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About this Series

Op-Med is an ongoing series of opinion pieces on topical issues in Mediterranean politics from a transatlantic perspective. The series brings together European, North American, and southern Mediterranean experts through the German Marshall Fund–Istituto Affari Internazionali strategic partnership. The series examines key questions surrounding the political, societal, and economic evolution of specific Mediterranean countries as well as the broader regional and international dynamics at play in the Mediterranean region as a whole.

The Arab Spring and Regional Integration: Can the EU and Turkey Cooperate?

by Kemal Kirişçi

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 EU’s Mediterranean Policy

The EMP and ENP have achieved an impressive level of institutional development, accompanied by an *acquis* that identifies the areas, terms, and tools of cooperation. This *acquis* most importantly promises trade liberal-

ization and a “stake” in the internal market for partner countries through deep and comprehensive free trade agreements. This is also coupled with promises of support for increased “people-to-people” contacts. Institutional steps have been taken toward creating a free trade zone. Association agreements with most of the countries of the neighborhood are in place. However, these agreements have fallen well short of meeting the goal set in 1995 of achieving a free trade zone — the Euro-Mediterranean Free Trade Area (EMFTA) — by 2010. Trade gains have been created but are very limited, mostly of the “hub and spoke” variety, with trade increasing between individual states and the EU without an accompanying rise in intra-regional trade. This meager performance is partly due to the inability of these countries to adopt and implement the EU *acquis* on the internal market. The reasons behind this inability are undoubtedly complex and numerous but the weak influence of “carrots” offered by the EU to induce reforms is also a factor.

This in turn is closely related to the EU’s considerable resistance to opening the internal market to agri-

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cultural imports from the southern Mediterranean. Instead, energy and related products have constituted the bulk of EU imports from the region, perpetuating the “rentier state” economy of many Arab countries. Similar remarks can also be made about the movement of people. The Schengen visa regime requires the nationals of all the southern Mediterranean countries to apply for a visa to enter the EU. The data on the number of Schengen visas granted each year shows that it is not as difficult for the nationals of the eastern neighbors to enter the EU as it is for those of the southern Mediterranean. The EU may have developed an impressive and well-articulated neighborhood policy, but the results evidently fall well short of what the Union sets out to achieve. Might there be useful lessons that the EU could draw from Turkey’s neighborhood policy that could also constitute a basis for future cooperation between the two sides?

Turkey and its Neighborhood

Turkey is becoming more and more economically integrated with its neighborhood.¹ As the Cold War came to an end, only around 10 percent of Turkey’s foreign trade was with its neighborhood and amounted to just under US\$3.5 billion.² By 2011, this situation had changed dramatically. Trade with the neighborhood was valued at almost \$82 billion in 2011 and constituted around 22 percent of Turkey’s overall trade. This was a period during which Turkey became a “trading state,” a state whose foreign policy is shaped increasingly by economic imperatives. What’s more, the composition of Turkey’s imports from Mediterranean countries is less and less dominated by energy, particularly in the case of the Mashreq countries, and is opening to partly manufactured goods.

Clearly, these imports are not at a level that could engender a dramatic transformation in the southern Mediterranean economies, unlike potential trade with the EU. Yet however modestly, Turkey is nonetheless offering the Mediterranean-rim countries an opportunity to develop a more diversified trade that could contribute to their economic transforma-

tion. Another striking characteristic of Turkey’s neighborhood policy has been its more liberal visa policy, which has recently been extended to parts of the Arab Mediterranean countries. The number of nationals from Mediterranean countries entering Turkey has increased from a little more than 270,000 in 1995 to more than 1.5 million in 2011. This is an increase of over 450 percent, which has occurred mostly over the last couple of years when the visa regime was liberalized.

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 2010 and 2011 except for a minor dip 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 trade relations.

The greatest challenge to Turkey’s economic integration with the Arab world is Syria. The government invested extensively in closer economic relations with Syria. A large number of Turkish companies had set up businesses in Syria, while Syria also became a transit country for Turkish trucks ferrying exports to the rest of the Arab world. And the Turkish government looked at Syria as the first pillar of a larger free trade area composed of Lebanon, Jordan, and eventually Egypt. While the crisis in Syria has deeply disturbed these developments, it does not negate the reality that Turkey’s engagement in the Arab world is continuing to expand. Whatever the outcome of this crisis, regional economic integration is going to be a policy option that the post-Arab Spring southern Mediterranean countries will have to consider. The added advantage of regional integration in the long run is that it could also help to create a more stable, peaceful, and possibly more democratic region.

A Common Regional Future

In light of the significant scale of the Arab uprisings, EU-Turkish cooperation in advancing regionalism and regionalization is key to supporting reform and the eventual establishment of a zone of “peace.” For Turkey, relations with the EU are important for its image and “soft power” in the Arab world. A number of public opinion surveys and statements by regional leaders have indicated that

1 For the purposes of this Op-Med, Turkey’s neighborhood includes immediate neighbors Greece, Bulgaria, Georgia, Armenia, Azerbaijan, Iran, Iraq, Syria, and the Black Sea countries of Russia, Romania, Ukraine, and Moldova. For political reasons, there is no direct trade between Turkey-Armenia and Turkey-Cyprus and no direct movement of people between Turkey-Cyprus.

2 See Foreign Trade Statistics in the Turkish Statistical Institute (TUIK) website: http://www.tuik.gov.tr/AltKategori.do?ust_id=4.

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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 Turkey's EU relations. For the EU, in turn, Turkey's experience and image would be an important contribution to the Union's efforts in the region. The level of cooperation between the EU and Turkey on regional issues has been slim for some time and has long been the target of considerable criticisms 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 fresh dynamism and new momentum to EU-Turkish relations including dialogue on foreign policy. This has also been accompanied by closer cooperation between the Turkish Minister of Foreign Affairs Ahmet Davutoğlu and EU High Representative Catherine Ashton. Yet, 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. Such a strategy should include at least discussion on a common approach to a greater economic integration with the southern Mediterranean countries.

About the Author

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