help the prototypes to be expressed "in law, statute, or policy" (Roberts, 2006: 600). Then, if the prototypes are legally established, "policy administrators" implement the new law, statute, or policy to help the innovation to survive and last under the revision of "policy evaluators"—those who fairly evaluate whether the new implementations are beneficial and effective (Roberts, 2006: 600). In the end, for one to be a public entrepreneur, he needs to participate in all processes of initiation, design, and implementation and has to withstand the test of time and logistical barriers existing after the implementation and

evaluation (Roberts, 1992: 61). The one who passes through all entrepreneurial phases but fails to keep the law, statute, or policy effective and active under the test of time is known as a "failed entrepreneur"—one who committed to both innovative and entrepreneurial processes but was not able to bring change to the policy function (Roberts, 1992: 61). As Roberts claims, the public entrepreneurial process begins even before a public entrepreneur is present in this functional context. For an individual actor to become a public entrepreneur, the actor needs to qualify in the four stages of the policy cycle—creation, design, implementation, and institutionalization (survival) (King & Roberts, 1991: 150; 1992: 176; Roberts, 1991: 58). Therefore, public entrepreneurship and public innovation are much about the process as it is about the outcomes.

Furthermore, while Klein et al. (2010) distinguish the difference between public and private entrepreneurs, Roberts (1992) proposes that there are also different categorical entrepreneurs depending on their institutional positions and allocated resources, as shown in Figure 2.

Figure 2. Logic Tree of Public Entrepreneurship

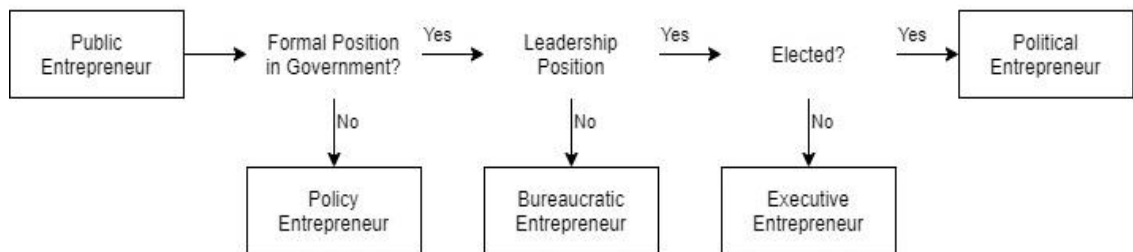*Rearrangement from Roberts, N. C. (1992). Public entrepreneurship and innovation. *Review of Policy Research*, 11(1), 63.

The bureaucratic entrepreneurs practice innovation but with more caution and timidity due to their dependence on a hierarchical structure of receiving resources; they are official government agents but are not in leadership positions (Roberts, 1992: 66). The executive entrepreneurs, unlike bureaucratic ones, are in leadership positions and enjoy complimentary use of power since they control a wide range of resources (King & Roberts, 1992: 184). As the executive entrepreneurs are not

elected, they have stronger tendencies to be interpersonal—resort to self-promoting methods that may be ethically questionable—and self-politicized—geared to actualizing personal political values and ideas rather than that of society (King & Roberts, 1992: 184). In contrast, the political entrepreneurs who are elected "focus their attention on building a coalition of supporters, negotiating and bargaining for votes, and attracting media attention for their innovative ideas" (Roberts, 1992: 66). Hence, although political entrepreneurs have similar resources to the executive ones, they must adjust their innovative policies to the preferences of their constituents. Although not displayed in Figure 2, Roberts (2006) presents two more types of entrepreneurs in her later work: the legislative and judicial entrepreneurs. The legislative entrepreneurs facilitate the innovative process by bringing policy intellectuals together and earning necessary support from the elected or administrative officials for the policy intellectuals (Roberts, 2006: 595). Judicial entrepreneurs are groups of judges and litigants who collectively create new interpretations and antecedent cases to encourage the policy cycle of innovation (Roberts, 2006: 596). Although different in how they maneuver policy innovations through the policy cycle, all these entrepreneurs are typical in that they are all within public, governmental institutions. The only difference between the entrepreneurs in the public sector is their hierarchical positions, the public resources they can use, and whether they are elected (Roberts, 1992).

Scholars studying public entrepreneurship, however, suggest that limiting entrepreneurship to the public sector, especially in terms of narrow definition, is not enough to explain the entire mechanism of public policy change (Béland, 2015; J. M. Lieberman, 2002; King & Roberts, 1988; 1991; 1992; Mintrom & Norman, 2009; Roberts, 1992; 2006). In other words, the confined conceptualization of the public sector, which identifies the public as a domain of government and electorate, cannot capture the entire procedure of public entrepreneurship. Kingdon (1984), one of the precursors in public entrepreneurship studies, claims that there is an "agenda-setting" process before the initiation (creation) phase in policy cycle that is beyond the narrow definition of the public sector (as cited in J. M. Lieberman, 2002: 445). In agenda setting, there are three individual streams—problem recognition, formation and refinement of policy proposals, and political events—in which actors interact

before the policy cycle analysis. The first stream is about actors considering something to be a problem and placing the problem into their agenda (J. M. Lieberman, 2002: 440-442). The second stream involves actors rearranging or combining different ideas by challenging the status quo ideas (J. M. Lieberman, 2002: 442-443). The third stream is about the actors, who are mainly politicians, setting an agenda based on the "changes in interest group pressures, swings in the national mood, and elections that bring new administration to power" (J. M. Lieberman, 2002: 443-445). Although the focus of the three streams is still political, the problems, ideas, and changes can also originate outside of governmental dynamics (Béland, 2015; J. M. Lieberman, 2002). Innovative entrepreneurship outside of the governmental structure is known as policy entrepreneurship. Unlike other public entrepreneurs, policy entrepreneurs are "social actors outside for the formal positions of government who seek to adopt innovative policy into the public domain by creating new ideas and mobilizing support for them" (King & Roberts, 1988: 314). Mintrom and Norman (2009) give further details about policy entrepreneurs by stating that they have four central attributes: social acuity, capability to define problems, build teams, and desire to take the leading role (651). The social acuity of policy entrepreneurs means that they have a wide range of policy networks to receive information and distribute innovation (Mintrom & Norman, 2009: 652). With good policy networks, policy entrepreneurs can identify and respond to "the ideas, motives, and concerns of others in their local policy context, which makes defining problems much feasible (Mintrom & Norman, 2009: 652). Policy entrepreneurs define problems by laying out the evidence that there is a crisis, emphasizing the failures of current policy function within the government, and attracting support from public officials about the problem at hand (Mintrom & Norman, 2009: 652). By having policy networks and the capability to define problems, policy entrepreneurs also create teams of experts or influential personnel from both outside and inside the public sector to develop innovative policies and implement them (Mintrom & Norman, 2009: 653). The people within the teams are usually the policy champions—people who hold or had held a formal position in the government that have ties in legislative or executive branch—and the policy administrators—people who participate in the implementation of proposals by

making them workable and efficient (King & Roberts, 1988: 313-314; Roberts, 1992: 60-61). With the help of policy champions and policy administrators, policy entrepreneurs craft, present, and implement policy innovations. Lastly, policy entrepreneurs will be an exemplary working model by testing the innovation themselves in the field (Mintrom & Norman, 2009: 653). By being a working model, policy entrepreneurs try to provide more data for maximum efficiency and a chance for the innovation's survival (Mintrom & Norman, 2009: 653). With such traits, policy entrepreneurs try to earn the support and exert influence in governmental administration to promote an innovative agenda while they are positionally and strategically outside governmental structure restrictions. With the inclusion of policy entrepreneurs, there are mainly two categories of public entrepreneurs: either outside (i.e., policy entrepreneur) or within (i.e., bureaucratic, executive, political, legislative, or judicial entrepreneur) the governmental public sector. The different types of public entrepreneurs infer that public entrepreneurship is a study on outcomes caused by politically motivated actors and a study on the process that includes actors who are inspired by different motivations.

3.2.2 Why Public Entrepreneurship?

In the third strand of the BSEC literature, there are several problems in explaining the origins of the BSEC, as stated in Chapter 2. One of the problems is ignoring the development to resolve or ameliorate the regional tensions between the BSEC member states. If there is no explanation of how the regional conflicts were resolved, the creation of the BSEC remains questionable, even if there are other explanations. Understanding how the conflicts were handled before the BSEC's establishment connotes identifying actors who negotiated (or mediated) in the conflicts to advocate the BSEC above the regional strains. Although it is not a conflict resolution framework, public entrepreneurship offers a groundwork of who with what intention facilitated negotiation to lessen the negative sentiments between the BSEC members. Since the facilitator of the BSEC project was Turkey, and especially President Turgut Özal, the implication is to utilize the public entrepreneurship framework within the Turkish context. By doing so, exploring the innovations in the public sector will show new Turkish policy products regarding how Özal and his administration

conducted different foreign affairs to resolve the regional conflicts.

Public entrepreneurship is also helpful in addressing the problems of incomplete structural argumentation in the third strand. The structural logic of the argument is not problematic, but the evidence to support such an argument is not enough. The way to improve the evidence is to provide interpretive elements, such as rhetoric and discourse, to display how structures influence human actors to think, speak, and act in a specific manner. Even though public entrepreneurship can occur without an entrepreneur, the crucial element is actors who create or support ideational novelty to change a policy function in the public sector. As these actors deal with ideational elements, the premise in public entrepreneurship is that the actors are human actors who act based on their position (structural or institutional) or their interpretation (ideational or psychological) of the world. Hence, public entrepreneurship provides a foundation for the third strand of the BSEC literature to enhance or diversify the structural argument by focusing on human actors and their ideational and verbal products.

Another problem arising from an incomplete structural argument is an overemphasis on structural elements alone. Although a structural argument should focus on the material (naturally given) patterns, it does not mean that the argument should disregard non-structural elements, such as institutions, ideas, and human psychology (Parsons, 2007: 55). Instead, Parsons (2007) clarifies that structural arguments need to incorporate non-structural factors into the causal explanation because all decisions and actions are processed through a human agent. On this note, the third strand of the BSEC literature concentrates too heavily on the anarchic structure alone while overlooking other elements. The downside of only concentrating on the anarchic structure led to inflating the role of the Turkish state in the creation of the BSEC. Public entrepreneurship can be a solution for this problem as it focuses on non-structural elements, such as innovation and entrepreneurs. Since innovation and entrepreneurship are closer to the interpretive logic of human agency, public entrepreneurship can present non-structural actorship in the establishment of the BSEC.

The secondary problem from the structural argument on the BSEC's creation is the

fixation on the post-Cold War context. Since the structural argument focuses on a sudden shift in the international order after the collapse of the USSR, the timeline to explain the creation of the BSEC is closely associated with the end of the Cold War. The problem with this timeline is simply the ignorance of available details and factors in the BSEC literature that could enrich the causal function of the BSEC's establishment process. The third strand of the BSEC literature accredits both Turkish President Turgut Özal and former Ambassador Şükrü Elekdağ as the main contributors in proposing the BSEC project. However, the third strand barely explains the process on how and when these actors institutionalized the idea on the BSEC because the main focus is on the post-Cold War context, which assumes that the BSEC is a product of a structural shift in the Black Sea's regional system after the USSR dissolved. In contrast to the post-Cold War contextualization, the public entrepreneurship framework provides a different approach by focusing on the timeline of the entrepreneurs rather than the timeline of structural patterns. This can unpack other causal elements that created the BSEC outside of the structural boundaries of history.

Conclusively, public entrepreneurship is not a research framework to discover the origins of regional organizations like the BSEC. Nevertheless, this framework is valuable and valuable enough to trace the BSEC's origin based on human actors and their ideational agencies. Since my research focuses on Turgut Özal and his contribution to the BSEC, public entrepreneurship is a plausible model to analyze Özal as an entrepreneur (or non-entrepreneurs) that innovated the Turkish public sector to create, design, and implement the BSEC project.

3.3 Contextualizing Public Entrepreneurship: Regional Entrepreneurship

Public entrepreneurship, however, is not a perfect framework for the research question: What was the role of Özal's leadership in the establishment of the BSEC amidst domestic changes in Turkey and regional hindrances? One reason for public entrepreneurship's insufficiency to study the BSEC's origin is the framework's incomplete conceptualization of innovation (or new idea). Although public innovation is defined as a change in the preexisting policy production function through a new idea (Roberts, 1992: 56), there is no consensus on how the new idea

is formed in the first place. Much effort has been made to define the *novelty* of ideas in the public entrepreneurial process, but there has been less attention to the process of the new idea's formulation within an agent. To effectively explain the creation of the BSEC, public entrepreneurship needs to provide a theoretical basis on how the new idea for the BSEC project was constructed. This is a difficult task since ideas are ideational elements based on contingencies rather than causal relations; ideas are perceived as contingent elements that are difficult to place in causal equations because tracing the causal origin of an idea seems impossible. Kingdon (1984) identifies this problem as an infinite regress: "An idea does not start with the proximate source. It has a history. When one starts to trace the history of a proposal or concern back through time, there is no logical place to stop the process […] so tracing origins turn out to be futile" (as cited in Béland, 2015: 5). Then, if there is no theoretical boundary to trace the origin of a new idea, public entrepreneurship cannot explain the causal process of the BSEC's creation because the origin of the BSEC project as an idea is untraceable due to infinite regress. Henceforth, I chose Parsons' ideational logic to provide a new approach and enhance the public entrepreneurship framework to explain the BSEC's creation by limiting the time frame in tracing the idea that led to the creation of the organization.

According to Parsons (2007), ideas and other ideational elements are not only contingent. In fact, "contingency is the mirror image of causality" because ideational arguments consist of two-step analysis in which ideational elements are both independent and dependent variables across the two steps (Parsons, 2007: 110-111). The first step analyzes the causality of ideational elements to the action in question, while the second step analyzes the selection of the causal ideational elements amidst different ideational alternatives stemmed from objective uncertainty or irrationality (Parsons, 2007: 110). Hence, ideas are both contingent constellations and causal variables. With the two-step analysis, the BSEC idea can be traced from the final product, the institutionalized organization, along with the public entrepreneurship framework. After identifying the entrepreneurs or non-entrepreneurs (see Figures 1 and 2), the idea can be traced to the constellation of human agency and the range of options made available by the changes in preexisting structural and institutional conditions.

Another amendment for public entrepreneurship to answer the research question is to provide a theoretical relationship between the contingency and the initial idea that grounded the foundation of the BSEC project. Multiple works explain how new ideas are formed, which later translates into a policy change. For instance, R. C. Lieberman (2002) claims that the endogenous friction within a political order, which is "a regular, predictable, and interconnected pattern of institutional and (ideational) ideological arrangements that structures political life in a given place at a given time," causes new ideational forces to rise (702-703). Another example is Hall's (1993) policy paradigm shift in which a policy community—a group of experts with "shared professional norms and ways of thinking"—decide to change its policy orientation from the status quo to a new policy function (as cited in Baumgartner, 2013: 240-253). Branching off from Hall's theory, Babb (2013) introduces the transnational policy paradigm, which suggests that a new policy idea is formed when actors commit to a new set of political practices and international academic legitimization (270-272). The actors impose new political and academic traditions whenever the disconfirming evidence—the status quo traditions—are weakened (Babb, 2013: 271). However, a unified theory on how policy ideas are first formulated by contingency is suggested by Kingdon, who was one of many who cultivated the foundation for the public entrepreneurship literature.

Improving public entrepreneurship with one of the cultivators of the theory may seem absurd, but Béland (2015) suggests otherwise. According to Béland (2015), Kingdon's work best describes how to reformulate public entrepreneurship and analyzes how new policy ideas are formed. Instead of changing the entire framework, Béland (2015) points out the step of "agenda-setting" that precedes the policy cycle, which includes the initiation, design, and implementation phases (3). In agenda-setting, three ideational streams lead an agent to develop an innovation for policy change. The problem stream is where a human agent discovers that there is a disconfirmation between the positional (structural and institutional) conditions and the agent's "conception of the ideal state" (Béland, 2015: 5-6). This mental process is where the agent translates these problems into workable ideational categories (Béland, 2015: 6). The policy stream is about an agent running through possible solutions for the problems and choosing an idea that integrates with the

"public sentiments" and "cultural context" in which the agent is embedded (Béland, 2015: 6-7). The political stream is related to the "events" (Béland, 2015: 7) or what Blythe (2002) terms as "uncertainties" (8). Béland (2015) claims that the political stream is where an agent finds the "window of opportunity" in which a policy idea can take hold and be institutionalized for an entrepreneurial process (7). These windows of opportunity are usually short-lived and elusive since they are triggered by unpredictable events in structural and institutional conditions. These three ideational streams are what Béland suggests as tools to understand the formation of policy ideas within agents under contingency.

The last amendment necessary for public entrepreneurship to analyze the BSEC is reframing the framework according to a different dependent variable. In public entrepreneurship, the central hypothesis is that new ideas cause a policy change in the public sector through an entrepreneurial mechanism. However, the research question is not about explaining a new idea's causal relation to a significant policy change; instead, the question aims to explain how a new idea of an agent caused the BSEC through a leadership mechanism. This suggests that the creation of the BSEC is not a policy change defined in public entrepreneurship; instead, the BSEC case is about a regional project. This statement is true for several reasons. Firstly, the BSEC's creation has both a public nature and carries a regional identity. As public entrepreneurship concentrates only on the public sector, the regional or foreign aspects are not considered. This public boundary led many public entrepreneur scholars to use cases from domestic politics, cultures, and institutions that are within the scope of the public sector (J. M. Lieberman, 2002; King & Roberts, 1988; 1991; 1992; Mintrom & Norman, 2009; Roberts, 1992; R. C. Lieberman, 2002). Hence, the BSEC is left in a position outside of the theoretical scope of public entrepreneurship since the economic cooperation also has an international (regional) character that includes both the public and the regional aspects. Regarding this problem, public entrepreneurship requires the element of foreign policy to which Köstem (2017) hinted through the concept of idea entrepreneurs who "aim to change the conceptual framework within which foreign policy is conducted" (723). Secondly, public policy change requires institutionalizing innovations and guaranteeing the survival of institutionalized innovation in the public sector.

However, since the BSEC is a regional institution, the implementation of the regional project requires domestic consent and agreement from the countries of the region willing to participate in the project.

Furthermore, the survival of a regional institution in a country's public sector is not essential since the establishment and continuation of the institution is based on a multilateral agreement. Hence, the BSEC is not adjustable to public entrepreneurship's implementation phase, which emphasizes only bureaucratic practices and the survival of a new policy idea in the domestic public sector (see Figure 1). Lastly, public entrepreneurs' understanding of change does not apply to the creation of the BSEC. The public policy change means a transformation in the public function of a course of action. However, the creation of the BSEC contributes to shaping a regional order, which composes of regionalism—regional integration led by state actors—and regionalization—regional integration realized and promoted by non-state actors (Börzel & Risse, 2016; Söderbaum, 2016). Therefore, as much as the BSEC could have been a part of the new Turkish foreign policy, it is also an independent regional contributor that can impact regional and state functions. For public entrepreneurship to embrace the creation of the BSEC, it needs to translate the dependent variable from policy function to the BSEC project by accepting the regional, multilateral, and influential aspects of the case.

To reform public entrepreneurship with respect to the BSEC case, I devised a new theoretical framework called regional entrepreneurship. Based on Parsons' (2007) two-step analysis of ideational elements, I divided the causal process of the BSEC's creation into two steps as well. As shown in Figure 3, Step 1 consists of three phases. The first phase is the identification of the changes in preexisting positional conditions. The preexisting positional conditions are identified as structural and institutional settings prior to the formation of the new regional project idea. In this process, the changes in structural and institutional conditions are assumed to be caused by unpredicted, abrupt historical events that disarrange the previous status quo (Blythe, 2002). For the research, I defined the structural condition as the international system (or order) and institutional condition as Turkey's domestic institutions based on political economy. Hence, the first phase is about discovering

the changes in international structure and Turkey's institutions before the formulation of the idea on the BSEC project. The second phase is the acknowledgment of contingency that was provided by the changes in the preexisting positional conditions. In short, this phase is an acceptance that there were possible alternative ideas to the BSEC project when the changes occurred. The third phase is the most important part of the Step 1 analysis because it focuses on how a human agent formulated the BSEC project idea amidst the contingency. Through the problem, policy, and political streams, human agents narrow the range of different ideational options to resolve the mismatch of the agent's desired state and reality. From the contingency, the agent chooses an idea to reform the structural or institutional dissonance to the condition which the agent perceives as acceptable (Kingdon, 1984, cited in Béland, 2015). The human agent who formulates the new regional project idea is considered as the Idea Generator, who is linked to the second step of the regional entrepreneurship framework.

In Step 2 of regional entrepreneurship, the Regional Entrepreneur is the main agent, who is conceptualized as the one who oversees all phases of entrepreneurship while interacting with actors and agents with different roles. In other words, a regional entrepreneur is one who plays the leading role in translating a regional project idea into an actual institution by interacting with different individuals. Furthermore, a regional entrepreneur is one who also has the administrative and resource capabilities to facilitate the entrepreneurial process of the new regional project idea. In the Formulation/Acceptance phase, a regional entrepreneur interacts with the idea generator from Step 1. The entrepreneur either participates in the idea formulation process or simply accepts a regional project idea produced by the idea generator. Then, in the initiation phase, the entrepreneur interacts with a Proposal Redactor, who designs the new idea into a workable proposal or draft. The entrepreneur's role is to provide a platform or set of resources for the redactor(s) so that the new idea is ready to be practiced. The practice phase is where the entrepreneur works with a Regional Project Advertiser to go on diplomatic missions, such as meetings and negotiations, to promote the proposal or draft made in the initiation phase. The entrepreneur could conduct the missions as well but would usually be accompanied by diplomatic experts or other related individuals with different professions. The
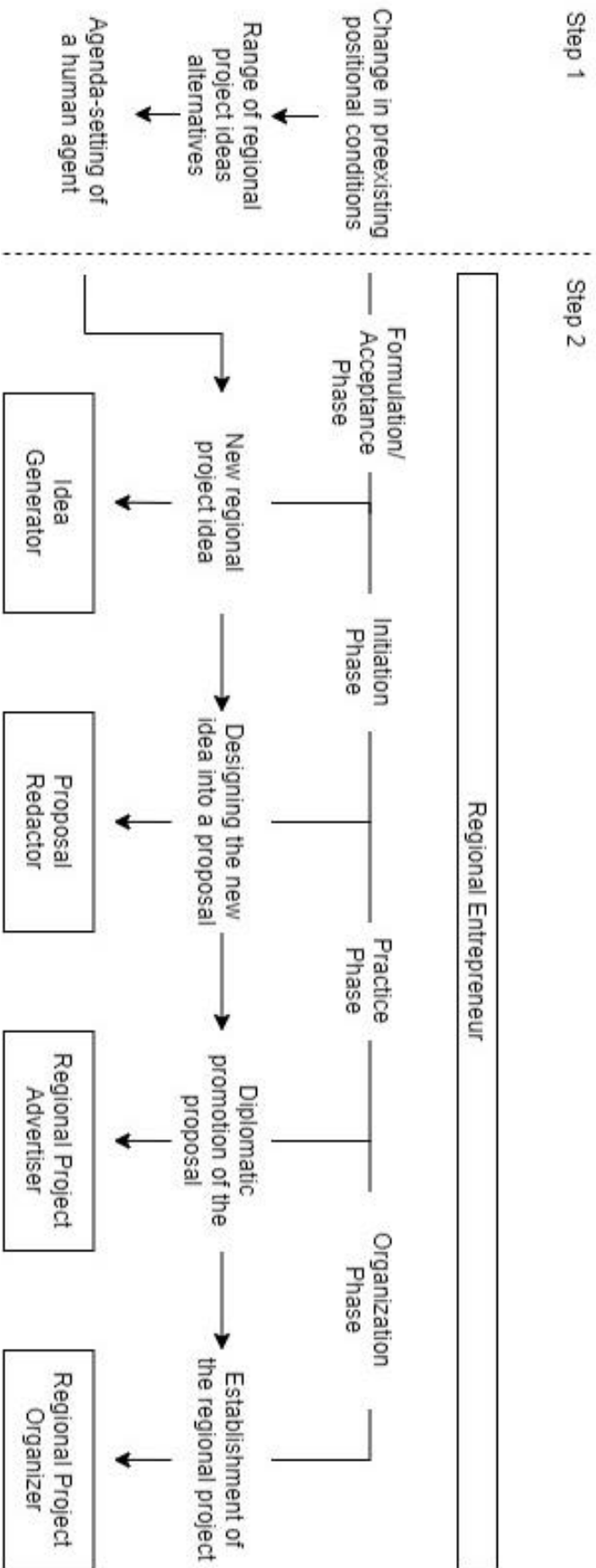
last phase is the organization phase, in which the entrepreneur arranges a multilateral platform for the regional project to be institutionalized with the official presence and agreement of the country representatives who are willing to be participants of the project. In the arrangement process, the entrepreneur interacts with a Regional Project Organizer, who partakes in the organization of an international (regional) meeting for the signing of an official document to legalize the institutionalization of the regional project proposal. An important side note for Step 2 is to recognize that the different roles mentioned in the four stages can be an individual, but it is likely that they are a group of individuals. Moreover, an individual or group of individuals can also partake in different roles as well. The difference between these individuals and the regional entrepreneur is that the latter not only interacts with each different role but also *bridges* the different individuals and roles together. This is the leadership aspect of a regional entrepreneur in translating a regional project idea into a regional institution.

3.4 Hypothesis and Methodology

To answer the research question with regional entrepreneurship, I used qualitative methodology. Since the research is based on the single case study of the BSEC, I found qualitative methodology as a relevant approach to explain outcomes within the BSEC case. Also, the element of particularity rather than generality in this research made qualitative inquiry more attractive. As a qualitative tool, I chose historical process tracing to test regional entrepreneurship in the BSEC case. With process tracing, I researched to discover and explain the antecedent conditions and internal causal mechanisms between the BSEC project idea and the institutionalization of the organization in 1992.

According to the regional entrepreneurship framework, the independent variable is a human agent's (potentially a regional entrepreneur's) new idea for a regional project. The dependent variable is the establishment of the regional project. There is also an antecedent condition to the causal relationship between an agent's idea and a regional project's establishment. Furthermore, the regional entrepreneurship framework claims an entrepreneurial mechanism exists between an agent's idea and the creation of a regional project. In short, the regional entrepreneurship theory

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comprises an

Figure 3: Regional Entrepreneurship

Step 1	Step 2

Regional Entrepreneur

Change in preexisting positional conditions

Range of regional project ideas alternatives

Agenda-setting of a human agent

Formulation/ Acceptance Phase

New regional project idea → Idea Generator

Initiation Phase

Designing the new idea into a proposal → Proposal Redactor

Practice Phase

Diplomatic promotion of the proposal → Regional Project Advertiser

Organization Phase

Establishment of the regional project → Regional Project Organizer

antecedent condition (contingency provided by the changes in the preexisting positional conditions), an independent variable (an idea for a regional project), a causal mechanism (entrepreneurial process), and a dependent variable (institutionalization of a regional project).

Hence, the main hypothesis of regional entrepreneurship is as follows: The role of Özal's leadership was to bring together different individuals from diverse backgrounds as a regional entrepreneur to establish the BSEC. I subdivided this hypothesis into two sub-hypotheses to separate the two steps in the regional entrepreneurship framework. The first sub-hypothesis is that a human agent formulated the BSEC project idea from the contingency provided by the changes in preexisting positional conditions. The human agent is not specified as Özal as the formulation of the BSEC project idea can be done by anyone with interest and expertise in such a regional project. The preexisting conditions refer to the international system or order and Turkey's domestic institutions relating to political economy prior to the formulation of the BSEC project idea. More specifically, the weakening of the Cold War structure after the Malta Summit of 1989 led by Eastern Europe dynamics and Turkey's shift to neoliberal institutions after the coup of 1980 led an agent to formulate an idea for a regional project in the Black Sea region. The second sub-hypothesis suggests that Özal, as a regional entrepreneur, interacted with different actors and agents to translate the BSEC idea into an established organization. In this sub-hypothesis, it is presumed that Özal participated in all four phases of formulation/acceptance, initiation, practice, and organization to create the BSEC.

In order to test whether the hypothesis and the two sub-hypotheses are true, I presented the historical narrative on how the BSEC was created according to the regional entrepreneurship framework. I used archival (primary) sources by mainly looking into news reports, legal and parliamentary documents, especially in the timeframe of Özal's presidency (1989-1993). As secondary resources, I incorporated academic works and second-hand interviews to understand the historical context and Özal's particularity in creating the BSEC. While constructing the narrative, I also conducted both hoop tests and smoking gun tests according to the resources I

collected to prove whether the sub-hypotheses are acceptable. To conduct the tests, I framed multiple questions and answered them based on the historical narrative I constructed. I decided to use hoop tests for parts of the two sub-hypotheses' causal chain that were necessary conditions—conditions that need to exist for the hypothesis to hold true (Mahoney, 2015)—in leading to the formulation of the BSEC project idea and its establishment.

In the first sub-hypothesis (H_1) based on Step 1 in the regional entrepreneurship framework, I conducted four hoop tests. The first hoop test is whether the changes in the Cold War structure and Turkey's political economic institutions did occur. These changes are necessary as they provide the contingency so that a human agent finds a disharmony between his ideal reality and the actual world he is embedded in (Blythe, 2002; Parsons, 2007). Without the changes, there is no stimulation for an agent to suddenly select an alternative idea that opposes the status quo condition. The second hoop test is whether a human agent went through the process of agenda-setting to depict the problem, policy, and political streams so that the agent selected specifically the BSEC project idea from other alternatives. This scenario is necessary since the formulation of the BSEC project idea is decided and processed through the agent's ideational perspectives and mechanism. If an agenda-setting process is not conducted by a human agent, there cannot be an ideational product, such as the BSEC project. The third hoop test is whether a human agent was present to formulate the BSEC project idea. The existence of a human agent (either a regional entrepreneur or not) is essential for there to be a concrete ideational entity to conduct agenda-setting and decide a new idea. The non-existence of a human agent means that there is no entity to select a new idea amidst a range of opportunities within contingency. The last hoop test is whether the BSEC project idea existed. This inquiry is simple yet crucial for the second step of regional entrepreneurship; if the BSEC project idea is not proved to exist, the entire entrepreneurial phases of Step 2 are nullified.

The second sub-hypothesis (H_2) includes four hoop tests. The first test is whether the BSEC existed from a historical standpoint. Although this inquiry may seem unnecessary for its obvious answer, it is important to verify the hypothesis. If the

organization was not established, it means that there is no dependent variable for this research in the first place. The second test is whether Özal participated in all four phases of the entrepreneurial process in establishing the BSEC. The four phases include formulation/acceptance, initiation, practice, and organization phases that involve different actors and agents as well. The failure of the second hoop test presumes two different alternatives. The first alternative is that Özal's leadership led to the foundation of the BSEC through a different mechanism other than regional entrepreneurship. The second alternative is that another regional entrepreneur other than Özal established the BSEC. Ultimately, all the hoop tests are conducted to see if H1 and H2 are true; if they are proven to be true, then my argument that Özal's leadership created the BSEC through the regional entrepreneurship process would be a credible answer to the research question. The detailed results of the tests are found in the following chapter.

CHAPTER IV

THE HISTORICAL PROCESS OF
THE CREATION OF THE BSEC

This chapter is about constructing a historical narrative on the process of BSEC's establishment in 1992. The primary sources used in the chapter include archival documents from The Grand National Assembly of Turkey and newspaper articles that different Turkish press companies published. In the case of secondary sources, second-hand interviews and academic materials are used. This chapter aims to use primary and secondary sources to describe and explain the BSEC's creation with the regional entrepreneurship framework. In the first section, I narrated the structural and institutional changes that occurred before the conception of the idea on a BSEC. I view that this evidence is insufficient as well. In the second section, I explained how the idea evolved into a regional institution, the BSEC, through the regional entrepreneurial mechanism. In order to analyze whether the two hypotheses are true, I question the historical narrative with hoop tests in the last section. Conclusively, according to the hoop tests, both hypotheses fail to be true. However, I suggest that adjustments to the regional entrepreneurship framework can better explain how Özal created the BSEC not as a sole actor but as an interactive agent.

4.1 Structural and Institutional Changes

In regional entrepreneurship, structural and institutional changes are not direct causation of creating an idea for a regional project. Instead, the positional changes simply dispose of a range of ideational options a person can choose from to formulate new ideas. This section provides a historical narrative according to the

changes in international structure and Turkey's domestic institutions that led to a contingency (uncertain range of options) from which Özal chose the BSEC idea. The timeline for the changes in the international structure is observed from the fall of the Berlin Wall in November 1989, while Turkey's institutional changes were described from the military coup on September 12, 1980.

4.1.1 Changes in Turkey's Political Economic Institutions

Prior to the 1980 military coup on September 12, Turkey's domestic order was in critical instability to the point of political anarchy, uncontrolled violence, and economic failure (Hale, 2013: 119). As the internal disorder within Turkey had become uncontrollable, discussions were made amongst Turkey's military circles. By ordering the Deputy Chief of the General Staff, General Haydar Saltık, to write a report on whether it was an appropriate time for the military to intervene, Chief of staff General Kenan Evren began to prepare for intervention since September 11, 1979 ("Evren, darbe için," n.d.).[3] On December 21, 1979, with the arrangement made by Land Forces Commander Nurettin Ersin, Evren met with other Commanders of the Military Academy in Istanbul to discuss the options about the situation in Turkey ("Evren, darbe için," n.d.). After few days from the discussions amongst the commanders, Evren sent two letters to President Fahri Korütürk to warn him and the government about the mixture of opinions of the military. The framework for military intervention became apparent in March 1980 as the working groups set by General Saltık reported that it was time to plan a "chain of command" to bring order ("Evren, darbe için," n.d.). Few days before the coup, MIT Undersecretary Lieutenant General Bülent Türker and Deputy Chairman of the Constitutional Court Emin Paksüt were noticed in advance about the military intervention by Evren ("Evren, darbe için," n.d.). Then, on 12 September 1980, Operation Flag (Bayrak Harekâtı) was commenced ("Evren, darbe için," n.d.), and the interim technocratic government was established according to Article 34 of the military by-law to preserve and protect the Kemalist regime in Turkey (Laçiner, 2009: 154). The 'clean-up' was based on Turkish National Security Council's (NSC)

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[3] An account from Bülent Ruscuklu, who was the in National Intelligence Organization (MİT) and conducted interviews with General Evren to understand the planning of the 1980 coup.

first communiqué: "to preserve the integrity of the country, to restore national union and togetherness, to avert a possible civil war, to re-establish the authority of the state and to eliminate all the factors that prevent the normal functioning of the democratic order" (Dagi, 1996: 125). As NSC's Chairman, Evren asserted the idea of Kemalism as well by stating the new interim government would be "a liberal, democratic, secular based on the rule of law, which would respect human rights and freedoms" (Dagi, 1996: 125).

As soon as Süleyman Demirel's government was overthrown by the military, Evren and other officials began suppressing Islamists, extreme leftists, and extreme rightists by forcing the associated organizations to be dismantled (Hale, 2013: 119). Furthermore, the dissolution of political parties, imprisonment of Bülent Ecevit, and repression of human rights and freedoms were commenced by the military (Dagi, 1996: 130). In other words, to establish a conservative Kemalist agenda, absolving all political and societal threats to the new Kemalist (Atatükçülük) regime seemed necessary (Laçiner, 2009: 154). With the military's goal to restore a civilian government, which was advocated and pressured by the European Community throughout 1981, the interim government and Evren, who was also the Head of State, proposed a new constitution (Dagi, 1996: 131; Laçiner, 2009: 155). The new constitution was passed in November 1982 by a referendum, and Evren was appointed as the President along with abolishing two old political parties and banishment of all pre-coup political leaders from entering the political arena (Laçiner, 2009: 155-156). Since the referendum fixed the next election in 1983, Evren also prepared as the leader of the Nationalist Democracy Party, NDP (Milliyetçi Demokrasi Partisi, MDP). However, in the election of 1983, Evren's party was defeated by the Turgut Özal's Motherland Party, MP (Anavatan Partisi, ANAP) that won 45% of the total seats in the parliament (Laçiner, 2009: 156). This was possible through ANAP's "hybrid ideology combining elements of liberalism, conservatism with strong Islamist connotations, nationalism, and welfarism" and Özal's unique links to "transnational financial network" and "strong base of domestic political support" (Öniş, 2004: 117, 118). Since there were no other influential political oppositions other than the parties set by the military due to the eradication

of pre-1980 political parties, Özal and ANAP were able to gain more votes (Laçiner, 2009: 159).

Before the 1983 election, Özal was already a well-known technocrat in bureaucratic, business, and international circles. He had been given the roles of Planning Committee Secretary (Planlama Komisyonu Sekreterliği) in 1958, Deputy General Manager of the Electric Works Study Administration (EIEI) in the 1960s, Undersecretary of the State Planning Organization, SPO (Devlet Planlama Teşkilatı, DPT) between 1967 and 1971, consultant of the World Bank from 1971 to 1973, and Undersecretary of Prime Minister Demirel in 1979 ("Presidency of the," n.d.). During the interim government period (1980-1983), Prime Minister Bülent Ulusu and other military elites saw the need for economic success to establish the groundwork for Turkey's future stability. Hence, they appointed Turgut Özal as the Deputy Prime Minister of economic affairs (Laçiner, 2009: 155) along with other liberal reformers for the economy. Since Özal had both professional experience and understood international economic, political trends (Ertosun, 2015: 209-210), NSC saw that Özal was a valuable asset for the new government as he had "extra-ordinary attributes as a technocrat respected both in national and transnational circles" (Öniş, 2004: 116). Since the military was on a quest to reestablish the Kemalist order with liberal capitalism, Turkey's economic system was reformulated based on a free capital market with Özal's contribution. In 1982, after the bankers' crisis, Özal was forced to resign from his position as Finance Minister Kaya Erdem under Özal's administration (Öniş, 2004: 116), and he later created ANAP to run for the 1983 elections in which he won.

After the victory in the 1983 elections, Özal and ANAP began implementing the neoliberal policies presented in the 24 January Decisions. The 24 January Decisions included the transformation from import substitution economy to export-oriented economy, the liberation of interest, pricing mechanism, and foreign exchange rate, abolishment of pricing controls, removal of subsidies, privatization of government enterprises, and encouragement of foreign direct investments (FDI) (Yüksel, 2017: 258-259). In order to facilitate the export-oriented economy in Turkey, Özal started the capital account liberalization process, which was finalized in 1989, and

committed to privatization of state-owned enterprises (SOEs) since 1984 (Karadağ, 2010: 14, 17). In terms of overall public privatization processes, Konya Chambers of Commerce (2009) reported that Turkey had "780 public institutions and public shares […] privatized since 1985" (as cited in Yüksel, 2017: 263). Moreover, Özal also took fiscal austerity measures by reducing public spending and implementing the value-added tax (VAT) system in 1985 (Karadağ, 2010: 14). After implementing neoliberal reforms, Turkey increased its exports from $2.9 billion US dollars to 12.9 billion US dollars between 1980 and 1989, and the ratio of industrial goods to total exports increased from 36.0% to 78.2% between 1980 and 1989 (Karadağ, 2010: 14).

Although political and economic institutional changes were based on a liberal market economy and democracy to some degree, Özal's economic policies were not strictly neoliberal. He promoted "popular capitalism" that mixed market economic policies and populism, especially in state-business relations (Öniş, 2004: 118). Examples are Özal's preference for flexible government spending by proliferating extra-budgetary funds (EBFs) and ignorance on transparency and accountability that led to increasing corruption (Öniş, 2004: 120-121). The creation of the Social Assistance and Solidarity Encouragement Fund (Fakir Fukuya Fonu) in 1986 was one of the ways Özal would have an independent budget aside from the democratic control as the management was subordinated to the Prime Ministry ("Fakir-Fukara Fonu," 1986: 7). Also, Özal had led practices of fictitious exports based on export subsidies, which were export tax returns (Öniş, 2004: 122). Şarık Tara, the founder of ENKA construction company, also commented that Özal seemed to take lightly of those fictitious exports, which were entirely unfair tax refunds that encouraged negative rent-seeking behaviors of ingenuine exporters (Tüzün & Muratli, 2014: 108). Furthermore, Özal seems to ignore the democratic processes of the legislature even though he was a supporter of democratization as well:

> At one level, he was critical of representative institutions such as the parliament and wished to by-pass such institutions for the sake of speedy implementation of the reform process. Yet, at the same time, he was critical of classical bureaucracy and what he wanted to accomplish was to reduce the excessive autonomy enjoyed by the predominantly étatiste bureaucratic elites and render them truly accountable to elected politicians, as the true representative of the public (Öniş, 2004: 121).

This combination of neoliberalism and populism ideas and the "political field that was void of political competitors" in Turkey after the 1980 coup, Özal found himself an opportunity to implement the neoliberal policies faster and more effectively as he ignored specific democratic and liberal economic values. This institutional shifts in trade (import substitution economy to export-oriented economy) and finance (complete liberation of capital accounts in 1989), as well as the continuity of state-business production institutions (fictitious export subsidies and Turkish state's influence over Turkish businesses), established unique populist-neoliberal institutions in Turkey. This led Turkey into sharp democratic and economic deficiencies with increasing corruption, inflation, and current account deficits (Karadağ, 2010; Öniş, 2004). As the political economic reform was made unorthodox and under Turkey's particular environment, it was inevitable for Turkey to continue finding solutions in the world economy by searching for new markets (Karadağ, 2010).

4.1.2 The End of the Cold War International Structure

After the election of 1989 in Poland, which symbolized the end of the communist rule in the country, other countries from the Eastern Bloc participated in this wave of change (Chirot, 1999: 28-31). As Hungary saw that Poland was able to end the rule of the communist party in their country, Hungarians also removed the leader, Janor Kadar, and replaced him with Imre Nagy, who is known as a reformist ("USA Department of State," n.d.). As Hungary was on the road to change, it also opened its borders to Austria, in which a lot of East Germans, who were tired from low economic performances and unchanging policies of their communist government, escaped from their country to West Germany (Chirot, 1999: 31). Although the leader of East Germany, Erich Honecker, tried to preserve the country, the end of East Germany was perceived inevitable as the government "lost control over its population, and the rate of the flight was increasing at such a rapid rate" (Chirot, 1999: 32). Furthermore, Mikhail Gorbachev was steadfast in his decision not to support Honecker with Soviet forces to bring order in East Germany (Verdery, 1999: 74). Eventually, the Berlin Wall, the symbol of the iron curtain dividing the Western and Eastern Bloc of Europe, was dismantled on November 9, 1989.

The Malta Summit followed the fall of the Berlin wall on 2-3 December 1989. In the meeting, Mikhail Gorbachev, the Soviet leader, summarized the events unfolding in the Eastern Bloc and the Cold War structure:

> […] we—in the USSR and the US—can do a lot together at this stage to alter radically our old approaches […] The world is experiencing a major regrouping of forces. It is clear that we are moving from a bipolar to a multipolar world […] The times are now very complex and therefore particularly crucial. The fact that Eastern Europe is changing in the direction of greater openness, democracy, and rapprochement toward general human values, and creating mechanisms for compatibility and world economic progress, all this opens unprecedented possibilities for stepping up to a new level of relations; a step utilizing peaceful, calm means ("The George Washington University": 7, 8, 30).

In Gorbachev's perspective, the international structure was going through change, and the Cold War context also seemed to be in transformation. One of the most significant changes for Gorbachev's perspective was the growing ineffectiveness of resorting to force. Furthermore, the USSR Foreign Minister Spokesman Gennadi Gerasimov was excited to share that "the Cold War has ended" ("Süperlerin pazarlığı," 1989: 15). To the changes happening in the Cold War structure, Turkey responded with uneasiness as they were still skeptical of the USSR's motivations. The State Department and the Ministry of Foreign Affairs were also unsure about the events unfolding in Eastern Europe and alert towards any abrupt relationship with the USSR (Türkiye Büyük Millet Meclisi, 2008).

There were still skepticisms from Turkey's side about the softening Cold War context since Turkey's relationship with the Soviets remained complex and pessimistic throughout several decades of the Cold War (Türkiye Büyük Millet Meclisi, 2003). Nonetheless, several key Turkish figures, especially those who were keen on a diplomatic window of opportunities, saw that the international tide was changing ever since Eastern Europe was going through change and the USSR taking different foreign and domestic policies. These figures and their perceptions are introduced in the later sections.

4.2 The Creation of the BSEC

The previous section showed the historical structural and institutional changes in both international and domestic (Turkey) historical contexts. However, the description of the changes in preexisting positional conditions is not an explanation of whether Özal created the BSEC. The changes simply present the contingent environment an agent is in to choose an idea to initiate. Hence, the following section introduces the historical chain of events on the origins of the idea on the BSEC. This is to test whether the historical accounts suggest that Özal was the regional entrepreneur—who is involved in the formulation/acceptance, initiation, practice, and organization process of a regional project—for the creation of the BSEC.

4.2.1 From Idea to the BSEC

Prior to the 1989 changes within the international system, several experts from Washington—political scientists like Albert Wohlstetter and Zbigniew Brzezinski and historians like Bernard Lewis—were concerned about the "delicate balance" between USSR's political system and Gorbachev's radical liberal reforms; the experts believed that a new international strategy should be formulated in case the USSR "collapses like a building" when the balance is broken (Güldemir, 1992: 9). According to Ayşen Başaran, secretary for Turkish Ambassador Şükrü Elekdağ in Washington, Elekdağ was aware of the changes in the international structure and perceived the potential fall of the USSR as a diplomatic opportunity for Turkey, especially to transform the Black Sea region into a cooperation zone (Güldemir, 1992: 9). Hence, Elekdağ had formulated a rudimentary idea for the BSEC project ever since 1988 (Güldemir, 1992: 9). Then, the symbolic fall of the Berlin Wall in November 1989 and the Malta Summit in December 1989 was reported in Turkish media and discussed with concerns and hopes about their impact on Turkey ("Süperlerin pazarlığı," 1989: 1; "Tek Almanya'ya giden," 1992: 3). Amidst the discussion on the dwindling influence of the Soviets in the Eastern Bloc, Elekdağ proposed a radical idea of building an economic cooperation organization with the USSR in the Black Sea region. His idea on the BSEC project was first officially proposed on January 9, 1990, as he recalls:

> I announced my proposal for an institutional cooperation between the countries in
> the Black Sea basin for the first time on January 9, 1990, at a panel meeting on

'Changes in the World and Turkey' organized by the Turkish Henkel Company. Mehmet Barlas, who was then a writer for Sabah Newspaper, Cetin Altan, a journalist writer, Albert Chernishev, Ambassador to the Soviet Union, and I attended this panel as speakers […] when I came up with the idea of the Black Sea Economic Cooperation at the meeting, there was silence in the hall and everyone began to wait for the Soviet Ambassador's comment on this crazy idea of the retired Turkish Ambassador (Türkiye Büyük Millet Meclisi, 2003).

In response to Elekdağ's "crazy idea," Chernishev's answer was succinct and positive: "I personally found Mr, Elekdağ's ideas very positive, but I don't know what Moscow would say" (Türkiye Büyük Millet Meclisi: 2003). Although Elekdağ's ideas were unconventional, his insights for new regional cooperation between the USSR and Turkey seemed attractive as he argued from the changes happening in the USSR and the Black Sea region. Elekdağ's persuasion was mainly based on the new opportunities presented by less aggressive tones between the two superpowers, especially from the USSR under Gorbachev, which was diminishing. He recalled his views to the changing international atmosphere as follows:

At that time, signs of disintegration in the Soviet Union had not yet surfaced. The Warsaw Pact, the opponent of NATO, was also standing. But the political climate was mild. It was noticed that Gorbachev's policies prepared the ground for a softening in Eastern Europe (Türkiye Büyük Millet Meclisi, 2008).

Although the Turkish political circles were skeptical about the Soviet's "softening" foreign policies, Elekdağ presumed that it was opportunistic and that no one dared to take advantage in Turkey. His argument about Turkey's reluctance to such opportunity is shared by a journalist, Cetin Altan, as he finished listening to Elekdağ's BSEC idea and Ambassador Chernishev's response:

I sensed that the world had changed, but I did not expect this much. A while ago, when I wrote an article on the occasion of the 50th anniversary of the Soviet Union, the public prosecutor asked me to be sentenced to three years. Now, look at the point we have come to. On one side of me is Şükrü Elekdağ, who was our Ambassador in America until a few months ago, and on the other side, we have the Ambassador of the Soviet Union Chernyshev, and we are here coming from communism and capitalism, and we're talking

about a cooperation that will bring the Soviets and Turkey together. I would love to have the prosecutor who tried to put me in jail with us now; what he heard here would probably have made him swallow his tongue (Türkiye Büyük Millet Meclisi, 2003).

Hence, despite the skepticism in Turkey about cooperating with the USSR, Elekdağ was keen on the historic opportunity to enhance economic partnership with the Soviets. Afterall, Elekdağ came from Turkish diplomatic tradition since he was a former Ambassador. Hence, he was keen on the dynamics occurring in the international arena in relation to Turkey. In his article, Elekdağ (1990) specifically pointed out the "softening of the international environment" was the reality as the Cold War traditions of brinkmanship and bloc separation were subsiding (2). From these structural changes, Elekdağ (1990: 2) stressed that Turkey needed to take advantage of the situation with the USSR rather than viewing the Soviets as a historical adversary. Eventually, the former Ambassador advocated for a change in foreign policy perspective embedded in the traditional Cold War context. Furthermore, Elekdağ recognized that "Turkish industrialists, exporters, engineers and contracting firms discovered the attractiveness and great potential of the markets of the Soviet Union and Eastern European countries" and they may be able to "exceed the limits of the opportunities" provided that organizations like the BSEC were established in the Black Sea (Elekdağ, 1990: 2). Another reason for developing the BSEC idea was to build a new identity for Turkey as the intensity of the Cold War was decreasing. Regarding the idea, Elekdağ stated that "After all, Turkey is as much a European and Middle Eastern country as a Balkan, Black Sea, Caucasian, Asian and Mediterranean country," which gives Turkey a unique opportunity in geo-economic and geo-political terms to make the country center of all the regions mentioned (Dorsey, 1993). He specifically chose the Black Sea region out of other regions for a regional economic project was the element of proximity to Turkey's borders and the opportunity to balance the Soviet naval power in the region (Elekdağ, 1990: 2). Therefore, from the changes in the Cold War structure and the growth of Turkish export communities (through neoliberal and state institutions), Elekdağ selected the Black Sea region as an opportunity to build a stronger bilateral friendship with the USSR, build a new central identity for Turkey as the Cold War

context was waning, and enhance the private sector in Turkey.

After a few months, Özal met with Elekdağ in a graduation ceremony and expressed his support for the BSEC idea. Elekdağ recalls:

> Turgut Özal, who was the president at the time, when he saw me at a graduation ceremony of a Military Academy in May 1990, said that he liked my idea tremendously and asked me for a detailed report on this [BSEC] matter. After reading my report, he enabled me to attend the meetings held to make this issue an official initiative and attended by the relevant ministers and senior bureaucrats. At these meetings, I had the opportunity to explain my views on the project in detail and presented many reports (Türkiye Büyük Millet Meclisi, 2003).

The appraisal of the BSEC idea by Özal was the gamechanger in translating the idea into a workable proposal. This was a critical encounter also because Turkey's Ministry of Foreign Affairs and the State Department saw that the BSEC idea was not possible concerning the USSR (Elekdağ, 1990: 2; Türkiye Büyük Millet Meclisi, 2003). Hence, when Elekdağ needed a political steward for his ideas to be proposed as a regional project, Özal intervened at the right moment to accelerate the translation of the idea into a project. Although Elekdağ recalls that his ideas were doubted by many Turkish bureaucrats and ministers, there were many who accepted the BSEC project after Özal began to initiate the idea. Sencer Emir, Chairman of the board of General Directorate of Iron and Steel Works, remembers supporting the BSEC idea as follows:

> The Black Sea Economic Cooperation Organization was an idea that originated from [Turkey's] relation with Russia. While I was talking with him [Özal], I remember saying this; the Treaty of friendship between France and Germany in Europe formed the basis of the European Union […] However, they did not include many other countries in the beginning. They started out with a very limited capacity. This means that the European Union's basis was the Franco-German friendship […] Now, when we talked about this [European Union's foundation and collaboration], we discussed whether a similar work could be done between Turkey and Russia […] as Germany and France were initially enemies but became friends, we thought we [Turkey] could convene with Russia with a win-win mentality to adjoin forces together to establish a new economic union [emphasis added]

(Ertosun, 2015: 228).

Mehmet Keçeciler, one of the founding members of the Motherland Party, also agreed that Turkey needed to create the BSEC for economic gains. By referring to Özal's role, he recalls:

> Turkey had to enter an economic union. The most suitable, the most available place was there [Islamic Union and European Union]. However, we were not to be bounded there either. Because if they felt that we were forced to be there, they would have us rooted out. This is why we established the Black Sea Economic Cooperation […] Turgut Bey would say, "If we have an economic interest there, we enter the place where we have economic interests [emphasis added]" (Ertosun, 2015: 153).

Tanşuğ Bleda, the Deputy Undersecretary of the Ministry of Foreign Affairs, also supported the idea on the BSEC's establishment as he recalls: "At present, Europe is going through a dramatic phase of its history […] major political and economic transformation in the Soviet Union and in Eastern Europe that was inconceivable in the past has now become a reality" that gave Turkey "a historic opportunity" that she "must seize it with both hands" (Bleda, 1991: 22). Hence, the officials residing in different offices also began to accept the BSEC project proposed by Elekdağ under the guidance of Özal.

Within two months after May 1990, under the orders of Özal, the Ministry of Foreign Affairs and Elekdağ drafted a declaration for a Black Sea regional economic cooperation (Sabancı, 2013: 20-21). Meanwhile, Özal traveled to the USSR, Bulgaria, and Romania on day trips to consult and persuade the respective leaders on the BSEC idea (Sabancı, 2013: 21). Finally, on 19-20 December 1990, the USSR, Bulgaria, Romania, and Turkey representatives gathered to discuss and amend the draft on the BSEC project (Dikkaya & Orhan, 2004; Gençkaya, 1993; Hunter, 1999). According to Deputy Undersecretary of the Ministry of Foreign Affairs Tanşuğ Bleda, alongside the USSR representative came the representatives of Azerbaijan, Georgia, Ukraine, Moldova, Armenia, and Russia (the USSR was not yet dissolved at this stage) ("KEİB toplantıları başladı," 1990: 13). During the meeting, Bleda claimed that the talks were "very useful" for the following reasons:

There was a constructive exchange of views on the content of the overall
cooperation project, which should include inter-governmental cooperation fields as
well as nongovernmental cooperation schemes including the framework conditions
for the progressive liberalization of the free movement of businessmen, goods,
services and capital. All parties have agreed that a step by step approach in
attaining common objectives should be adopted, and that the project as a whole
should be open to the participation of all states which commit themselves to
observing the founding principles and which are unanimously considered eligible
[…] A decision has been reached to prepare jointly a substantial document which
will contain the essential principles guiding economic cooperation in the region. In
this context, Turkey has been entrusted with the duty of preparing a draft document
[…] Participants in the Ankara meeting also expressed their desire to see a summit
convened in Turkey at which the final document would be signed (Bleda, 1991:
21).

The USSR and Romania also gave positive feedback about the project, and the
Turkish representatives were happy about the results. The Democratic Nationalist
Liberation Front (FDSN), which was in power over Romania since 1989, was
primarily in favor of the BSEC because they believed that "Romania should not only
depend on the Western markets, but it also needed the other markets such as the
Middle East and the Balkans" (Sabancı, 2013: 23). However, Bulgaria was hesitant
to join the cooperation (Sabancı, 2013: 21). According to Bulgaria's Assistant
Foreign Minister, Stefan Staykov, Bulgarians were reluctant to implement the BSEC
due to the possible hindrance to Bulgaria's application for the European Community
by creating a "two-sided relationship" ("KEİB toplantıları başladı," 1990: 13).
Nonetheless, the four countries agreed to reconvene in Romania in February 1991.

After the meeting in December 1990, Özal and the Ministry of Foreign Affairs
continued their diplomatic efforts to establish the BSEC until the Spring of 1991. The
second round of meeting in Bucharest, Romania, on 12-13 March 1991 (which was a
month later than the expected date) and the third round of meeting in Sofia, Bulgaria,
on 23-24 April 1991 (Sabancı, 2013: 22). Moreover, on 27-28 May 1992, the
establishment of the Black Sea Trade and Development Bank was also discussed
(Sabancı, 2013: 31). Turkey continued to strengthen the bilateral ties with the USSR,
Romania, and Bulgaria and worked to establish an "active" Black Sea investment

institution (Çongar, 1991a: 13). Furthermore, the USSR leader Mikhail Gorbachev, Bulgaria's President Jelyu Jelev, and Romania's President Ion Iliescu planned with Turgut Özal to finish the planning of the BSEC by May 1991 at Moscow and signing the project in June 1991 at Istanbul (Çongar, 1991a: 13). However, according to Ambassador Chernishev, the countries other than Turkey were not ready to commence the BSEC yet by saying, "Turkey might be ready compared to other countries, but other Black Sea littoral countries are not yet ready for the [BSEC] development [emphasis added]" ("Çernişev: KEİB için," 1991: 13). Hence, the four leaders gathered months later than they had planned and concluded the foundational text for the regional project during the fourth round of the BSEC meetings on 11 July 1991 ("Karadeniz'de birliğe doğru," 1991: 11). In the finalized text, the original members of the BSEC were the USSR (including Russia, Azerbaijan, Ukraine, Armenia, and Georgia), Bulgaria, Romania, and Turkey, and the observers were accepted as Yugoslavia and Greece ("KEİB için anlaşma," 1991: 9). The final step was to have the countries gather in Turkey to sign the text and legalize the BSEC. According to a source proximate to the Prime Ministry, the USSR had signed the BSEC Summit Statement and that Özal was planning to declare the imminence of the BSEC's establishment with US President Bush in an economic talk on 20 July 1991 (Çongar, 1991b: 10). Although the BSEC project seemed to be institutionalized soon, the events in the USSR, especially the August coup, postponed the signing of the leaders from the USSR and Russia (Mikhail Gorbachev and Boris Yeltsin), which left the project to be "shelved away" for an unknown amount of time (Çongar, 1991c: 10).

With the USSR also dismantled after the August coup in 1991, the post-Soviet states became independent candidates for the BSEC program. Despite the disintegration, however, the countries were still optimistic about establishing the BSEC. Since Ukraine perceived the BSEC as an opportunity to be autonomous from Russian influence and advance its economic system, the Ukrainians were more committed to the project than the Bulgarians were (Sabancı, 2013: 23; Sezer, 1996: 83-89). As for Moldova, the country also desired to be freed from its energy and export dependence on Russia and solve Transnistria's territorial issues (Sabancı, 2013: 24). Russia also expressed its continued interest in the BSEC to establish close ties with Turkey and

exert its presence in the Black Sea (Sabancı, 2013: 25). Azerbaijan and Armenia also advocated creating the BSEC for economic and diplomatic reasons (Sabancı, 2013: 27). By gathering new and former candidate countries, the BSEC text written in July 1991 was revised and redrafted on 3 February 1992 (Sabancı, 2013: 26). Then, with Özal's insistence and his letter to persuade Greece to join the BSEC, Greece also accepted the project along with Albania just a month before the Istanbul Summit (Sabancı, 2013: 28).

In late June 1992, Armenia's President Levon Ter Petrosyan arrived in Istanbul as the first leader to prepare for the signing of the BSEC project (Güldağ, 1992: 1). The President communicated that he was also looking forward to having talks with Azerbaijan's leader, Abulfaz Elchibey, during the summit in Istanbul about the issues of Karabakh (Güldağ, 1992: 1). Between 24 June and 25 June, the rest of the leaders from 11 countries convened in Istanbul to sign a declaration to create the BSEC. Both Bulgaria's President Jelyu Jelev and Azerbaijan's President Elchibey came to Istanbul after Petrosyan's arrival; upon his arrival, Elçibey responded to Armenia's hope for a bilateral meeting with a lukewarm attitude and told that he was not sure if the talks would take place, but he eventually met with the Armenian leader (Akyol, 1992: 1, 16). Moldova's Prime Minister Mircea Snegur also stated that he was planning to have a summit meeting with Russian, Bulgarian, Romanian, and Ukrainian leaders during the Istanbul Summit to talk about the conflicts in Moldova (Akyol, 1992: 16). After Greece's Prime Minister Konstantinos Mitsotakis and Russian Federation's President Boris Yeltsin arrived, the Turkish Minister of Foreign Affairs, Hikmet Çetin, met with the Greek Prime Minister on the issues of Cyprus and stated to Greek journalists that the talks were optimistic (Akyol, 1992: 16). As leaders from 11 different countries began to gather in Istanbul, they all made statements to show that they were willing to sign the BSEC and resolve bilateral and multilateral conflicts in the Black Sea region.

On 26 June 1992, the Turkish Prime Minister, Süleyman Demirel, declared that all participating countries signed the BSEC declaration (the Bosphorus Declaration) in the Çırağan palace to make the Black Sea "the sea of peace, stability, and welfare" (Akyol & Geray, 1992: 1). During the Summit, the leaders discussed and agreed on

creating Black Sea Trade and Development Bank, appointing the General Secretariat as Oktay Özüye from Turkey, and setting up institutions for effective exchanges amongst the private sectors from each country (Akyol & Geray, 1992: 16; Güldağ, 1992: 1). After all, it was Özal who desired the BSEC project to be initiated by states but eventually led by the public sector with minimal state intervention (Sabancı, 2013: 21-22). Although there was an appraisal of Özal by Georgia's leader, Eduard Shevardnadze, that the Istanbul Summit and the BSEC project was "Özal's plan," the architect of the project was nowhere to be seen in the ceremonial signing due to the 'scandal' (Arcayürek, 1992: 1, 17). *Milliyet*, a Turkish news agency, published s an article titled "Özal Skandalı" ("The Özal Scandal") in June 1992. In the article, it was written that Özal refused to sign the Black Sea Economic Cooperation Agreement and left Istanbul to head to Marmaris after having an "argument" with Prime Minister Süleyman Demirel about who should represent Turkey to sign the BSEC agreement (Özal skandalı, 1992: 1). *Cumhuriyet*, another Turkish news agency, summarized the event as "Özallar Küstü Gitti" (a slang way of saying "The Özals were Offended and Left") to show that Özal was vexed by Demirel's silent refusal of Özal's request to be part of the signing of the BSEC agreement ("İçde kriz, dışta skandal," 1992: 1). When the two Turkish statemen could not agree upon the issue, Özal simply declined to be present in the meeting and left the stage which he had prepared for an extensive period. Although all the invitations were sent out by Özal himself, he decided to leave the host position vacant ("İçde kriz, dışta skandal," 1992: 1).

It is presumed that Özal and Demirel discussed "who would sign" as early as 23 June when there was an NSC meeting. In Demirel's account, Özal made a joke about the Black Sea and wanted to make it in the opening speech of the Istanbul Summit ("Ben de misketlerimi," 1992: 13). Demirel said he was not fond of the idea and turned down Özal's request, which led Özal to be upset and leave Istanbul before the Summit ("Ben de misketlerimi," 1992: 13). On the other account, however, Semre Özal, President Özal's wife, responded to Çetin's call by saying, "I do not think Turgut Bey will accept any of the proposals [requests from Demirel and Çetin to Özal about Özal's role in the summit]. That responsibility does not fall under the Prime Minister [Demirel] as long as the President [Özal] is standing [emphasis

added]" ("Ben de misketlerimi," 1992: 13). In her statement, Semra Özal was implying that there was something Özal wanted to do, but Demirel was not allowing for Özal to do so. It may have been Özal's desire to make the joke in the opening ceremony that created the conflict. However, in the conversation with Çetin before the signing of the Bosphorus declaration, Özal was clear that he desired to participate in the Istanbul Summit's signing process: "Let both of us [with Demirel] sign it [the Bosphorus Declaration]. I have no objection to this. As you [Çetin] know that I started the BSEC […] if I cannot sign, then I would not participate [the signing ceremony] and leave [emphasis added]" (Arcayürek, 1992: 1). In response, Çetin tried his best to persuade Özal to come and be a responsible host since it was Özal who sent the invitation to other leaders. However, when Özal did not show up to the declaration ceremony and the reserved meetings with other leaders, Çetin (1992) harshly criticized Özal by quoting another minister: "it was like the owner of the house made a whim towards the guests" (5). Eventually, Demirel and Çetin had to maneuver through the abrupt absence of the host by preparing the feast and talks that Özal had planned and dismissed.

As if the tension with Demirel was not enough, Şükrü Elekdağ, the idea father of the BSEC project, wrote a letter of complaint to Özal through *Milliyet* titled "An Open Letter to President Turgut Özal" three days after the 'scandal.' The main idea of the letter is as follows: "Regarding my first idea about creating a multinational institution based on economic cooperation with countries around the Black Sea . . . there were neither explanations nor statements made [about my involvement in the Summit]. In this respect, my right to have ownership of the idea of BSEC should be granted to me and recorded throughout history [emphasis added]" (Elekdağ, 1992: 13). In other words, Elekdağ expressed his disappointment towards Özal since he was neither invited nor recognized in the Istanbul Summit to create the BSEC. In response, Özal's spokesman, Kaya Toperi, had to soothe Elekdağ's discontentment by publishing a statement: "As it is known or should be known, in this type of meetings [Istanbul Summit for BSEC Agreement], it is not the President nor the Presidency responsible for sending invitations but the foreign ministry . . . the President has always valued the efforts made by Sir Elekdağ regarding this subject [emphasis added]" ("Özal'dan Elekdağ'a," 1992). It seemed that Elekdağ was

contesting with Özal on who had initially created and initiated the project.

In the end, the Bosphorus Declaration was signed despite the conflicts between Demirel and Özal, as well as Elekdağ and Özal. Even though the Bosphorus declaration did not grant the BSEC a fully-fledged legal character to be a legitimate regional organization, the BSEC was still perceived as a "de facto organization" since the heads of state and government signed the declaration (Sabancı, 2013: 29). There were more institutional bodies to be designed and established after the Istanbul Summit, such as the BSEC Business Council (BSEC BC) in the Fall of 1992, Parliamentary Assembly of the BSEC (PABSEC) in February 1993, Permanent Secretariat of the BSEC in December 1993, and the Black Sea Trae and Development Bank (BSTDB) in June 1994 (Sabancı, 2013: 30-33). By 1998, the signatories of the Bosphorus Declaration of 1992 gathered to agree on the BSEC Charter in the Yalta Summit to grant a legal character to the BSEC as a regional organization (Sabancı, 2013: 39-44). Hence, it may be an exaggeration that the BSEC organization was created on 24-26 June 1992; however, the basic declaration that all member states' leaders agreed was signed in June 1992 that established the general agreement that BSEC was institutionalized. The rest of the developments, including the BSEC Charter, signed in the Yalta Summit, are rooted in the Bosphorus Declaration of 1992.

4.2.2 The Private Sector and the Creation of the BSEC

As Elekdağ introduced the idea on the BSEC with his version of "Black Sea Cooperation and Welfare Region (Karadeniz İşbirliği ve Refah Bölgesi)" (Elekdağ, 1990: 2), there was another group of individuals from the private sector and business circles that laid the foundation for the BSEC project. According to Buğra (1994), large holding companies (or "multi-activity firms") began to contribute greatly to the export sector during the Motherland party's rule by forming a close relationship with Foreign Trade Companies to the point that the "share of Foreign Trade Companies in total exports reached around 50 percent" (182). Furthermore, the holding companies were active in the financial and banking sector as banking regulations changed after the 1980 coup, and they also established multiple joint ventures with foreign companies to increase foreign direct investments (Buğra, 1994: 183). The growth of

Turkish holding companies and their influences in the export sector facilitated the integration of Turkey into the global market. Laçiner (2009) also emphasized that the Turkish businessmen began to diversify their exports other than the European Community by interacting with markets in the Middle East (especially with Iran, Iraq, Libya, and Saudi Arabia), the U.S., the Balkans, Russia, and Central Asia (163). Moreover, these businessmen were influential enough to impose "their agenda on the state or manipulate the official foreign policy" (Laçiner, 2009:163). Lastly, the growth of TÜSİAD (Turkish Industrialists' and Businessmen's Association) is also noteworthy ever since the late 1970s and especially during the Özal administration. According to TÜSİAD's 1989 data, out of 405 companies, 144 companies joined the association between 1970 and 1989 (Buğra, 1994: 55); as a rapidly growing business association, TÜSİAD began to influence the economic policies of the Turkish state not only as a subject to the state but also as a potential pressure or interest group depending on the TÜSİAD chairman's approach (Koyuncu, 2003; 141). In sum, the private sector was on the rise and reached its heyday as Turkey entered the global market and was accompanied by major support from the Özal administration.

As much as the private sector had influence over the national policies, Özal was the one who enabled the private sector to grow. Ali Bözer, who was both the Deputy Prime Minister and Foreign Minister of Turkey, remembers that Özal personally invited and took Turkish businessmen across different countries to combine politics and commerce in his diplomatic trips (Ertosun, 2015: 13). On a similar note, Ekmeleddin İhsanoğlu, who was the chairman of Islamic History, Art and Culture Research Center, and Halil Şıvgın, who was the Minister of Health, also claimed that Özal was the one who helped the businessmen to win projects, accompany in political and economic meetings, and make contracts outside of Turkey which was very untraditional to Turkey's diplomatic traditions in the past (Ertosun, 2015: 56, 83). This shows that Özal also played an important role in guiding and supporting the private sector to play a significant role in building diplomatic and economic ties with other neighboring countries. Moreover, when planning the BSEC project, Özal initially desired the organization to be managed and administered by the private sector rather than the group of states (Sabancı, 2013).

Out of numerous holding companies, such as Koç, Sabancı, Tekfen, Ercan, and Akkök, ENKA is a great example in laying the foundation for the BSEC as well as participating in the creation process as well. Şarık Tara, the founder of ENKA İnşaat ve Sanayi A.Ş., contributed as an active international businessman to pave the way for the BSEC declaration signed in June 1992. He was one of the first businessmen who would conduct international business even before the neoliberal changes occurred during the 1980s in Turkey. By advocating the strength of an export-oriented economy, Tara continued to conduct business throughout the Middle East, North Africa, and the USSR (especially in Russia) (Tüzün & Muratli, 2014). According to Finance Minister Kaya Erdem, it would have been challenging to plan export-oriented institutions without Tara and ENKA's marketing experiences throughout the 1970s; the minister mainly denoted that the 24 January Decisions were made more practical and successful due to the experienced firms like ENKA on the fields of export businesses (Tüzün & Muratli, 2014: 104). Furthermore, Özdem Sanberk, foreign policy advisor to Özal (1985-1991) and Undersecretary of Foreign Affairs (1991-1995), commented that "[Tara] is one of the people who opened up the Turkish market" (Tüzün & Muratli, 2014: 148).

Tara was both an export-oriented business entrepreneur but also an admirer of democracy. He had a strong belief that "the rule of law and democracy would be strengthened to the extent that the Turkish economy became globalized and adjusted itself to the rules of competition" according to Hasan Cemal, a Turkish journalist (Tüzün & Muratli, 2014: 146). This idea of linking democracy and market economy was identical to Özal's neoliberal policies throughout the 1980s. As Tara and Özal were bounded with similar economic and political agendas, Tara was willing to support bureaucrats and other political figures as a "voluntary convoy" to conduct business with other countries and foreign firms (Tüzün & Muratli, 2014). Moreover, one of the most significant accomplishments of Tara was bringing Turkey to the world's economic stage in Davos (or World Economic Forum, WEF). Sanberk describes Tara's role as voluntary convoys:

> […] he [Tara] saw what an important platform the forum could be for businessmen, economic actors, major investors, economic writers and political mediators to get together. *Özal was not aware*. It was Tara and the young people around him, such as

> Selim Egeli [Özal's advisor and brother of Şerif Egeli, who was ENKA's
> Marketing General Manager], who told Özal what an important platform Davos was
> […] This was where Turkey entered the world stage. And *Özal saw that Tara had a*
> *role* [*emphasis added*] (Tüzün & Muratli, 2014: 157).

Yavuz Canevi, the Deputy Governor of the Central Bank in Turkey, also agrees with Sanberk that Tara's role was exceptional in presenting Turkey with new economic opportunities. He says that "I think it was Tara who *convinced Özal to go to his first meeting* [in Davos] […] In 1981 and 1982 we were returning to the market after deferring debt payments, so we felt the need to tell Turkey's story; we had contacts with bankers. Tara arranged for us to have meetings with European banks that we didn't know [*emphasis added*]" (Tüzün & Muratli, 2014: 157). Hence, Tara initiated Turkey's involvement in international economic forums like Davos to help the growth of the Turkish private sector and effectively implement the neoliberal agenda. This was important because Tara knew the tools to expedite the neoliberal process, which Özal and the Turkish Ministry of Foreign Affairs did not know.

Through his active voluntary commitment, Tara also helped the process of softening the Turkey-Greece relationship. After Decision 18364—the lifting of visa requirements for the Greek citizens—was passed by the Turkish government, Greece's Prime Minister Andreas Papandreou and Özal met in the Davos meeting in 1986 and had relatively positive talks (Tüzün & Muratli, 2014: 202). According to Sanberk, Decision 18364 was unilaterally commenced by Özal as Tara also influenced Özal by emphasizing Greek and Turkish relations (Tüzün & Muratli, 2014: 203). Nonetheless, the relationship between Greece and Turkey substantially turned hostile as the oil drilling issue was brought up in 1987, which almost brought two countries to the verge of armed conflict (Cowell, 1992: 1). In order to lower the tensions between the two countries, Tara first talked with Klaus Schwab, the founder and the executive chairman of WEF, to arrange a draft to bring peace between Greece and Turkey through economic cooperation (Tüzün & Muratli, 2014: 204). Then, Tara contacted few Greek businessmen he knew well, Carras and Ephraimoglu, to persuade Prime Minister Papandreou to participate in Davos to have talks and agreements with Turkey.

Furthermore, Tara met with both Prime Ministers from Turkey and Greece to convince them that their commitment to economic talks in Davos would bring both countries peace and opportunities. Papandreou was reluctant to join the meeting to talk with the Turkish counterparts; however, he decided to go to Davos when Tara personally came to persuade him. Papandreou recalls, "If I had not met him [Tara] in Davos in 1986, I would not have trusted him. The fact that I had met him personally showed me that I could trust his words" (Tüzün & Muratli, 2014: 205). In the end, both Özal and Papandreou met in Davos in 1988 to sign the Davos declaration, which prepared a foundation for a Greek-Turkish Business Council and support for each countries' private sectors to conduct businesses across the borders (Tüzün & Muratli, 2014: 207). Even though the tensions between the two countries were not quickly subsided, Tara's efforts provided an economic base for Greece and Turkey to work together. Even though Greece was not a littoral state of the Black Sea, Tara convinced Özal to involve Greece as he claims that "it [including Greece to the BSEC] was hundred percent my idea [emphasis added]" (Tüzün & Muratli, 2014: 212). Perhaps, this is why Özal was insistent on convincing both the Ministry of Foreign Affairs and Greek leaders to integrate Greece into the BSEC project. As Tara contributed to the Davos Declaration in 1988, he later talked with Özal about the BSEC project. With the belief that Greece was an important market for both Turkey and the BSEC project, Tara was not hesitant in persuading Özal about incorporating Greece within the BSEC framework (Tüzün & Muratli, 2014).

In conducting business in Bulgaria, Tara also contributed to the foreign affairs of Turkey. Although the harsh policies towards ethnic Turks were ameliorated with ousting of Bulgarian leader Todor Zhivkov on 10 November 1989 (Kalaitzaki, 2001: 282-283), Tara worked beforehand to enhance the economic ties between Bulgaria and Turkey. In the 1980s, Tara worked closely with Bulgaria's Foreign Economic Affairs Minister Christo Christov and Turkish leaders. On the assimilation of the Turks in Bulgaria, Christov comments that Tara helped him meet with Özal on the issue. Christov said, "He [Tara] is not only a great businessman, he is also a great politician […] He arranged a meeting with Turgut Özal for me; this meeting took place in Izmir and we discussed Bulgarian-Turkish relations. This important and interesting meeting was entirely organized by Şarık [emphasis added]" (Tüzün &

Muratli, 2014: 287). When Bulgaria and Turkey tried to settle the migration issue by implementing an adequate infrastructure for trade and transportation, Christov recalls that Tara made the negotiations easier:

> Şarık organized a meeting for me with Foreign Minister Mesut Yılmaz [...] I told him that I had come to discuss how to make trade relations between the two countries better and that we had other alternatives than passing through Turkey. But Yılmaz was not promising at that meeting. Şarık called me; I told him, 'The meeting was good, but your minister is very unhelpful,' and he said, 'Okay.' I continued my discussion with Undersecretary Tanşuğ Bleda […] With Bleda we agreed about everything […] We settled on how to continue business between Bulgaria and Turkey. I spoke with Bleda and Şarık spoke with Minister Yılmaz. […] After his talk with Şarık his approach was absolutely different; he was very nice. He said, […] 'As you are going to Istanbul, I would like to offer my assistance in organizing meetings with Koç and Sabancı.' I thanked him […] [emphasis added] (Tüzün & Muratli, 2014: 287).

Hence, Tara was eager to cultivate a positive political relationship between Bulgaria and Turkey, but he also helped Christov by persuading Turkish ministers to expedite economic projects with Bulgaria. Although the BSEC was signed under a different government in Bulgaria after Zhivkov was ousted, the economic foundation between the two countries made the agreements more feasible.

Tara worked in other areas as well, such as hosting the WEF meetings in Istanbul in 1986, facilitating Turkey's appearance in Aspen Institute Italia (an economic forum in Europe), providing insights and resources to establish the Board of Foreign Economic Relations (Dış Ekonomik İlişkiler Kurulu, DEİK), and leading both Turkish-Greek Business Council and Turkish-Japanese Business Council (Tüzün & Muratli, 2014). His overall effectiveness as a transnational businessman allowed Özal and his administration to utilize the neoliberal policies for domestic political economic institutions and export-oriented business strategies. Moreover, Tara had much influence on Özal as he received from him. Tara recalls that "he [Özal] definitely wanted to learn something and he used what he learned elsewhere. For example, during a conversation I used the phrase 'integrating the Turkish economy into the world economy,' and from then on, he always used that phrase" (Tüzün &

Muratli, 2014: 166). Therefore, Tara was a businessman but also a connoisseur of business diplomacy.

4.3 Turgut Özal: A Regional Entrepreneur?

According to regional entrepreneurship, the main hypothesis was that the changes in preexisting positional conditions lead an agent to choose an idea on a regional project, and the new idea is processed by a regional entrepreneur to establish the regional project. Hence, in the BSEC case, the main hypothesis is that the changes in preexisting positional conditions led an agent to formulate the BSEC project idea, and then Özal translated the idea into an actual organization as a regional entrepreneur. In order to simplify the procedure to conduct the hoop tests, I divided the central hypothesis into two. The following section analyzes and evaluates whether the hypotheses are valid according to the historical narrative I assembled.

4.3.1 First Hypothesis Test

The first sub-hypothesis (H_1) is that the change in the international structure (the softening of the Cold War context) and Turkey's political economic institutions (rise of populist, neoliberal institutions) led to a contingency and an agent formulated the BSEC project idea through an agenda-setting process. The hoop tests are made according to H_1 and presented below.

Was there a change in the preexisting positional conditions? There were visible changes in both the international structure and Turkey's political economic institutions. In the international structure, the Cold War context was transformed before Elekdağ announced the BSEC idea. Due to the revolutions in the Eastern Bloc, especially in Eastern Europe, the USSR was losing its power in the European front. The fall of the Berlin wall in 1989 was crucial as it led to the Malta Summit in 1989. In Malta Summit, the representatives of the USSR saw the end of the Cold War approaching, or at least the old brinkmanship and aggressive skepticisms were subsiding between the Western and Eastern Blocs. Hence, the international atmosphere was waning away from the hardcore Cold War narrative. As for the institutional changes in Turkey, the 1980 coup provided an environment in which Özal could implement both his populist and neoliberal agenda without any political

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opponents until the referendum of 1987 (Karadağ, 2010; Öniş, 2004). The trade and finance institutions changed according to the neoliberal agenda, and the production institutions remained path-dependent with strong state-business institutions prominent (Öniş, 2004). Therefore, there were changes in the preexisting positional conditions prior to the formulation of the BSEC project idea.

Did a human agent go through the process of agenda-setting to select specifically the BSEC project idea from contingency? In terms of agenda-setting, Elekdağ was the one to address the problem stream by pointing out the fact that Turkey would dismiss the timely opportunity of advancing her economic conditions and liberal values if she does not adapt to the changing global environment in which the Cold War order is diminishing (Elekdağ, 1990; Türkiye Büyük Millet Meclisi, 2003). In other words, Elekdağ saw that the timid and reserved Turkish foreign policy with the USSR does not align with his ideal reality in which Turkey and USSR cooperate in the Black Sea basin for mutual benefits in the changing world. Also, in terms of the policy stream, which considers the public sentiments and ideational receptivity, Elekdağ argues that Turkey, especially the private sector's businessmen, are willing and ready to take advantage of the changes in the international order. The willingness and readiness of these businessmen were possible through Özal's neoliberal policies and populist agenda that continued to give support to Turkish firms (Laçiner, 2009; Öniş, 2004). Briefly, Elekdağ perceived that Turkey's overall receptivity to the BSEC project would be positive due to the neoliberal institutions and growth of export-oriented businesses. In terms of the political stream, Elekdağ did emphasize that window of opportunity was open since the drastic changes in Eastern Europe (Dorsey, 1993; Elekdağ, 1990). Furthermore, the Black Sea region was the most proximate and promising area for regional economic cooperation as the USSR was slowly losing grasp of it with different littoral states emerging (Elekdağ, 1990; Türkiye Büyük Millet Meclisi, 2003). Overall, Elekdağ, as an agent, went through the agenda-setting process to the reason for the need for the BSEC project amidst the changes in preexisting positional conditions.

Was there a human agent who formulated the BSEC project idea? As shown in the historical narrative and the result of the second hoop test, Elekdağ is seen as the

father of the BSEC project idea as he first articulated the idea in a conference in January 1990 and then published it in Cumhuriyet newspaper in February 1990 entitled as "Black Sea Economic Cooperation and Welfare Region" (Elekdağ, 1990: 2). Although the BSEC literature accredits Özal as a father of the BSEC project, it is more accurate to say that Özal accepted the idea and advocated it to be an actual project, while Elekdağ formulated the idea in the first place. Conclusively, there was a human agent, Elekdağ, who formulated the idea to establish the BSEC.

Did the BSEC project idea exist? The aim of this question is to see whether Elekdağ had a different regional project in mind when faced with the contingency. In essence, the BSEC project idea did exist and was manifested in Elekdağ's article; however, at the same time, Elekdağ's idea, according to the Cumhuriyet newspaper article, was not exactly identical to the final product, which is the BSEC established in 1992. One notable difference was the Elekdağ designed a regional bank named the "Black Sea International Payments and Investment Bank," which was modeled according to Turkey's Eximbank—an export credit bank (Elekdağ, 1990: 2). However, the finalized version of the BSEC established the "Black Sea Trade and Development Bank" that entailed more details and especially imposed the use of a regional currency called the "SDR," which was funded by different percentages by all member states (Sabancı, 2013: 32-33). In short, the BSEC project idea did exist and was aligned to the final product in essence; there were only minor logistical differences on how the organization was to be modeled.

4.3.2 Second Hypothesis Test

The second sub-hypothesis (H_2) is that Elekdağ's BSEC project idea was transformed into an institutionalized regional organization through Özal's leadership as a regional entrepreneur. The hoop tests are made according to H_2 and presented below.

Did the BSEC come into existence? According to the Bosphorus Declaration signed in the Istanbul Summit of 1992, the BSEC was officially established as regional economic cooperation in June 1992. The BSEC Charter signed in the Yalta Summit in 1998 also traces its history to the Bosphorus Declaration (BSEC, 1998).

Did Özal participate in the formulation/acceptance, initiation, practice, and organization phases of entrepreneurship, as well as interact with individuals that have different roles? In the formulation/acceptance phase, Özal accepted the idea presented by Elekdağ and immediately requested Elekdağ to work on the idea more with the team composed from foreign ministry (Elekdağ, 2003; Türkiye Büyük Millet Meclisi, 2008). Although Özal did not create it, he embraced the idea from Elekdağ—the idea generator—as his pet project. Then, in the initiation stage, Özal supplied the necessary resources and personnel to Elekdağ, which established a group of proposal redactors who designed and refined the initial BSEC project idea into a workable draft for the meeting in December 1990 between the USSR, Turkey, Bulgaria, and Romania. As for the practice phase, Özal continued to work closely with the private sector and especially with the businessmen, such as Tara. Furthermore, Özal sent his close ministers and bureaucrats to diplomatic missions to earn consent from other countries. Yalım Eralp, Ambassador to India between 1989 and 1991 (was an Advisor to Prime Ministers between 1991 and 1996), recalls the moment when Özal focused on gaining consent from other countries through active diplomacy:

> Look, there is an important factor that distinguishes between foreign policy and domestic policy; for example, you can determine the tax rate incorrectly in domestic politics. What happens then? The government cleans up the mess. This depends on the national will. [However,] in foreign policy a national will is not enough, other states must also show this will. Turgut Bey understood this very well. This [earning diplomatic consent from other countries] was a process. Black Sea Economic Cooperation Project followed the same line of logic [emphasis added] (Ertosun, 2015: 262).

Engin Güner, the Chief Advisor to the President, also remembers that Özal sent a number of people to Greece to persuade her to join the BSEC project despite the opposition within the Özal administration (Ertosun, 2015: 75). As shown in the narrative, Tara was the one who persuaded Özal to include Greece in the project. Hence, Özal interacted with many individuals, who were regional project advertisers, from various backgrounds to build consent for other countries to participate in the BSEC project. In the organization phase, Özal did send all the invitations to the

participating member states with his name to convene in Istanbul, Turkey, to sign the Bosphorus Declaration. Although the declaration was signed and approved by the heads of state and government of all the participating countries, Özal was not the signatory representing Turkey. It was Demirel who signed the declaration as a representative of Turkey. Hence, the Istanbul Summit was arranged by Özal with the Ministry of Foreign Affairs, the declaration that legally approved the establishment of the BSEC was signed by Prime Minister Demirel.

4.3.3 Conclusion

The two sub-hypotheses, H_1 and H_2, both passed the hoop tests. This means two things. Firstly, the argument that the changes in preexisting positional conditions provided Elekdağ a range of options in which he chose the BSEC project idea is true. The only specification is that the term 'human agency' is replaced by Elekdağ as the historical process tracing specified the origin of the idea. Secondly, the argument that Elekdağ's idea on the BSEC project was formulated/accepted, initiated, practiced, and organized by Özal as a regional entrepreneur to establish the BSEC is also true. With these two hypotheses concluded to be true, the main hypothesis—the changes in the preexisting positional led an agent to formulate the BSEC project idea, and Özal institutionalized the project—is true as well. Looking into the hoop tests and the historical narrative, I emphasized the interactions of other individuals and their roles as well in affecting the causal processes leading to the BSEC's establishment. Hence, to answer my research question, President Özal established the BSEC as a regional entrepreneur by interacting with other agents and conditions external to him. The future adjustments to the theoretical framework and the research question are discussed in the last chapter.

CHAPTER 5

CONCLUSION

5.1 Research Objectives and Results

In this research, I initially encountered series of puzzles regarding the creation of the BSEC. The regional conflicts and historical resentments amongst the majority of the BSEC member states seemed too large to convene for regional economic cooperation. I had previous knowledge that Turkish President Turgut Özal had initiated the BSEC as his pet project, but I had no more information on how his leadership overcame the hostile environment of the Black Sea region. In order to understand the creation of the BSEC and the role of Özal's leadership in the process, I imposed the following research question: What was the role of President Turgut Özal's leadership in the establishment of the BSEC amidst the domestic changes and regional hindrances?

I reformulated the public entrepreneurship framework with ideational logic (Parsons, 2007) and the characteristics of the BSEC context to establish a new research framework, regional entrepreneurship. With regional entrepreneurship, I proposed two sub-hypotheses. The first sub-hypothesis was that the preexisting positional conditions changed, and the contingency provided a human agent with a range of optional regional project ideas he could choose from. Among the options, the agent would choose the BSEC project idea. The second sub-hypothesis was that the BSEC project idea formulated by an agent would be institutionalized through Özal's regional entrepreneurship, which composes of formulation/acceptance, initiation, practice, and organization phases. Both of my hypotheses passed the hoop tests with
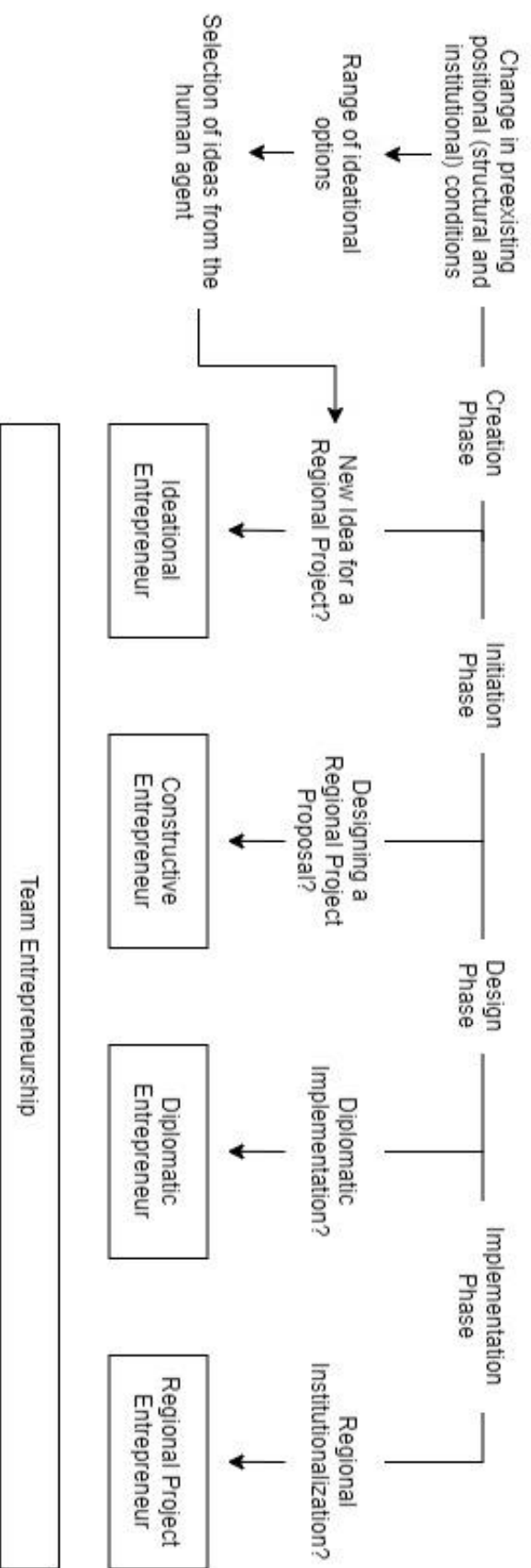
respect to the historical narrative. I used historical process tracing to connect the historical events based on the two-step analysis of regional entrepreneurship. This process tracing showed that different agents, who contributed with different roles in establishing the BSEC, were guided and supported under Özal's leadership, which was manifested as his regional entrepreneurship. Of course, whether these different agents were necessary, contributive, or sufficient in the BSEC's creation is based on another research to prove it.

5.2 Limitations of Research and Possible Improvements

A way to transform regional entrepreneurship is to implement the ideas of Roberts' (2006) collective entrepreneurship. Collective entrepreneurship is different from individual public entrepreneurship in that the former "draws on multiple people to husband and shape an idea through initiation, design, and implementation into a full-blown innovation" while the latter considers that an individual entrepreneur commits to all phases of the innovation process by himself (Roberts, 2006: 600). This collective entrepreneurship is also divided into two types: team entrepreneurship and functional entrepreneurship. The former happens when multiple individual entrepreneurs gather to institutionalize an innovative idea, while the latter occurs

when there are no entrepreneurs but different "experts" that convene together to institutionalize innovation through collective functionality (Roberts, 2006: 600-601). Figure 4 shows the rearrangement of the regional entrepreneurship based on Robert's collective entrepreneurship. In this framework, the assumption is that a leadership role is not granted to an individual entrepreneur but is practiced under a team of entrepreneurs.

The general idea of the new regional entrepreneurship is similar to the old one; the most different aspect is that the new one does not consider the need of a single entrepreneur that practices all stages of entrepreneurship. The new model has four categories of entrepreneurs who convene to create regional team entrepreneurship. The ideational entrepreneur selects an idea from the contingency that will be the base for a regional project. The ideational entrepreneur selects an idea based on his problem, policy, and political perspectives (Kingdon, 1984, as cited in King &

Figure 4: Regional Entrepreneurship (Working Model)

Change in preexisting positional (structural and institutional) conditions

Range of ideational options

Selection of ideas from the human agent

Creation Phase

New Idea for a Regional Project?

Ideational Entrepreneur

Initiation Phase

Designing a Regional Project Proposal?

Constructive Entrepreneur

Design Phase

Diplomatic Implementation?

Diplomatic Entrepreneur

Implementation Phase

Regional Institutionalization?

Regional Project Entrepreneur

Team Entrepreneurship

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Roberts, 1991, 1992). The constructive entrepreneur designs a given idea for a regional project into a workable proposal. The diplomatic entrepreneur negotiates with other regional actors, especially with representatives of countries that are candidates of the regional project. The negotiation process involves persuading other countries' representatives, drafting amendments for the project with other countries, and constructing institutions to set a foundation for the project. The regional project entrepreneur organizes and politically rallies all participant countries to convene for the institutionalization of the regional project. The institutionalization process is accepted as successful if a legal document, such as a statute, an agreement, a treaty, or a declaration, is signed and embraced by the representatives of other countries. These different entrepreneurs are simply categories, which suggest that an individual can act based on two or three roles. However, an individual cannot be all at once as that will defeat the purpose of setting up the new regional entrepreneurship model. Then, with the new theoretical framework, a new hypothesis can be created to be tested. In the new hypothesis, factors (agents or events) other than Özal can be added to the causal functions of the BSEC. However, Özal's presence in the causality function should be established as a constant. Without Özal's agency in the new framework, there would be no hypothesis that relates Özal with other factors in the creation process of the BSEC.

This new framework, and the recommendation to formulate new theoretical models based on the original regional entrepreneurship framework, ultimately aim to create operationalizable conceptual categories. Even though the research was focused on qualitative research that focused on concepts, the regional entrepreneurship framework lacked operationalizable concepts. Inspired by the public entrepreneurship logic tree created by Roberts (1992), the regional entrepreneurship could only be measured based on the agent's selection of an idea for a regional project, designing the idea to a workable proposal, diplomatic arrangement of regional consensus on the proposed project, and institutionalizing the project through multilateral processes of creating a legal agreement, statute, treaty, or declaration. If there were more details on measuring each stage of entrepreneurship, that would have provided more tangible guidelines to trace historical events beyond nominal (discretely categorical) measurements. In other words, measurable concepts could

provide more space to conduct a richer process tracing as it incorporates more steps, leading to more tests to be conducted and increasing the validity of the hypothesis tests.

With different working models, the assumption that each step in the causal chains of BSEC's creation process was *necessary* can be mitigated. If there is a more elaborate measurement framework and tools to quantify the role of leadership and its involvement in each entrepreneurial phase, certain causal steps may be defined differently from *necessary* conditions. Since causal conditions other than necessary ones, such as INUS and contributing conditions, are analyzed with different tests, such as the smoking gun test (Mahoney, 2015: 203, 212-217), approaching regional entrepreneurship with a different conditional perspective may provide new insights. The new insights may be a more detailed explanation of Özal's role of leadership as a regional entrepreneur in the BSEC's establishment or a totally different perspective on Özal's leadership in the formulation process of the BSEC.

5.3 Contributions of the Research

Through this research and its results, I first contribute to the BSEC literature by suggesting an alternative explanation to the origins of the BSEC. Instead of heavily focusing on the Turkish state and post-Cold War context, I suggest the significance of human agents, their ideas, and their leadership in the creation of the BSEC. I argue that there is a need to focus on particular positional situations and unique individuals rather than just international structure to explain the foundation of the BSEC. Another contribution from this research is the use of regional entrepreneurship to explain how Özal's leadership and other actors interacted to establish the organization. This framework (as well as the historical narrative) provides the rhetorical evidence and theoretical skeleton the literature lacked in explaining the creation of the BSEC. Since the third strand of the BSEC literature did not have a constructive theoretical framework and was limited by misperceived structural arguments, the regional entrepreneurship framework provides the foundation to trace the origins of the BSEC with concepts and methodological tools. Furthermore, regional entrepreneurship is still an amendable framework that researchers can utilize by adding personal creativity or combining other existing theories. For instance, I

used Kingdon's (1984) three public streams as three perspectives—problem, policy, and political ones—that measures how a human agent chooses a particular idea from contingency (a range of options) (as cited in King & Roberts, 1988; 1991; 1992; 1996). Likewise, other theories and methodological tools can be applied to regional entrepreneurship to explain the origins of the BSEC.

Lastly, the research potentially provides new opportunities for comparative studies. As much as the BSEC case is unique, analyzing the case with similar or totally different cases may present new perspectives on regional studies, especially on the creation of regional organizations. Through this research, scholars looking into other regional projects or organizations may compare the BSEC with other counterparts using regional entrepreneurship. The fact that the research includes both the aspects of regionalism—state-led regional integration—and regionalization—regional integration made through non-state actors—the BSEC research is a data as well for the studies of regional integration. Further research can be made, such as comparing the effectiveness of a regional institution based on the initiator country's capabilities in the region and its leadership's role to advocate a regional project. As comparative regional studies are on the rise (Acharya, 2014; Söderbaum, 2013), the study on the BSEC and its history of origin contributes to the regionalism literature as potential comparative data.

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