GLOBAL TURKEY IN EUROPE

The EU, Turkey, and the Arab Spring: Challenges and Opportunities for Regional Integration

Kemal Kirişci
Boğaziçi University

WORKING PAPER 01

Stiftung Mercator | IAI Istituto Affari Internazionali | IPC ISTANBUL POLICY CENTER SABANCI UNIVERSITY STIFTUNG MERCATOR INITIATIVE

The EU, Turkey, and the Arab Spring: Challenges and Opportunities for Regional Integration

Kemal Kirişci*
Boğaziçi University

EU Turkey Arab Spring Regional Integration

Abstract

Regional integration has long been seen as an effective tool for encouraging regional peace, stability, and prosperity, with the added expectation that economic growth may also facilitate transition to democracy. Working on these same assumptions, the EU and Turkey have developed different approaches to regional integration. The EU sought to develop institutional integration through the Euro-Mediterranean Partnership (EMP), the European Neighborhood Policy (ENP), and the subsequent Union for the Mediterranean (UfM), while Turkey — increasingly becoming a "trading state" — has multiplied and diversified its economic interactions with the Maghreb and Mashreq countries. The Arab Spring has led to a critical assessment of these practices. So what are the challenges and opportunities that regional integration faces in the wake of the Arab Spring?

The Arab Spring has led to a critical reassessment of the European Union's policies towards the southern Mediterranean. Since the launch of the Euro-Mediterranean Partnership (EMP) in 1995, the European Union has tried to encourage regional integration in the Euro-Mediterranean region. The European Neighbourhood Policy (ENP) and the subsequent Union for the Mediterranean (UfM) have also aspired to achieve this goal. The leading concern of these policies has been to bring about a more prosperous, and thus, a more stable and peaceful region. Unfortunately, the Arab Spring reminded the EU of how little these policies had achieved, precipitating the Union to adopt a new set of policies captured by its new strategy for a changing European neighbourhood.[1] However, many have expressed little hope that these new initiatives are likely to achieve fundamentally better results than their predecessors, and their impact on shaping reform in the Arab world appears to be extremely limited to date. [2]

In the meantime, over the last two decades, Turkey's economy has become slowly but surely increasingly integrated with its neighbourhood. This has been a function of greater trade and economic relations as well as the institutionalization of a liberal visa policy with countries of this neighbourhood. In the years immediately preceding the Arab Spring, the Turkish government had begun to develop the elements of a neighbourhood policy that aspired to greater economic integration. However, this policy has come under serious challenge especially with the crisis in Syria and with the difficulties of spurring reform in the Arab world. While acknowledging Turkey's limited capabilities in light of the unfolding Arab awakening, the ability of Turkey to affect and shape developments on its southern borders has nonetheless been put to serious test in the course of the last year or so.

* ***Kemal Kirişci is Professor in the Department of Political Science and International Relations at Boğaziçi University.*** ***The author would like to acknowledge the assistance of Barış İne from Boğaziçi University who helped to collect and process the statistical data used in this paper.***

1 European Union, A new response to a changing Neighbourhood (COM(2011) 303 final), Brussels, 25 May 2011, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0303:FIN:en:PDF.

2 Zerrin Torun, "The European Union and Change in the Middle East and North Africa: Is the EU Closing Its Theory-Practice Gap?", *Ortadoğu Etüdleri*, Vol. 4, No. 1, July 2012, pp. 79-97; Ruth Hanau Santini, "The Arab Spring and Europaralysis in the Levant and the Gulf", *Swiss Political Science Review*, Vol. 18, No. 1, March 2012, pp. 120-123, http://dx.doi.org/10.1111/j.1662-6370.2012.02059.x, and Tobias Schumacher, "The EU and the Arab Spring: Between Spectatorship and Actorness", *Insight Turkey*, Vol. 13, No. 3, Summer 2011, pp. 107-119, http://file.insightturkey.com/Files/Pdf/insight-turkey_vol_13_no_3_-2011_schumacher.pdf.

This picture suggests that the EU and Turkey stand a greater likelihood of achieving their common but so far separately pursued goals of encouraging regional economic integration if they cooperate instead of continuing to ignore each other. This paper studies Turkey's "neighbourhood policy" in the southern Mediterranean and compares it with that of the EU before developing an argument for cooperation between the two sides in support for greater regional integration, even if this may be for the very long run. Traditionally, regional integration has long been seen as an effective tool for encouraging regional peace, stability and prosperity, with the added expectation that economic growth may also facilitate the transition to democracy. These are outcomes that both the European Union and Turkey support, albeit through different means: the EU has sought to promote regional institutions supportive of economic integration, while Turkey has pursued economic interactions between regional countries. Today, both approaches have fallen short of their potential in the southern Mediterranean countries. Can the Arab uprisings change this? What could Turkey and the EU do about it? What would be the challenges to and opportunities for regional integration in the Mediterranean?

The paper proceeds in three steps. It first discusses briefly the Euro-Mediterranean Partnership and European Neighbourhood Policy, with a focus on their activities related to democracy promotion, trade and movement of people. It then explores Turkey's "neighbourhood policies" with a special focus on the Mediterranean and compares these with EU policies. The final section elaborates the challenges that Turkey's "neighbourhood" policy faces in the current post-Arab Spring environment, which call for greater cooperation with the EU.

The EU's Mediterranean policy

The EU's policy towards the Mediterranean comprises three distinct but interrelated policies that have been supplemented by specific measures adopted in response to the Arab Spring. The first is the EMP, launched in 1995 to provide a forum for cooperation in political-security, economic-financial and social-cultural fields. Following the eastern enlargement in 2004, the EU developed the ENP, which aimed at strengthening bilateral relations with those neighbouring countries, including in the southern Mediterranean, which are not expected to enter the Union. In 2008, these policies were supplemented by the French-driven UfM, aimed at developing concrete cooperation projects between the two shores of the Mediterranean. In March 2011 in the context of the ENP, the EU rapidly responded to the Arab Spring by adopting the "Partnership for Democracy and Shared Prosperity with the Southern Mediterranean" to support reform and democratization.[3] Overall, these policies aspire to assist partners in southern Mediterranean countries engaged in building deep democracy and inclusive economic development and to launch initiatives in areas such as trade, energy, transport, migration and mobility.[4]

The EMP and ENP have achieved an impressive level of institutional development accompanied by an acquis that identifies the areas, terms, as well as tools of cooperation. This *acquis* most importantly promises trade liberalization and a "stake" in the internal market for partner countries through deep and comprehensive free trade agreements. This is also accompanied by promises of support for increased "people-to-people" contacts. Trade and movement of people are seen as two key avenues for increasing the level of integration between the EU and the neighbourhood. However, these promises are made conditional on the neighbourhood countries' meeting a set of complex requirements. These range from the need to adopt EU rules concerning access to the internal market, strengthening border controls and combating corruption, illegal migration and terrorism, to making progress on democracy, human rights and good governance reforms. In EU parlance "more" is promised for "more".

It is not the purpose of this paper to assess these policies with respect to the southern Mediterranean. However, the literature indicates that overall progress has been slim.[5] True, the "Barcelona process has created a constructive political and institutional infrastructure of comprehensive partnership between the region and Europe".[6] However, particularly in political terms, authoritarianism and the lack of rights and freedoms have persisted and often deepened.[7] The eruption of the Arab uprisings especially in Egypt, Libya and Tunisia revealed how far the EU had fallen behind in meeting its own goals and standards. The EU has actually been bitterly criticized for having betrayed its own ideals by maintaining cosy relations with authoritarian regimes for the sake of its security concerns with respect to terrorism, migration and political stability.[8] In contrast to the letter and spirit of its neighbourhood policies, the EU chose to preserve the prevailing order in the southern Mediterranean.[9] This was captured by The Economist's damning remark that "for years European officials negotiated action plans with countries and wrote reports bemoaning their lack of democracy, yet kept paying autocrats billions of Euros".[10] This was embarrassingly revealed in the early stages of the Arab uprisings, when the EU seemed to fear offending authoritarian leaders rather than lending unequivocal support for masses demanding change and reform. This reinforced the "theory and practice gap" in EU relations with the southern Mediterranean countries.[11]

In the area of trade, progress has also been limited. Institutional steps have been taken towards creating a free trade zone. Association Agreements with most of the countries of the neighbourhood are in place. However, these agreements have fallen well short of meeting the goal set in 1995 of achieving the Euro-Mediterranean Free Trade Area (EMFTA) by 2010. Trade gains have been made but are of very limited and mostly of a "hub and spoke" nature, consisting in increased trade between individual states and the EU without an accompanying rise in intra-regional trade.[12] This meagre performance is partly caused by the inability of these countries to adopt and implement the EU *acquis* on the internal market. The reasons behind this inability are complex and numerous but the insufficiently valuable "carrots" offered

3 COM(2011) 200 final, Brussels, 8 March 2011, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0200:FIN:en:PDF. This partnership aims at developing "democracy and institution building", "tackling the challenges of mobility", "promoting inclusive economic development" and trade and provide EU financial assistance in support of these policies.

4 For a detailed assessement of these policies by the European Union itself see *Delivering on a new European Neighbourhood Policy* (JOIN(2012) 14 final), Brussels, 15 May 2012, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=JOIN:2012:0014:FIN:en:PDF.

5 Michael Emerson, "Making sense of Sarkozy's Union for the Mediterranean", *CEPS Policy Briefs*, No. 155, March 2008, p. 3, http://www.ceps.eu/ceps/dld/1453/pdf; and Timo Behr, "The EU's Middle East failure", in Toby Archer, Timo Behr and Tuulia Nieminen (eds.), *Why the EU fails: Learning from past experiences to succeed better next time*, Helsinki, Finnish Institute of International Affairs, 2010, p. 43 (FIIA Report No. 23/2010), http://www.fiia.fi/en/publication/131.

6 Michael Emerson and Gergana Noutcheva, "From Barcelona Process to Neighbourhood Policy: Assessments and Open Issues", *CEPS Working Documents*, No. 220, March 2005, p. 6, http://www.ceps.eu/ceps/dld/1055/pdf.

7 Ibid., p. 18: results reported in Table II. See also European Commission, *Taking stock of the European Neighbourhood Policy* (COM(2010) 207 final), Brussels, 12 May 2010, p. 3, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0207:FIN:en:PDF.

8 Rosemary Hollis, "No friend of democratization: Europe's role in the genesis of the Arab Spring", *International Affairs*, Vol. 88, No. 1, January 2012, pp. 81-94, http://dx.doi.org/10.1111/j.1468-2346.2012.01058.x; Michelle Pace, "Paradoxes and Contradictions in EU Democracy Promotion in the Mediterranean: The Limits of EU Normative Power", *Democratization*, Vol. 16, No. 1, February 2009, pp. 39-58; Pinar Bilgin, Eduard Soler i Lecha, and Ali Bilgiç, "European Security Practices vis-a-vis the Mediterranean: Implications in Value Terms", *DIIS Working Papers*, No. 2011/14, 2011, http://www.diis.dk/sw110703.asp; Schumacher, "The EU and the Arab Spring", cit.; Torun, "The European Union and Change in the Middle East and North Africa", cit., and Santini, "The Arab Spring and Europaralysis in the Levant and the Gulf", cit.

9 Ali Bilgiç, "Security Through Trust-Building in the Euro-Mediterranean Cooperation: Two Perspectives for the Partnership", *Southeast European and Black Sea Studies*, Vol. 10, No. 4, December 2010, pp. 457-473, http://dx.doi.org/10.1080/14683857.2010.529994.

10 " Choosing new friends", *The Economist*, 9 April 2011, p. 34, http://www.economist.com/node/18527520.

11 Torun, "The European Union and Change in the Middle East and North Africa", cit.

12 Paul James Cardwell, "EuroMed, European Neighbourhood Policy and the Union for the Mediterranean: Overlapping Policy Frames in the EU's Governance of the Mediterranean", *Journal of Common Market Studies*, Vol. 49, No. 2, March 2011, pp. 219-241.

by the EU to induce reforms is also a factor to be reckoned with.[13] This, in turn, is closely related to the EU's considerable resistance to opening the internal market to agricultural imports from the southern Mediterranean. Instead, energy and related products have constituted the bulk of EU imports from the region perpetuating the "rentier state" nature of many Arab economies. This bias for trade in energy is evident in the Maghreb countries' larger share in the EU's trade with the region compared to the Mashreq countries. Trade with the Maghreb countries constituted over 4.4 percent of overall EU trade in 2008 and increased from 3.5 percent in 1995 (Table I). Trade with the Mashreq Mediterranean countries fell from 1.45 percent of overall EU trade to 1.24 percent for the same period, while falling down to 1.19 in 2011. Trade integration between the EU and the southern Mediterranean has not been impressive when compared with the EU's Eastern neighbours. EU trade with the southern Mediterranean countries increased by only 50 percent between 2004 and 2011, compared with a 156 percent increase with the Eastern ENP countries. The difference is even more apparent for the period 1995-2011, when trade with Arab countries increased barely three times compared to a twelve fold rise with East European countries. The structural disadvantages that southern Mediterranean countries face become even more striking in the case of the Mashreq countries that run large trade deficits with the EU. These countries have consistently imported much more from the EU compared to what they have been able to export in the absence of oil and natural gas exports.

Similar remarks can also be made about the movement of people. The Schengen visa regime requires that nationals of all southern Mediterranean countries are equipped with a visa to enter the EU.[14] The EU does not keep statistics on the number of entries by foreign nationals into the Schengen area. However, data on the number of Schengen visas granted each year shows that it is not as difficult for nationals of the eastern neighbours to enter the EU as it is for those of the southern Mediterranean. As noted in Table II, the number of Schengen visas issued between 2003 (the first year for which data was available) and 2011 increased from just under 1.5 million to approximately 2.8 million for all ENP countries excluding Israel (which is exempt from visa requirements). The increase in the number of visas issued to the nationals of Eastern ENP countries was more than 241 percent. The corresponding increase for the Mashreq countries was a meagre 20 percent, while there was actually a fall in the case of nationals of Maghreb countries. The situation is likely to persist as the EU foresees visa facilitation and liberalization for Eastern Partnership countries but not for all southern Mediterranean countries, despite recent openings regarding mobility partnerships with Tunisia and Morocco.

The results presented in Table I and II make it difficult to argue that the EMP and ENP have been particularly successful with respect to trade integration and increasing "people to people" contacts as far as the southern Mediterranean is concerned. The EU may have developed an impressive and well articulated neighbourhood policy, but despite claims to the contrary,[15] the results evidently fall well short of what the Union set out to achieve. It is doubtful whether the review of the ENP adopted, *inter alia*, in response to the Arab Spring, is likely to make a major difference at least in the immediate future. It is difficult to envisage how integration between the two shores of the Mediterranean can be achieved if such a "theory and practice" gap persists. This discrepancy risks aggravating the very problems – such as irregular migration, terrorism, ill-governance and de-development – that the EU aims to overcome and fails to "prevent the emergence of new dividing lines between the enlarged EU and its neighbours".[16]

Might there be useful lessons that the EU could draw from Turkey's neighbourhood policy that could also constitute a basis for future cooperation between the two sides?

Turkey and its neighbourhood

Turkey is becoming more and more economically integrated with its neighbourhood.[17] As the Cold War came to an end, only around 10 percent of Turkey's foreign trade was with its neighbourhood,[18] and amounted to just under 3.5 billion U.S. Dollars (USD) (Table III). Much of it was with the Soviet Union and Iran. Almost half of Turkey's overall foreign trade was with the European Union (EU) countries at around 17 billion USD. By 2011 this situation had changed dramatically. Trade with the neighbourhood was valued at almost 82 billion USD in 2011 and constituted around 22 percent of Turkey's overall trade. Between 1991 and 2011 the share of the neighbourhood in Turkey's overall foreign trade doubled while the share of the EU dropped from 50 to 41 percent. This constitutes an almost 23 fold increase compared to an roughly eight fold increase in trade with the EU and an approximately tenfold increase in overall trade during the same period. This was a period during which Turkey became a "trading state", a state whose foreign policy is shaped increasingly by economic considerations.[19] In 1975 foreign trade constituted only 9 percent of Turkish GDP. In 2011 this figure multiplied to 49 percent.[20] In real terms, Turkish foreign trade increased from around 6.1 billion US Dollars in 1975 to about 376 billion dollars in 2011. Furthermore, Turkish exports diversified. In 1980 while exports of manufactured goods constituted only 27 percent of merchandise exports, this figure increased to 81 percent in 2008.[21]

Trade has played a very important role in Turkey's integration with its neighbourhood and has been widely noted in the literature.[22] However, this integration has other dimensions too. Turkish business presence in neighbouring countries has expanded in the course of the last two decades. An important proportion of Turkish FDI continues to flow to leading EU countries, but at the same time Turkish investments in neighbouring countries such as Bulgaria, Romania, Russia, Georgia and Iraq have increased significantly. These investments range from small bakeries and restaurants established by individuals, to large Turkish companies setting up factories, such as the glass works of Trakya Cam in Bulgaria. Tracking down Turkish investments is a difficult exercise, however. Central Bank figures suggest that Turkish FDI stock in neighbouring countries increased from just about 900 million USD in 2001 to 6258 million USD in 2011.[23] Turkish companies also have

13 Schumacher, "The EU and the Arab Spring", cit., p. 109.

14 Council Regulation No. 453/2003, 6 March 2003 amending Regulation (EC) No. 539/2001, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:069:0010:0011:EN:PDF.

15 European Union, *Five years of European Neighbourhood Policy: more trade, more aid, more people to people contacts* (IP/10/566), Brussels, 12 May 2010, http://europa.eu/rapid/press-release_IP-10-566_en.htm.

16 European Commission, *European Neighbourhood Policy: Strategy Paper* (COM(2004) 373 final), Brussels, 12 May 2004, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2004:0373:FIN:en:PDF.

17 For the purposes of this paper, Turkey's neighbourhood includes immediate neighbours Greece, Bulgaria, Georgia, Armenia, Azerbaijan, Iran, Iraq, Syria and the Black Sea countries of Russia, Romania, Ukraine and Moldova. Due to political reasons, there is no direct trade between Turkey-Armenia and Turkey-Cyprus and no direct movement of people between Turkey and Cyprus.

18 Turkish Statistical Institute (TUIK), Foreign Trade Statistics, http://www.turkstat.gov.tr/AltKategori.do?ust_id=4. All foreign trade figures in this section are based on TUIK data unless otherwise noted.

19 For a discussion of the concept of "trading state" with respect to Turkey see Kemal Kirişci, "The Transformation of Turkish Foreign Policy: The Rise of the Trading State", *New Perspectives on Turkey*, No. 40, Spring (2009), pp. 29-57.

20 World Bank, *World Development Indicators* database, available at http://databank.worldbank.org.

21 Undersecretariat of the Prime Ministry for Foreign Trade (DTM), *Dış Ticaretin Görünümü: 2008*, p. 26.

22 Dimitris Tsarouhas, "The Political Economy of Greek-Turkish Relations", *Journal of Southeast European and Black Sea Studies*, Vol. 9, No. 1-2, March 2009, pp. 39-57; Kadri Kaan Renda, "Turkey's Neighbourhood Policy: An Emerging Complex Interdependence?", *Insight Turkey*, Vol. 13, No. 1, Winter 2011, pp. 89-108, http://file.insightturkey.com/Files/Pdf/insight-turkey_vol_13_no_1_2011_renda.pdf; Mustafa Kutlay, "Economy as the 'Practical Hand' of 'New Turkish Foreign Policy': A Political Economy Explanation", *Insight Turkey*, Vol. 13, No. 1, Winter 2011, pp. 67-88, http://file.insightturkey.com/Files/Pdf/insight-turkey_vol_13_no_1_2011_kutlay.pdf; Ziya Öniş, "Multiple Faces of the 'New' Turkish Foreign Policy: Underlying Dynamics and a Critique", *Insight Turkey*, Vol. 13, No. 1, Winter, 2011, pp. 47-65, http://file.insightturkey.com/Files/Pdf/insight-turkey_vol_13_no_1_2011_onis.pdf; and Thomas Straubhaar, "Turkey as an Economic Neighbor", in Ronald H. Linden et al., Turkey and Its Neighbors. Foreign Relations in Transition, Boulder, Lynne Rienner, 2012, p. 173-194.

23 Central Bank of the Republic of Turkey (CBRT) Statistics, available at http://evds.tcmb.gov.tr/yeni/cbt-uk.html.

major construction projects in practically every nearby country and are increasingly associated with the building of airports, hotels, shopping centres, housing and sports complexes, as well as highways, bridges and tunnels. The total value of Turkey's almost 5900 construction projects between 1972 and 2010 comes to a total of 187.6 billion USD. Currently, almost 35 percent of the ongoing construction projects, amounting to more than 20 billion USD in value, are in Turkey's immediate neighbourhood.[24]

Another manifestation of the integration occurring between Turkey and its neighbourhood is the growth in the movement of people, especially into Turkey. This is made possible because of a relatively liberal visa policy that consecutive Turkish governments have been employing since the late 1980s.[25] The total number of third-country nationals entering Turkey increased from just over 5.2 million in 1991 to around 31.4 million in 2011, with an ever larger number of people entering Turkey from the surrounding regions (Table IV). In 1980, a mere 40,000 persons from the Soviet Union entered Turkey. This figure had increased to around 623,000 by 1991. In the meantime, the number of entries from Turkey's immediate neighbourhood increased from about 2 million in 1991, half of which came from Bulgaria, to 11.8 million in 2011, constituting almost 38 percent of overall entries.[26] The connections between Turkey and its neighbourhood resulting from this movement of people are probably best captured by the expansion of Turkish Airlines (THY) flights to the region. At the end of the Cold War, there was only one flight to Moscow, alongside flights only to Athens, Baghdad, Sofia, Tabriz and Tehran.[27] By June 2012, THY flied to 157 destinations in total, 35 of which are in Turkey's neighbourhood.

Another less explicit aspect of Turkey's neighbourhood policy is democracy promotion. In contrast to the EU and the US, Turkey does not have an openly declared democracy promotion policy. As a democratizing state and a country that still struggles to consolidate its own pluralist democracy, this is no surprise. However, Turkey both at the governmental as well as the civil society level, is involved in democracy promotion-like activities in its neighbourhood. Interestingly, in the words of a Turkish observer of Middle Eastern politics "thanks to the Arab Spring, a Turkish state capable of talking with the Arab world for the first time in its modern history has emerged".[28] Turkey, after having shied away from openly raising a democratization agenda in its relations with neighbouring countries, began to pursue democracy promotion much more conspicuously and energetically in view of the Arab Spring.[29] The Turkish International Cooperation and Development Agency (TIKA) in the last couple of years has been channelling close to 1 billion USD a year in development aid to almost 100 countries, many of them in Turkey's neighbourhood. Some of the projects supported by TIKA in these countries involved matters of "good governance" and "empowering women". Since a Turkish national was elected as its Secretary General, there have been efforts to pursue similar projects among the members of the Organization of the Islamic Conference (OIC). Turkey pressed to include "good governance" and "expansion of political participation" in the OIC's Ten Year Programme of Action in 2005 and its Charter at the Dakar Summit in March 2008.[30] Turkish leaders regularly raise democracy-related issues at various regional forums, as well as through bilateral relations. When doing so, their emphasis on local ownership and on the fact that Turkey's own democracy is "work in progress" increases the receptiveness to their words. Turkey's liberal visa policy also allows students, civil society activists and others to come to Turkey and observe this "work in progress". Turkish NGOs increasingly engage their counterparts in the neighbourhood on cultural, educational, environmental and women projects, while Turkish business associations interact with their counterparts abroad diffusing liberal market values. Since the Arab Spring, the government and the governing Justice and Development Party (AKP), have been closely cooperating with their counterparts especially in Egypt and Tunisia.[31] Turkish media and TV programmes are closely followed in neighbouring countries, especially in the Middle East. These developments, accompanied by the growing interest in Turkey's reform process and economic development, produce a "demonstration effect" across the neighbourhood.[32]

One last very important but often overlooked point is the manner in which Turkey economically engages with its neighbourhood through the transfer of remittances from Turkey to neighbouring countries. Turkey is within less than two hours flight distance from some of the top leading remittance receiving countries where remittances are an important share of GDP.[33] They include Albania, Armenia, Bosnia-Herzegovina, and Moldova. Turkey's liberal visa system has enabled nationals of Armenia, Georgia and Moldova and of some Central Asian countries to work in Turkey, often informally, in the domestic care sector. The informal nature of this employment and the poverty of the countries of origin have constituted a pull, as well as a push factor for migrants. Most of these migrants are women and the remittances they send back home "have been instrumental in addressing the skyrocketing poverty" in their respective countries.[34] For a long time, Turkey was known as a country of emigration in that for its capital accumulation, it was heavily dependent on remittances from Turkish migrants in Europe. However, the astounding growth of the Turkish economy has increasingly led to Turkey's transformation into a country of inward migration, where "an increasing number of workers from the Black Sea area and the Middle East have come to Turkey to get a job that is better paid than at home. They remit parts of their income to their family members left behind in their region of origin."[35] Furthermore, this also enables these countries that usually run trade deficits with Turkey to raise the resources to pay for Turkish imports.

It is against this background of Turkey's increasing economic engagement with its immediate neighbourhood that looking at Turkey's trade with southern Mediterranean countries becomes important. How do these trade patterns play out in the Maghreb and Mashreq specifically, and how do they compare with EU trade patterns with the region? Turkey's trade with both the Maghreb and Mashreq countries had been increasing significantly over the last two decades,

24 "Müteahhitlik Alanında Bilgi Notu", available at http://www.ydmh.gov.tr, accessed on 29 March, 2010.

25 Kemal Kirişci, "A Friendlier Schengen Visa System as a Tool of 'Soft Power': The Experience of Turkey", *European Journal of Migration and Law*, Vol. 7, No. 4, March 2006, pp. 343-367, http://www.edam.org.tr/document/Kirisci6.pdf.

26 1991 figures are based on Ministry of Culture and Tourism database. Figures for other years are based on the General Directorate of Security database.

27 Data obtained from Abdullah Nergiz, *Türkiye'de Sivil Havacılığın Gelişimi ve THY*, Master's thesis presented at Marmara University, Social Science Institute, Istanbul, 2008, p. 384 and Turkish Airlines website: http://www.turkishairlines.com. See also Orçun Selçuk, *Turkish Airlines as a Soft Power Tool in the Context of Turkish Foreign Policy*, Master's thesis, presented at Boğaziçi University, Atatürk Institute, Istanbul, 2012.

28 Taha Özcan, "The Arab Spring and Turkey: The Camp David Order vs.the New Middle East", Insight Turkey, Vol. 13, No. 4, Fall 2011, p. 60, http://setav.org/public/HaberDetay.aspx?Dil=tr&hid=91030.

29 Tarık Oğuzlu, "Türkiye ve Arap Baharı: Türk Dış Politikasında Liberal, İddialı ve Batılı Eksenin Yükselişi", *Akademik Orta Doğu*, Vol. 6, No. 2, 2012, pp. 41-60 and Soli Özel and Gencer Özcan, "Turkey's Dilemmas", *Journal of Democracy*, Vol. 22, No. 4, October 2011, pp. 124-138.

30 Interview with an official from the OIC Secretariat, October 2009.

31 Sinan Ülgen, "From Inspiration to Aspiration: Turkey in the New Middle East", *The Carnegie Papers*, No. 130, December 2011, http://carnegieendowment.org/files/turkey_mid_east.pdf; and Özel and Özcan, "Turkey's Dilemmas", cit.

32 Kemal Kirişci, "Turkey's 'Demonstrative Effect' and the Transformation of the Middle East", *Insight Turkey*, Vol. 13, No. 2, Summer 2011, pp. 33-55, http://file.insightturkey.com/Files/Pdf/insight_turkey_vol_13_no_2_2011_kirisci.pdf; and Oğuzhan Göksel, "Assessing the Turkish Model as a Guide to the Emerging Democracies in the Middle East", *Ortadoğu Etütleri*, Vol. 4, No. 1, July 2012, pp. 99-120, http://orsam.org.tr/en/showArticle.aspx?ID=1846.

33 World Bank, *Annual remittances data: Inflows*, available at http://go.worldbank.org/092X1CHHD0.

34 Mine Eder, "Exploring Layers of 'Othering': Globalization and Female Migrant Workers in Turkey", Paper prepared for the conference *Continuity and Change in Southeastern Europe*, co-hosted by the Kokkalis Program and Harvard's Minda de Gunzburg Center for European Studies, Harvard, 3-4 February 2011, p. 5.

35 Straubhaar, "Turkey as an Economic Neighbor", cit. This trend is also noted by Oğuzhan Ömer Demir and M. Alper Sözer, "Work and Remittance Patterns of Irregular Immigrants in Turkey" in Ibrahim Sirkeci, Jeffrey H. Cohen and Dilip Ratha (eds.), *Migration and Remittances during the Global Financial Crisis and Beyond*, Washington, The World Bank, 2012, pp. 303-311, http://publications.worldbank.org/index.php?main_page=product_info&products_id=24219.

even if the place of these countries in relation to Turkey's overall trade has remained limited. The overall increase in trade between Turkey and Maghreb-Mashreq countries from 1995 to 2011 of 328 percent is considerably under the 410 percent increase in EU-Turkish trade, but significantly below the 856 percent increase in trade between Turkey and its overall neighbourhood (Table V). However, two developments need to be stressed. Firstly, in the course of the last couple of years, the Turkish government introduced policies to specifically enhance trade and economic relations with these southern Mediterranean countries. These policies began to bear fruit very quickly in spite of the complications resulting from the Arab uprisings. Turkey's trade with Maghreb and Mashreq countries indeed increased on average by 59 percent between 2008 and 2011 compared to 8 and 18 percent increase in trade with the overall neighbourhood and the EU, respectively. Secondly, compared with the EU's trade with the Mediterranean, Turkey's trade is becoming more diversified and this is precisely a development that the EU ought to be looking into in terms of encouraging the long-run economic development of these countries.

Trade between the EU and the southern Mediterranean, in fact, has remained dominated by energy and the EU has resisted opening its markets especially to agricultural imports. This, of course, complicates the prospects of developing a more diversified and export-oriented industrial base for these countries. Naturally, Turkey is not a match for the EU. Its overall trade with the southern Mediterranean countries in 2011 stood at under €10 billion (Table V) compared with more than €141 billion for the EU (Table I). Yet unlike the EU, the composition of Turkey's imports from Mediterranean countries is less and less dominated by energy, particularly in the case of the Mashreq countries (Table VI). Turkey is becoming more open than the EU to at least partly manufactured exports from the Mediterranean. Clearly, these exports to Turkey are not at a level that could engender the kind of transformation in the southern Mediterranean economies that the EU could ignite. However modestly, Turkey is nonetheless offering these countries an opportunity to develop a more diversified trade with Turkey and that could well be a contribution to the economic transformation of these countries.

Another area where Turkish policies differ conspicuously from EU policies is with respect to the movement of people or to use EU parlance "people to people contact". As discussed above, in contrast to the EU's failure to adopt policies encouraging such "contacts", Turkey's visa policies have encouraged an explosion in the number of people entering Turkey from its neighbourhood. These policies have been extended to parts of the Arab Mediterranean countries only very recently. The number of entries of nationals of Mediterranean countries increased from a little more than 270,000 in 1995 to more than 1.5 million in 2011 (Table IV). This is an increase of about 470 percent compared to the 435 percent for EU nationals and has occurred mostly in the course of the last couple of years as visas were liberalized. These developments are not surprising because in a major and dramatic break from past practice, the AKP government began to liberalize visa requirements for most Arab countries. Visas for Moroccan and Tunisian nationals were lifted in 2007 and for Jordanian, Lebanese and Syrian nationals in 2009. At the 5th Arab-Turkish Forum in June 2010, Turkish Minister of Foreign Affairs Davutoğlu, underlined openly the importance of free movement of people and of creating free trade areas to foster greater economic activity and integration in the region.[36] He advocated an ambitious vision of integration leading to free movement of goods and people from the city of Kars to the Atlantic, and from Sinop to the Gulf of Aden. In July 2010 he led the effort for the establishment of a "Close Neighbours Economic and Trade Association Council" with Jordan, Lebanon, and Syria. Only time will tell whether once the dust has settled in Syria the Council will achieve its objectives. Turkey also introduced the practice of holding high-level joint cabinet meetings with neighbouring countries such as Syria, Iraq and Russia, chaired by the prime ministers of these countries.[37] This period also saw the signing of a string of free trade agreements with Arab countries.[38] Besides, the government supported civil society initiatives favourable to regional integration. A case in point was the initiative led by TOBB, together with DEIK, establishing the "Levant Business Forum" composed of Jordanian, Lebanese, Syrian and Turkish representatives with the aim of encouraging greater economic integration.[39]

The impact of the Arab uprisings on this integration process has been mixed. The relatively smooth regime transitions in Egypt and Tunisia meant that business and trade relations with Turkey did not suffer greatly. Actually, overall trade between Turkey and these two countries continued to grow during the course of 2010 and 2011, except for a minor drop in Tunisian exports to Turkey. The Turkish government's success in developing close relations with the new governments in both countries is likely to ensure the continued growth of business relations. Actually, in the first six months of 2012 overall trade with these two countries continued to increase even if Tunisian exports to Turkey continued to suffer.[40] The picture in the case of Libya and Syria is a very different one. Trade with both countries dropped significantly and by mid-2012 trade with Syria had actually ground to a halt. There are no indications suggesting that trade between Turkey and Syria is likely to pick up in the near future. Actually, the free trade agreement was suspended by Syria unilaterally in December 2011 and in July 2012 the Turkish government announced the closure of the border with Syria to trade due to events on the Syrian side of the border. However, the case may well be different with Libya as both governments are actively encouraging Turkish businesses to return though so far without much success.

It is Syria that constitutes the greatest challenge for Turkey in terms of the future of Turkey's economic integration with the Arab world. The AKP government had invested extensively into relations with Syria. There were a large number of Turkish companies that had set up businesses in Syria and Syria had also become a transit country for Turkish trucks ferrying exports to the rest of the Arab world. More importantly, the government saw Syria as a lynchpin for the creation of a larger free trade area composed of Lebanon, Jordan and eventually Egypt. Needless to say, the crisis in Syria has deeply disturbed these plans. At the same time, these developments do not negate the reality that Turkey's engagement in the Arab world is expanding independently of the Syrian crisis. Whatever the outcome of this crisis, regional economic integration will be a policy option that the post-Spring Arab countries will have to consider. After all, among the many causes behind the Arab uprisings, socio-economic grievances were critical and regional economic integration is a key ingredient of a more prosperous, stable, peaceful and possibly more democratic region.

Indeed, whereas the Arab world has seen numerous attempts at regionalism in past decades – first and foremost through the Arab League – trade barriers have remained high and the Arab world has

36 "Yeni bir Ortadoğu doğuyor!", *Milliyet*, 10 June 2010, http://www.milliyet.com.tr/yeni-bir-ortadogu-doguyor-/ekonomi/sondakika/10.06.2010/1249276/default.htm.

37 "Turkey, Syria to hold joint cabinet meeting next month", *MEMRI Blog*, November 2009, http://www.thememriblog.org/turkey/blog_personal/en/22255.htm. In November 2011 the Turkish government decided to suspend the strategic cooperation council between both cabinets "until a legitimate government that is at peace with its people is in charge in Syria". See "Turkey declares its sanctions on Syria", Hürriyet Daily News, 30 November, 2011, http://www.hurriyetdailynews.com/PrintNews.aspx?PageID=383&NID=8199.

38 Serah Kekeç, "Türkiye'nin Avrupa-Akdeniz Ortakları ile Serbest Ticaret Anlaşmaları", *Ortadoğu Analiz*, Vol. 2, No. 24, November 2010, pp. 85-93, http://www.orsam.org.tr/tr/yazigoster.aspx?ID=1362. Turkey has free trade agreements with fifteen countries plus members of EFTA. With the exception of Chile and EFTA countries, all the others are in Turkey's neighbourhood: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia in the Balkans, Georgia from the Caucasus and Egypt, Jordan, Isreal, Morocco, Syria, Palestine and Tunisia from the Middle East and North Africa. As of September 2012 the free trade agreements signed with Lebanon, Mauritius and South Korea are awaiting the completion of the ratification processes.

39 "Türkiye Ortadoğu'da 1.5 Trilyonluk Levant Birliği kurdu" [Turkey established a 1.5 trillion dollar Levant Union in the Middle East], *EurActiv*, 5 December 2010, http://www.euractiv.com.tr/ticaret-ve-sanayi/interview/trkiye-ortadouda-15-trilyonluk-levant-birlii-kurdu-013725.

40 Compared to 2011, trade in the first six months of 2012 increased by 47 percent for Egypt and 6.6 percent for Tunisia.

remained one of the regions with the lowest level of intra-regional trade.[41] Most strikingly outside the Gulf, only Egypt, Jordan, Morocco and Tunisia are full members of the WTO. If the gains of the Arab Spring are to be consolidated, it will be critical to invigorate efforts to promote greater trade within the region as well as establish effective regional institutions.

Turkey is well positioned to foster both regionalism as well as regionalization for at least three reasons. First, Turkey has a long standing experience in regional institution-building, stretching from participating in the establishment of the Council of Europe in 1949 to the Black Sea Economic Cooperation Organization in 1992. It is an active member of a long list of international economic organizations. Turkey has also the unique experience of being part of the EU customs union and has played a critical role in the establishment of the Economic Cooperation Organization in 1985, which now includes ten member states and in 2009 adopted the Economic Cooperation Organization Trade Agreement to foster trade expansion. Most importantly, Turkey is a member of the G20. Second and as discussed at length above, Turkey has been expanding its economic relations with the neighbourhood, signing free trade agreements with an ever growing number of regional countries. It has thus been directly contributing to regionalization and its economy has become increasingly integrated with those of its neighbours. Third, since former President Turgut Özal's "Peace Pipeline Project", Turkey has advocated economic cooperation and integration as a vehicle for conflict resolution in the Middle East. Özal's project never materialized, but the thinking behind it was central to Turkey's participation in the multilateral working groups that emerged from the Madrid Conference in 1992. This tradition acquired particular prominence during the AKP's rule, becoming a central characteristic of Turkish foreign policy.[42] Despite this potential, there are a number of challenges that Turkey and the EU must face in order to join forces to promote regional cooperation and integration.

Challenges for Turkey and the EU

Among the many challenges that Turkey faces in the aftermath of the Arab uprisings, the one that stands out most starkly is the collapse of the "zero problems with neighbours" policy. This policy was presented as a major source of Turkey's soft power in international relations, leading Turkey's Minister of Foreign Affairs to talk about Turkey becoming an "order setter" (düzen kurucu) in its neighbourhood. Yet, as noted by a prominent observer of Middle Eastern politics, Turkish foreign policy "is now beset with grave problems on almost every front".[43] The limits of Turkey's foreign policy must be recognized. Until the summer of 2011, Turkey maintained almost dreamlike relations with Syria. Commercial and political relations were booming, the number of nationals travelling in both directions had reached unprecedented levels, and leaders of both countries spent vacation time together. The Turkish government seemed confident that they would be able to cajole Syria into incremental political reform. Today Turkey is deeply embroiled in the Syrian conflict, its own security is being adversely affected and the situation in Syria is far from being resolved.

The Syrian crisis has also led Turkey to face growing criticism for fuelling sectarianism in the Middle East.[44] As much as the government virulently opposes such observations, some critics point to Turkey's lost ability to talk to all parties in the Middle East, particularly in Iraq, Iran, Lebanon and Syria itself. Reconstructing this ability is a key precondition if Turkey is to act as a motor for regional integration. A similar challenge regards Turkey's relations with Israel. Turkey's poor relations with Israel have not only undermined its ability to mediate in the Arab-Israeli conflict, but also complicate Turkey's grander objective of promoting an integrated, stable and prosperous Middle East. It is doubtful that regional integration in the Middle East would be feasible and meaningful without Israel and without peace between Israelis and Palestinians.

Another challenge is domestic and related to Turkey's faltering democratization and worsening relations with the EU, two important ingredients of its appeal in the neighbourhood.[45] A number of public opinion surveys and statements by regional leaders reveal that Turkey's added value to the region's stability as well as to its economic and political development is intimately tied to the health of its EU relations. The fact that 64 and 57 percent of respondents in 2009 and 2010 respectively thought that Turkey's EU membership would positively influence Turkey's role in the Middle East speaks for itself.[46] The centrality of the EU to Turkey's relations with the Middle East is also corroborated by how "Middle Eastern elites worry about any sign of Ankara turning its back on its EU accession process".[47] Actually, nurturing strong relations with the EU also fits into Davutoğlu's vision that Turkey's neighbourhood should aspire to emulate the EU's experience of regional integration. His ideas are likely to carry much more weight if Turkey is able and willing to be part of that experience.

A related challenge is the Kurdish question. Turkey has come a very long way since the days when the very existence of a separate ethnic Kurdish identity was denied and Kurds were simply considered "mountain Turks". Over the last decade numerous reforms have been introduced, often motivated by the prospect of EU membership, expanding the cultural rights of Kurds in Turkey. Turkey also overcame its traditional nervousness about the prospect of a Kurdish state in northern Iraq and developed close and cooperative relations with the Kurdish Regional Government (KRG). Nevertheless, the Kurdish question is far from being resolved. Tensions have been particularly high since the collapse of the government's "Kurdish opening" launched in 2009 and the situation has become even worse with the Syrian crisis. There has been a marked increase in PKK violence and a return to a securitized approach to the Kurdish question in Turkey. Together with setbacks in the area of freedom of expression, many increasingly question Turkey's ability to set an example for reform in the Arab world. At a time when the Arab world is striving for transformation, Turkey's own reform process needs to be reinvigorated. Moreover, it is difficult to envisage how regional integration could be achieved without addressing the Kurdish problem with its Turkish domestic as well as regional dimensions.

Another challenge that Turkey would need to address when advocating regional integration is the accusation of "neo-Ottomanism": the idea that the Turkish government is primarily driven by the desire to reconstitute a sphere of interest coinciding with the geography of the former Ottoman Empire.[48] Even though Turkish officials often insist that they do not have a "neo-Ottoman" agenda, they fail to recognize Arab sensitivities about the Ottoman past. A related challenge may result from the relative size of the Turkish economy and the comparative advantage that Turkey enjoys in relations with many of its smaller neighbours, which could raise fears about Turkey's regional

41 Louise Fawcett, "Alliances, Cooperation, and Regionalism in the Middle East", in Louise Fawcett (ed.), *International Relations of the Middle East*, Oxford, Oxford University Press, 2005, pp. 173-193; and Paul Aarts, "The Middle East: a Region without Regionalism or the End of Exceptionalism?", *Third World Quarterly*, Vol. 20, No. 5, October 1999, pp. 911-925.

42 Bülent Aras, "The Davutoğlu Era in Turkish Foreign Policy," *Insight Turkey*, Vol. 11, No. 3, Summer 2009, p. 131, http://file.insightturkey.com/Files/Pdf/insight_turkey_vol_11_no_3_2009_aras.pdf.

43 Patrick Seale, "The Collapse of Turkey's Middle East Policy", *Middle East Online*, 5 September 2012, http://www.middle-east-online.com/english/?id=54209.

44 Erol Cebeci and Kadir Üstün, "The Syrian Quagmire: What's holding Turkey Back?", *Insight Turkey*, Vol. 14, No. 2, Spring 2012, pp. 13-21, http://www.insightturkey.com/the-syrian-quagmire-whats-holding-turkey-back/articles/167.

45 E. Fuat Keyman, "Globalization, Modernity and Democracy: In Search of a Viable Domestic Polity for a Sustainable Turkish Foreign Policy", *New Perspectives on Turkey*, No. 40, 2009, pp. 7-27; Öniş, "Multiple Faces of the 'New' Turkish Foreign Policy", cit.

46 Mensur Akgün et al., *Ortadoğu'da Türkiye Algısı 2010*, Istanbul, TESEV Yayınları, 2011, p. 14, http://www.tesev.org.tr/tr/yayin/ortadoguda-turkiye-algisi-2010.

47 International Crisis Group, "Turkey and the Middle East: Ambitions and Constraints", *Europe Report*, No. 203, 7 April 2010, p. ii, http://www.crisisgroup.org/en/regions/europe/turkey-cyprus/turkey/203-turkey-and-the-middle-east-ambitions-and-constraints.aspx.

48 Muhamed Nureddin, "Davutoğlu, lütfen hata yapma", *Radikal*, 15 December 2010, http://www.radikal.com.tr/Radikal.aspx?aType=RadikalDetayV3&ArticleID=1032659.

hegemony.[49] In fact, setting aside energy rich Russia and Iran, Turkey's GDP is larger than the total GDP of all other remaining neighbours.[50] The situation is even more striking when Turkey is compared with those countries with which it has free trade agreements. To allay these concerns, Turkey will need to develop policies that can support "win-win" outcomes for both sides, providing for example economic assistance or supporting environmental regional institutions in the neighbourhood.[51] In other words, Turkey would have to become a "benign hegemon". In its quest to be viewed as a benign power in the region, Turkey would benefit from close cooperation with the EU. Not only does Turkey lack the influence and resources that the EU can mobilize. But more importantly, the last two years have revealed the limits to Turkey's ability to shape unilaterally a new order in the Middle East.

Turning to the EU, there are also a number of challenges the Union would have to face in order to credibly pursue regional integration. Bridging the "theory and practice" gap in EU policy towards the southern Mediterranean in a manner that would ensure a more meaningful "stake in the internal market" and "people to people" contact for southern Mediterranean countries is of the essence. The likelihood of this occurring in the near future is slim. However, this should not preclude efforts to develop a governmental and civil society dialogue in that direction. This at least would help to put the issue of regionalism and regionalization on the agenda of post-Spring southern Mediterranean countries.

The next challenge stems from having to involve Turkey in such a dialogue. The level of cooperation between the EU and Turkey on regional issues has been lacking for some time and has long received considerable criticism from policy and academic circles. However, there are some recent signs that both sides are converging towards a more cooperative mood. Ironically, this is at least partly driven by the Syrian crisis. Most importantly, in May 2012 the two sides launched the "positive agenda" meant to bring new momentum to EU-Turkish relations, including on foreign policy dialogue. This has also been accompanied by closer cooperation between Turkish Minister of Foreign Affairs Davutoğlu and EU High Representative Catherine Ashton. Yet, as an expert of EU-Turkish relations points out, this level of cooperation is still inadequate and should not only be institutionalized but also extended to the development of a joint strategy with respect to the post-Spring Arab world.[52] Such a strategy should include at least a discussion/dialogue on developing a common approach to encouraging greater economic integration with the southern Mediterranean countries. Turkey's experience and image would make an important contribution to the EU's efforts in the region.

Conclusion

The notion that greater economic interdependence engenders more cooperative relations among countries is a well established expectation in international relations. Turkey is becoming increasingly integrated with its neighbourhood and the government has endorsed a regional integration agenda. This has even led some to argue that Turkey is "doing the European Neighbourhood Policy for the EU".[53] Naturally however, Turkey on its own cannot bring about and ensure neither the objectives of the ENP nor institutionalised regional integration in the Mediterranean. To start with, Turkey has a very long list of challenges of its own to address. Furthermore, the long list of entrenched conflicts in the Middle East alongside the pressing domestic challenges within the region suggest that achieving greater economic integration and regional peace is no small feat. Yet, what is also clear is that the significance of the Arab uprisings is of historic proportions, somewhat resembling the end of Communism in Eastern Europe. Just as in the case of Central and Eastern Europe at the time, in the Mediterranean there is now a clear case for regionalization as a means of supporting domestic reform and regional peace.

So far developments suggest that democratization in the Arab world may not proceed as smoothly as in the case of Eastern Europe. However, this should not prevent Turkey and the EU from thinking about promoting regional integration and at least entering into a dialogue about it. This dialogue would need to emphasize policies that would allow Arab economies greater access to EU and Turkish markets as well as induce intra-Arab trade. The rewards in terms of stability, peace and prosperity would be huge. Furthermore, greater trade is likely to assist or bring about a more favourable environment for democratization. This is acknowledged by the European Trade Commissioner Karel de Gucht who remarked that "it is true that trade is not going to make democracy work but you will never have democracy without economic development and economic development without trade is completely impossible".[54] As much as the probability of achieving regional integration around the Mediterranean may not seem terribly promising today, not trying would only mean less security, less stability and less economic growth for Turkey, the EU and the region as a whole. For the southern Mediterranean countries, it is likely to mean less democracy as well.

49 For a discussion of Turkey as a "hegemon" in the Arab world see Malik Mufti, "A Little America: the Emergence of Turkish Hegemony," *Middle East Brief* (Crown Center), No. 51, May 2011, http://www.brandeis.edu/crown/publications/meb/meb51.html.

50 GDP in this case is measured in constant 2000 US Dollars. The unit is in billion USD. Turkey's GDP in the year 2011 (in constant 2000 USD) is 423 billion. The total GDP of the remaining neighbourhood countries Greece, Bulgaria, Romania, Moldova, Ukraine, Goergia, Armenia, Azerbaijan, Georgia, Iraq, and Syria, is 360 billion USD for the year 2011. The data for Syria is from 2010. Data are based on World Development Indicators.

51 Renda, "Turkey's Neighbourhood Policy", cit., p. 106.

52 Nathalie Tocci, "The Prospects and Meaning of a Strategic EU-Turkey Dialogue on the Neighborhood", *On Turkey Analysis*, 14 September 2012, http://www.gmfus.org/archives/the-prospects-and-meaning-of-a-strategic-eu-turkey-dialogue-on-the-neighborhood. For similar analysis calling for closer EU-Turkish cooperation with respect to the Arab Spring and the southern Mediterranean see for example Eduard Soler i Lecha, "The EU, Turkey and the Arab Spring: From Parallel Approaches to a Joint Strategy?" in Nathalie Tocci et al., *Turkey and the Arab Spring: Implications for Turkish foreign policy from a Transatlantic perspective*, GMF Mediterranean Paper Series, October 2011, pp. 25-34, http://www.gmfus.org/archives/turkey-and-the-arab-spring-implications-for-turkish-foreign-policy-from-a-transatlantic-perspective; Charles Grant, "A new neighbourhood policy for the EU", *CER Policy Brief*, March 2011, http://www.cer.org.uk/publications/archive/policy-brief/2011/new-neighbourhood-policy-eu; Peter Harling, "Europe and the Middle East: Divorce by Mutual Consent?", *Al-Hayat*, 24 February, 2011; Katinka Barysch, "Turkey, the EU and the Mediterranean Uprisings", *CER Blog*, 16 March, 2011, http://centreforeuropeanreform.blogspot.it/2011/03/turkey-eu-and-mediterranean-uprisings.html; and Nathalie Tocci and Jean-Pierre Cassarino, "Rethinking the EU's Mediterranean Policies Post-1/11", *IAI Working Papers*, No. 11/06, March 2011, http://www.iai.it/pdf/DocIAI/iaiwp1106.pdf.

53 Senem Aydın Düzgit and Nathalie Tocci, "Transforming Turkish Foreign Policy: The Quest for Regional Leadership and Europeanisation", *CEPS Commentary*, 13 November 2009, http://www.ceps.eu/ceps/dld/2662/pdf.

54 "Are FTAs killing jobs?", *EuroNews*, 29 September 2011, http://www.euronews.com/2011/09/29/are-fta-s-killing-jobs.

Annex

• Table I | Trade between the EU and the EMP countries

EU	1995		2004		2008		2011		% of inc. 1995-2011	% of inc. 2004-2011
	Total Foreign Trade	% of Tot.	Total Foreign Trade	% of Tot.	Total Foreign Trade	% of Tot.	Total Foreign Trade	% of Tot.		
Israel	14.321	1,47%	21.366	1,07%	25.296	0,88%	29.518	0,90%	**106%**	**38%**
Maghreb	33.902	3,49%	71.653	3,58%	126.769	4,41%	102.207	3,13%	**201%**	**43%**
Mashreq	14.084	1,45%	22.170	1,11%	35.589	1,24%	38.830	1,19%	**176%**	**75%**
Arab Total	**47.986**	**4,94%**	**93.823**	**4,69%**	**162.358**	**5,65%**	**141.037**	**4,32%**	**194%**	**50%**
European ENP	5.938	0,61%	27.882	1,39%	68.720	2,39%	71.314	2,18%	**1101%**	**156%**
Total	**68.245**	**7,02%**	**143.071**	**7,15%**	**256.374**	**8,92%**	**241.869**	**7,40%**	**254%**	**69%**
EU Total*	**972.104**	**100%**	**2.001.661**	**100%**	**2.874.764**	**100%**	**3.267.467**	**100%**	**236%**	**63%**

**Belgium and Luxembourg not included in 1995 EU Total due to lack of data*

Notes:
EU-15 in 1995; EU-25 in 2004; EU-27 in 2008
Maghreb: Morocco Algeria Tunisia Libya; Mashreq: Jordan Lebanon Syria Egypt; European ENP:Armenia Azerbaijan Belarus Georgia Moldova Ukriane

Source: EUROSTAT (in millions Euro)

• Table II | Schengen visas issued for nationals of Southern Mediterranean and Eastern European countries

EU	2003		2009		2011		% of Inc. 2003-2011	% of Inc. 2009-2011
	Total	% of G.Total	Total	% of G.Total	Total	% of G.Total		
Algeria	233.572	2,99%	189.155	1,76%	259.004	2,00%	**11%**	**37%**
Libya	34.588	0,44%	46.465	0,43%	12.432	0,10%	**-64%**	**-73%**
Morocco	317.536	4,07%	345.130	3,21%	313.633	2,42%	**-1%**	**-9%**
Tunisia	102.809	1,32%	108.366	1,01%	102.454	0,79%	**-0,35%**	**-5%**
MAGHREB	**688.505**	**8,82%**	**689.116**	**6,40%**	**687.523**	**5,30%**	**-0,14%**	**-0,23%**
Egypt	78.836	1,01%	107.918	1,00%	110.322	0,85%	**40%**	**2%**
Jordan	26.517	0,34%	29.095	0,27%	34.791	0,27%	**31%**	**20%**
Lebanon	66.423	0,85%	60.905	0,57%	77.575	0,60%	**17%**	**27%**
Syria	35.543	0,46%	38.826	0,36%	26.952	0,21%	**-24%**	**-31%**
MASHREQ	**207.319**	**2,66%**	**236.744**	**2,20%**	**249.640**	**1,93%**	**20%**	**5%**
Armenia	14.927	0,19%	29.039	0,27%	33.543	0,26%	**125%**	**16%**
Azerbaijan	13.255	0,17%	27.302	0,25%	43.099	0,33%	**225%**	**58%**
Belarus	169.739	2,18%	424.267	3,94%	589.291	4,55%	**247%**	**39%**
Georgia	14.558	0,19%	49.412	0,46%	59.667	0,46%	**310%**	**21%**
Moldova	16.796	0,22%	53.641	0,50%	50.323	0,39%	**200%**	**-6%**
Ukraine	324.547	4,16%	1.011.243	9,39%	1.112.154	8,58%	**243%**	**10%**
EX-SOVIETS	**553.822**	**7,10%**	**1.594.904**	**14,82%**	**1.888.077**	**14,57%**	**241%**	**18%**
TOTAL	**1.449.646**	**18,58%**	**2.520.764**	**23,42%**	**2.825.240**	**21,80%**	**95%**	**12%**
GRAND TOTAL	**7.803.460**	**100%**	**10.764.935**	**100%**	**12.961.527**	**100%**	**66%**	**20%**

Notes:
Countries in 2003 data: AT,BE,DE,DK,EL,ES,FI,FR,IT,LU,NL,PT,SE
Countries in 2009 and 2011 data: AT,BE,CZ,CH,DE,DK,EE,EL,ES,FI,FR,HU,IT,LT,LU,LV,MT,NL,PL,PT,SE,SI,SK
Visa types: A+B+C+D in 2003; A+B+C+LTV+D+"D+C" in 2009; A+C+LTV in 2011
Ex-Soviet does not include the EU member countries such as Bulgaria and Romania

Source: Compiled from data obtained from EU Consillium (16.08.2012)

• Table III | Total foreign trade between Turkey and its neighbours

TURKEY	1991		1995		2008		2011		% of Change 1991-2011	% of Change 1995-2011
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total		
Bulgaria	216	0,62%	585	1,02%	3.992	1,20%	4.098	1,09%	**1797%**	**601%**
Greece	221	0,64%	411	0,72%	3.581	1,07%	4.123	1,10%	**1766%**	**903%**
Romania	304	0,88%	670	1,17%	7.535	2,26%	6.677	1,78%	**2096%**	**897%**
Moldova	-	-	23	0,04%	268	0,08%	453	0,12%	**-**	**1870%**
Russia*	1.708	4,93%	3321	5,79%	37.847	11,33%	29.945	7,97%	**1653%**	**802%**
Ukraine	-	-	1055	1,84%	8.294	2,48%	6.542	1,74%	**-**	**520%**
Armenia	-	-	-	-	-	-	-	-	**-**	**-**
Azerbaijan	-	-	183	0,32%	2.030	0,61%	2.327	0,62%	**-**	**1172%**
Georgia	-	-	118	0,21%	1.523	0,46%	1.406	0,37%	**-**	**1092%**
Iran	578	1,67%	958	1,67%	10.230	3,06%	16.051	4,27%	**2677%**	**1575%**
Iraq	122	0,35%	124	0,22%	4.050	1,21%	8.402	2,24%	**6787%**	**6676%**
Syria	331	0,96%	530	0,92%	1.438	0,43%	1.949	0,52%	**489%**	**268%**
Neigh. Total	**3.480**	**10,05%**	**7.978**	**13,91%**	**80.788**	**24,19%**	**81.973**	**21,82%**	**2256%**	**927%**
EU**	**17.244**	**49,78%**	**27.939**	**48,72%**	**137.797**	**41,26%**	**153.475**	**40,85%**	**790%**	**449%**
Maghreb***	956	2,76%	1.586	2,77%	7.074	2,12%	5.902	1,57%	**517%**	**272%**
Mashreq	833	2,40%	1.358	2,37%	5.080	1,52%	7.665	2,04%	**820%**	**464%**
Israel	157	0,45%	406	0,71%	3.383	1,01%	4.449	1,18%	**2734%**	**996%**
Med. Total	**1.946**	**5,62%**	**3.350**	**5,84%**	**15.537**	**4,65%**	**18.016**	**4,79%**	**826%**	**438%**
Grand Total	**34.640**	**100%**	**57.346**	**100%**	**333.991**	**100%**	**375.747**	**100%**	**985%**	**555%**

** In 1991, values for Russia are values for USSR, therefore ex-Soviet contries data is not included.*
*** EU-12 in 1991; EU-15 in 1995 and 2002; EU-27 in 2008. Data are not available for Malta and Cyprus.*
****Maghreb: Morocco,Algeria,Tunisia,Libya; Mashreq: Egypt, Jordan, Lebanon, Syria*

Source: TUIK (in millions USD)

• Table IV | Entry into Turkey of persons from its neighbourhood

TURKEY	1991		1995		2008		2011		% of Change 1991-2011	% of Change 1995-2011
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total		
Bulgaria	925.446	17,82%	157.830	2,33%	1.255.343	4,77%	1.491.561	4,75%	**61%**	**845%**
Greece	122.793	2,36%	123.921	1,83%	572.212	2,17%	702.017	2,24%	**472%**	**467%**
Romania	503.724	9,70%	284.920	4,21%	447.419	1,70%	390.248	1,24%	**-23%**	**37%**
Moldova	-	-	-	-	141.514	0,54%	101.124	0,32%	**-**	**-**
Russia*	623.978	12,02%	1.074.858	15,89%	2.879.278	10,93%	3.468.214	11,04%	**456%**	**223%**
Ukraine	-	-	24.063	0,36%	730.689	2,77%	602.404	1,92%	**-**	**2403%**
Armenia	-	-	-	-	63.855	0,24%	578.685	1,84%	**-**	**-**
Azerbaijan	-	-	146.971	2,17%	459.593	1,75%	72.393	0,23%	**-**	**-51%**
Georgia	-	-	1.517	0,02%	830.184	3,15%	1.152.661	3,67%	**-**	**75883%**
Iran	244.352	4,71%	349.555	5,17%	1.134.965	4,31%	1.879.304	5,98%	**669%**	**438%**
Iraq	3.848	0,07%	15.363	0,23%	250.130	0,95%	369.033	1,18%	**9490%**	**2302%**
Syria	112.719	2,17%	111.613	1,65%	406.935	1,55%	974.054	3,10%	**764%**	**773%**
Neigh. Total	**2.033.136**	**39,15%**	**2.290.611**	**33,87%**	**9.172.117**	**34,83%**	**11.781.698**	**37,51%**	**479%**	**414%**
EU**	**1.382.405**	**26,62%**	**3.182.641**	**47,06%**	**14.871.907**	**56,47%**	**16.980.964**	**54,07%**	**1128%**	**434%**
Maghreb***	38.070	0,73%	89.914	1,33%	194.546	0,74%	270.227	0,86%	**610%**	**201%**
Mashreq	149.580	2,88%	182.451	2,70%	593.217	2,25%	1.285.743	4,09%	**760%**	**605%**
Israel	41.094	0,79%	261.012	3,86%	558.183	2,12%	79.140	0,25%	**93%**	**-70%**
Med. Total	**228.744**	**4,40%**	**533.377**	**7,89%**	**1.345.946**	**5,11%**	**1.635.110**	**5,21%**	**615%**	**207%**
Others	1.784.482	34,36%	991.861	14,67%	3.181.197	12,08%	4.175.936	13,30%	**134%**	**321%**
Grand Total	**5.193.255**	**100%**	**6.762.956**	**100%**	**26.336.677**	**100%**	**31.406.076**	**100%**	**505%**	**364%**

**Total entry from Soviet Union for 1991 and from Commonwealth of Independent States (CIS) for 1995*
*** EU-12 in 1991; EU-15 in 1995 and 2002; EU-27 in 2008. Data are not available for Malta and Cyprus.*
****Maghreb: Morocco,Algeria,Tunisia,Libya; Mashreq: Egypt, Jordan, Lebanon, Syria*

Source: T.C. Emniyet Genel Müdürlüğü

• Table V | Foreign trade between Turkey and Mediterranean countries

TURKEY		1995		2008		2011		% of Inc. 1995-2011	% of Inc. 2008-2011
		Total	% of Total	Total	% of Total	Total	% of Total		
MAGHREB	**Algeria**	555	1,25%	2.175	0,96%	1.886	0,70%	240%	-13%
	Libya	482	1,09%	958	0,42%	647	0,24%	34%	-32%
	Morocco	92	0,21%	883	0,39%	959	0,36%	942%	9%
	Tunisia	98	0,22%	771	0,34%	752	0,28%	667%	-2%
TOTAL		**1.227**	**2,77%**	**4.787**	**2,12%**	**4.244**	**1,57%**	**246%**	**-11%**
MASHREQ	**Egypt**	352	0,79%	1.568	0,69%	2.974	1,10%	745%	90%
	Jordan	147	0,33%	331	0,15%	413	0,15%	181%	25%
	Lebanon	138	0,31%	573	0,25%	720	0,27%	422%	26%
	Syria	411	0,93%	981	0,43%	1.392	0,52%	239%	42%
TOTAL		**1.048**	**2,36%**	**3.453**	**1,53%**	**5.499**	**2,04%**	**425%**	**59%**
Israel		314	0,71%	2.286	1,01%	3.190	1,18%	916%	40%
Med. TOTAL		**2.589**	**5,84%**	**10.526**	**4,66%**	**12.933**	**4,79%**	**400%**	**23%**
Neighborhood*		**6.178**	**13,93%**	**54.669**	**24,19%**	**59.044**	**21,86%**	**856%**	**8%**
EU**		**21.606**	**48,71%**	**93.430**	**41,34%**	**110.183**	**40,80%**	**410%**	**18%**
GRAND TOTAL		**44.356**	**100%**	**226.000**	**100%**	**270.072**	**100%**	**509%**	**20%**

*Neighboorhood contains Bulgaria, Greece, Romania, Moldova, Russia, Ukraine, Azerbaijan, Georgia, Iran, Iraq, Syria
**EU15 for 1995, EU27 for 2008 and 2011

Source: TUIK (in millions Euro)

• Table VI | Energy imports from Mashreq and Mahgreb countries by Turkey and the EU*

	Turkey						EU					
	1995		2008		2010		1995		2008		2010	
	Total*	% of rand Total	Total	% of Grand Total	Total	% of Grand Total	Total	% of Grand Total	Total	% of Grand Total	Total	% of Grand Total
Maghreb	625	50,28%	1.026	27,74%	884	22,75%	10.380	38,67%	53.304	50,75%	50.795	**56,39%**
Mashreq	271	21,80%	154	4,16%	105	2,70%	2.474	9,22%	7.201	6,86%	6.682	**7,42%**
Israel	2	0,16%	160	4,33%	275	7,08%	38	0,14%	944	0,90%	966	**1,07%**
TOTAL	**898**	**72,24%**	**1.340**	**36,24%**	**1.264**	**32,54%**	**12.892**	**48,03%**	**61.449**	**58,50%**	**58.443**	**64,89%**

* Energy imports defined as mineral fuels, lubricants, and other related materials.

Source: TUIK and EUROSTAT (in millions Euro)