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## **Features of the economic policy of Turkey in Georgia and its consequences<sup>1</sup>**

Located at the crossroads between Europe and Asia, South Caucasus throughout centuries was at the epicenter of clashes of different civilizations, religions and states. The strategic location of this region attracted the attention of strong neighbors and at present moment global transformations, changing power relations in international relations have their direct influence on the political processes taking place in the South Caucasus. Turkey has also joined this great game, which actively reengaged into the region after the collapse of the Soviet Union. Understanding the importance of the energy resources of the Caspian region and the potential benefits from their transit, official Ankara is gradually turning it into a well-defined foreign policy priority and concept.

Georgia assumed significant role in the context of Turkey's regional policy. Not only did Turkey realize Georgia's crucial importance as a transit country of the Caspian energy resources, but it also viewed Georgia as a link with Azerbaijan and Central Asian republics.

In other words, after the collapse of the USSR, the issue of the lack of a direct border with Azerbaijan was the most serious problem for Turkey, and in this case, Georgia becomes a “bridge” and enables Turkey to enter the Caspian region rich in

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energy resources. Based on these facts Turkey has been developing close relations with Georgia since and has successfully reached a high level of cooperation in almost all spheres. In the article has been analyzed the role of South Caucasus in the foreign policy of Turkey. Georgia, in its turn, began to view Turkey as a reliable political and economic partner both in bilateral relations and in the regional dimension. The main motivation for Georgia is its integration into the Euro-Atlantic alliance with the help of Turkey. In the report are analyzed Turkish-Georgian economic relations.

The foundations of bilateral Turkish-Georgian economic relations were laid down in two documents. The first of them is the Treaty on Friendship and Neighborliness (1992), which included an article on investments and protection of investment capital. The second document – the Treaty on Trade and Economic Cooperation (1994) was aimed at creating conditions for the expansion of cooperation between the two countries. Nevertheless, until the mid-1990s, the relations between the two countries did not differ in activity due to the internal political instability of Georgia.

The situation began to change from the mid-1990s, when Georgia became a participant in regional energy and transport projects. To advance its regional policy, Turkey has activated economic relations with Georgia. After all, in the period 1995-2003 the turnover between the two countries did not exceed 200 million dollars, and Turkey's direct investments in Georgia amounted to approximately 150 million dollars. This was due to the fact that Turkey at this stage was mainly interested in deepening military-political cooperation with Georgia.

After coming to power of the Justice and Development Party in 2002 the main goal of Turkey's new strategy is to include neighboring countries in its sphere of influence, primarily due to

the active development of economic relations. The internal political situation of Georgia also contributed to this. After the so-called "Rose Revolution" (2003), the country began to pursue a pro-Western foreign policy and in the context of this to expand relations with Turkey.

Analyzing the economic strategy of Turkey in relation to Georgia, we can come to the following conclusions. Economy is one of the main aspects of Turkey's foreign policy in relation to Georgia. Thanks to its active regional policy, Turkey managed to establish close economic relations with Georgia, thereby strengthening its position in the Georgian economy. As a result of close trade and economic relations and active investment policy of Turkey, Georgia was involved in the sphere of Turkish influence.