

ANALYSIS OF THE VISA RESTRICTIONS ON TRADE RELATIONS BETWEEN TURKEY AND THE EUROPEAN UNION

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1. Introduction

The bilateral relations between Turkey and the European Union (EU) can look back on a history of more than five decades full of euphoria, disappointment, confidence and real politics. Since the signing of the Turkish Association Agreement in 1963 and the start of concrete accession negotiations for Turkey in 2005, both sides have agreed that this accession process should not be broken off. However, concrete answers to conflicting core questions must be sought in order to be able to construct a possibly common future.

The enlargement policy is particularly important for the EU in order to ensure sustainable peace in it, guarantee political stability, enable a permanently prosperous economy and thus increase its global competitiveness. These maxims enable it to act as a driver of an increasingly globalizing world within the triad, i.e. in competition with North America and East and Southeast Asia. As a potential candidate for EU membership, Turkey has a strategically important position in the global context due to its geopolitical situation and as a member of the G20. It can therefore make a significant contribution to economic prosperity in the EU and its security policy goals.

Despite this promising starting position, however, the aforementioned accession process between Turkey and the EU has slowed down in recent years and has reached a dead end. Mutually coordinated actions to handle unifying problems in connection with geographically close regions of conflict, refugee movements and migration, a transnational energy supply, trade issues and customs union and, last but not least, visa-free travel for the Turks within the EU, indicate that the dynamics of relations between EU and Turkey is volatile, but breaking it off cannot be a real option for either party.

Deriving from this, in this article, from the plethora of possible areas of conflict and cooperation, in particular the unilateral visa restrictions of the EU towards Turkey and their possible consequences on the respective mutual trade relations are analyzed.

2. Trading options and barriers

2.1 Customs union

The agreement on the customs union between Turkey and the EU came into force on January 1, 1996. The customs union is intended to remove most of the trade restrictions between the EU and Turkey and, as a harmonization process, contribute to the lack of parallelism in the negotiations and conclusion of trade agreements between the EU and third countries, the lack of enforcement of intellectual property rights, and Turkish competition policy to be introduced according to EU requirements. By implementing liberal trade and investment regulations, the customs union is an important instrument for integrating the Turkish economy into the EU and that of global markets (Togan, S., 2012). A deepening of trade relations and greater market integration within the framework of the accession negotiations would undoubtedly represent an opportunity to expand and strengthen the customs union.

It should be noted that these possible positive effects of the customs union on Turkey are also critically questioned by Turkish politicians. The customs union agreement is unique in that no other candidate country established a customs union with the EU as a full member before joining the EU. With the agreement on the customs union, Turkey gave the EU a very considerable influence on its trade policy and restricted its own economic sovereignty. Turkey should therefore unconditionally accept and adapt to all EU trade agreements on customs issues with third countries, while Turkey itself is not allowed to make sovereign decisions that are not in accordance with EU regulations (Szigetvári, T., 2014).

In this tenor, the EU negotiated and signed trade agreements with third countries. According to the agreement on the customs union, the countries which themselves sign a free trade agreement with the EU receive automated and free access to the Turkish market. In return, however, Turkey cannot automatically and freely export its goods to these third countries, as these agreements only allow free access for EU products. As long as the EU signed such trade agreements with smaller or weaker economies (e.g. Arab Mediterranean countries, countries in the Western Balkans), the negative trade effects for Turkey were negligible. More recently, however, the EU has started to sign trade deals with stronger economies. In particular, the trade agreements with, for example, Mexico and South Korea, two important market competitors of Turkey on the European and global market, which have similar product portfolios to Turkey, are significantly disadvantageous for them (Kirişçi, K., 2006).

2.2 Visa requirement

In connection with the agreement on the customs union, the visa requirement for Turkish citizens who want to enter the EU but cannot do so without a visa, harbors a further considerable potential for conflict. It cannot be conveyed on the Turkish side that for Turkey, as a member of the customs union, the free movement of people in the EU is or remains denied. Turkish goods may cross EU

borders and be freely traded within the EU, but the Turkish producers do not enjoy freedom of movement. Turkey is currently the only EU candidate country that is not on the list of Schengen countries with visa-free access to the EU, while residents of several non-European countries such as Brazil, Honduras, Paraguay or Venezuela do not have to apply for an EU visa. Other non-EU accession candidates such as Russia, Ukraine, Moldova and Georgia are also negotiating an EU visa-free regime.

Arguments according to which the right to visa-free EU access for Turkey had already been established by the Ankara Agreement of 1963 and an additional protocol and were only temporarily suspended with the military coup of 1980 are certainly justified. As part of its “trade state” diplomacy, Turkey has signed international economic and trade agreements with over 70 countries in recent years, including the exemption from visa requirements. Although Turkey is one of the largest importers of European products, such a trade agreement between Turkey and the EU is still a long way off. But isn't it exactly the case that the positive effects of the customs union can only be fully exploited if free movement of people between Turkey and the European Union is guaranteed?

Due to a more restrictive and new Turkish Aliens Act and Turkey's increasing dissatisfaction with the EU visa requirement for its citizens, the EU seems increasingly ready to start a dialogue on visa liberalization. The signing of a renewed return agreement has a key priority for the EU, as the overland route from Turkey via Greece and Bulgaria is one of the main routes for refugees on their way to the EU and new refugee flows such as were the case in 2015 are under want to avoid all circumstances. (Özler, Z .; Toygür, I., 2011).

2.3. Quo Vadis

The focal points of the visa problems mainly concern Turkish entrepreneurs entering the EU, who have also been the subject of various judgments by the European Court of Justice. The EU opened the dialogue with Turkey on visa liberalization on December 16, 2013 at the same time as the return agreement between Turkey and the EU was concluded. The aim of this bilateral dialogue is fundamentally visa-free travel for citizens of Turkey. A so-called roadmap lays down the requirements that Turkey must meet so that the European Parliament can exempt Turkey from the visa requirement. Accordingly, there are a total of 72 conditions that Turkey would have to meet beforehand. It can be said that Turkey has already processed or fulfilled 65 conditions. The 5 most important remaining conditions are the legislation on the protection of personal data and an agreement on operational cooperation with Europol, regarding legally effective cooperation in law enforcement with all EU member states. Furthermore, counter-terrorism legislation and practice must be in line with European standards.

In addition, EU measures to prevent corruption must be adopted and the recommendations of the Group of States against Corruption (GRECO) of the Council of Europe must be effectively implemented. The other two conditions concern biometric passports and the full implementation of the provisions of the Turkey-EU Return Agreement. These remaining 5 conditions have not yet been met by Turkey.

In view of this, the European Commission has explicitly asked the European Council for a mandate to start negotiations with Turkey on the modernization of the customs union that has existed between Turkey and the EU for 20 years. Developing trade relations between Turkey and the EU is an essential part of their political endeavors. At the EU-Turkey summit on November 29, 2015, as well as in the EU-Turkey declaration of March 18, 2016, common interests in deepening relations were recorded. Modernizing the customs union would do justice to the current state of trade relations between the EU and Turkey, and both sides would benefit economically from visa liberalization.

3. Outlook

In view of the increasing intense competition between different economic power blocs and the considerable expansion of trade between the EU and Turkey, the customs union that came into force in 1996 is no longer sufficient to effectively meet the global challenges. An intensive economic interdependence of Turkey with its neighboring regions and an "economic drift" from the EU are visible. While in the first years of 2000 the Turkish export share to the EU was well over 50 %, it has now decreased to below 38%. A reversal of direction to fast-growing markets such as the Middle East (Gulf States, Iraq), Russia and other post-Soviet republics can be seen in the flow of Turkish exports. Turkish investors and companies are also present in increasing numbers in the Balkan countries or in Central Asia (Laube, 2019).

Of course, Turkish economic growth - regardless of a Covid 19 pandemic - is still heavily dependent on trade with the EU. It can be observed, however, that an increasingly diversified structure of their export goods and their foreign trade partners with increasing domestic demand, their dependence on the EU decreases. This gives Turkey greater room to negotiate with the EU, including when it comes to full membership, even if this currently seems a long way off. As a member of the G20, Turkey shows that its political and economic power has grown enormously since it first expressed its wish to join the EU. This gives Turkey a further impetus to negotiate on an equal footing with the EU (Kirişçi, K., Kaptanoğlu, N., 2011). Since the importance of Turkey has increasingly developed in its favor, also in view of the fact that the United Kingdom has now withdrawn from the EU (BREXIT), political decision-makers in the EU should face these facts. The swift implementation of a visa-free regime for Turkish citizens is therefore an overdue step that will be able to sustainably support the economic prosperity and political stability of both Turkey and the EU.

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