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Turkey's Engagement with Its Neighborhood: A “Synthetic” and Multidimensional Look at Turkey's Foreign Policy Transformation¹

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ABSTRACT *This article argues that a synthetic look at different dimensions of Turkey's engagement of its neighborhood, be it movement of people, civil society interactions and economic exchanges, offers a better understanding of both the broader context within which Turkey's foreign policy is changing and the precise modalities through which this transformation is taking place. This engagement offers a range of opportunities from assisting neighboring countries, including the Arab world, to reform and modernize economically as well as politically to nudging the neighborhood to seek greater interdependence, dialog and cooperation. This would be promising in terms of “win-win” outcomes for Turkey, the European Union (EU) and the region. Such an interdependent and integrated neighborhood around Turkey could unleash economic, social and political processes that may eventually lead to a “democratic peace” in the region even if it might be in the very distant future. However, a number of tough challenges from reinvigorating democratization in Turkey and revitalizing EU–Turkish relations to stubborn regional conflicts would have to be addressed. Governments as well as civil society, academia and the think-tank world ought to start to think about what to do with these challenges.*

Introduction

Turkish foreign policy and Turkey's engagement with its neighborhood in the course of the last decade has been attracting considerable academic as well as public attention. This attention has intensified with the break out of the Arab Spring. Current literature has done a great job discussing the substance of Turkish diplomacy embedded in the “zero problems policy with neighbors,” including its limits and geopolitics.² Considerable focus has also been directed to the analysis of diplomatic relations with neighbors often addressing issues to do with bilateral or regional relations and conflicts as well as efforts to diversify energy supplies, expand trade opportunities

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while contrasting these developments with that of the collapse of European Union (EU)–Turkish relations. The question whether Turkish foreign policy is indeed moving away from the West and whether a “shift of axis” is occurring has also attracted considerable attention. A wide range of factors has been offered for explaining the causes behind this “new” Turkish foreign policy compared to the 1990s.³ These factors range from geopolitics to domestic- and identity-related developments. Furthermore, this literature also points out how Turkey’s foreign policy-making that had once been restricted largely to a narrow elite accustomed to viewing the surrounding world primarily from the perspective of “national security” considerations had become transformed. A wide spectrum of actors ranging from within the state to sub-national actors such as political parties, the business world and civil society, even the role of “think-tanks” have been referred to while highlighting a process of “de-securitization” in Turkish attitudes toward its neighborhood. The role of external actors such as the USA and of course the EU has also been highlighted.

However, what seems to be missing in this literature is an appreciation and understanding of the larger picture associated with Turkey’s “new” foreign policy that drives Turkey’s ever-deepening engagement of its neighborhood. It is this deepening of engagement that is attracting attention to Turkey somewhat independently of Turkey’s “new” foreign policy in the narrower diplomatic sense of the word. The modalities of this engagement are reflected in a massive increase in transnational relations between Turkey and its neighborhood reflected in movement of people, trade as well as business, civil society, cultural and educational links. Entries of nationals from Turkey’s immediate neighborhood, defined as Greece, Bulgaria, Romania, Ukraine, Russia, Georgia, Armenia, Azerbaijan, Iraq and Syria, increased from about 168,000 in 1980 to close to 10.9 millions in 2010, constituting an increase from 15 percent to 38 percent of overall entries into Turkey.⁴ In the course of the last decade between 2000 and 2010 more than 213 million people, just about three times the size of Turkey’s own population in 2010, entered Turkey and close to 40% of this came from the neighborhood.⁵ Trade with this neighborhood, on the other hand, increased from US\$3.7 billion in 1991 to US\$64.6 billion in 2010, a 17-fold increase compared to a roughly sevenfold increase in EU–Turkish trade that in the meantime saw the establishment of a customs union between the EU and Turkey (Appendix A). The extent of Turkey’s engagement of its neighborhood is symbolically best represented by how Turkish Airlines flights to destinations in Turkey’s immediate neighborhood increased from a total of six just as the Cold War was coming to an end to 29 flights at the end of 2010.⁶

The article argues that there are three channels of transnational relations through which Turkey’s engagement of its neighborhood is occurring. The first channel involves Turkey’s economic and trade relations accompanied with a second channel composed of the broader movement of people between Turkey and its neighborhood. It is these relations that have become the links through which Turkey has become so much more integrated to its neighborhood. A third channel is composed of those civil society contacts that are making a modest but important contribution to reinforcing the integration process by assisting the diffusion of values associated with

democracy, conflict resolution and cooperation as well as liberal market economics. These channels of engagement and the significance of this engagement in the light of the Arab Spring will be discussed in the following section of this article. However, for Turkey's engagement to have a positive impact on the transformation of its neighborhood and particularly the Middle East there are a number of challenges. These challenges will be examined in the second section. The article concludes by arguing that a synthetic approach to Turkey's foreign policy highlighting Turkey's transnational relations is likely to offer a more parsimonious understanding of Turkey's engagement of its neighborhood and ability to contribute to regional transformation than does a purely state-centric approach.

Channels of Transnational Relations

One of the most important aspects of Turkey's neighborhood engagement is through trade. In fact, Turkey has already become a "trading state."⁷ In 1975 foreign trade constituted 9 percent of Turkish GDP. In 2008 this figure had increased to 42 percent (Appendix B). In real terms Turkish foreign trade increased from around US\$6.1 billion in 1975 to around US\$333 billion in 2008 (Appendix B). Furthermore, the value of Turkish exports and their diversity have increased too. In 1980 while the exports of manufactured goods constituted only 27 percent of merchandise exports, this figure has increased to 79 percent in 2008.⁸ Finally, the relative significance of the EU in Turkey's foreign trade, though still very high, has been falling from a peak of around 56 percent of overall trade in 1999 to about 41 percent in 2008.⁹ It is neighboring countries that have been acquiring growing importance, especially Russia. The year 2008 was when Russia became Turkey's largest bilateral trading partner surpassing Germany for the first time with a trade volume of US\$38 billion.¹⁰

The most striking aspect of this new picture is actually Turkey's economic engagement of its immediate neighborhood with respect to trade. The share of Turkey's neighborhood in Turkey's overall foreign trade grew 21-fold from 3.7 billion in 1991 to almost US\$80 billion in 2008 that is from 10.8 to 23.6 percent of its overall trade (Appendix A). Interestingly, as Turkey's trade with its neighborhood and some distant parts of the world increased the one with the Arab world fell from about 15 percent to about 11 percent between 1991 and 2010. However, this is likely to change in the coming years since the government started an aggressive policy to increase Turkey's economic engagement of the Middle East especially if the transformation process in the Arab world is indeed successful these relations are likely to expand significantly. A striking aspect of the growing integration between Turkey and its neighborhood is that Turkey's place in the foreign trade of most countries in the neighborhood has increased too. Both in terms of exports as well as imports, Turkey's rank has increased practically for every single country of the neighborhood between 2001 and 2008 except Azerbaijan and Syria (Appendix C). In the case of six neighboring countries including two EU member countries, Bulgaria and Romania, Turkey in 2008 became among their top five overall trading partners (Appendix D).

Furthermore, it is not just trade that is expanding in Turkey's engagement with its neighborhood. Turkish businesses presence in neighboring countries is expanding too. An important proportion of Turkish foreign direct investment (FDI) continues to flow to EU countries. At the same time, Turkish investments in countries such as Russia, Georgia, Bulgaria, Iraq and Syria are increasing. Tracking down Turkish investments is a difficult exercise however Central Bank figures suggest that Turkish FDI stock in neighboring countries increased from US\$890 million in 2001 to US\$5318 million in 2009.¹¹ Turkish companies also have major construction projects in practically every neighboring country and are increasingly associated with the building of airports, hotels, shopping centers, 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 US\$187.6 billion. Currently, almost 35 percent of ongoing more than US\$20 billion worth construction projects are in Turkey's immediate neighborhood.¹² Beyond the construction sector prominent Turkish companies have been involved in commercial activities ranging from management of airports, hotels and shopping malls to manufacturing in a variety of sectors such as glass and durable consumer goods. There are also numerous Turkish restaurants and bakeries as well as small- to medium-scale businesses operating practically in all the countries surrounding the Black Sea and increasingly in the Middle East too.

Movement of people especially into Turkey is another manifestation of Turkey's engagement of its neighborhood. Juliette Tolay notes that each year "millions of Russians, Azeris, Georgians, Ukrainians, Kazakhs, etc. . . . pour into Turkey, in addition to the large numbers of Greeks, Bulgarians and Romanians coming to Turkey" as well as Iranians.¹³ This is made possible because of a relatively liberal visa policy that Turkish governments have been employing since just before the end of the Cold War. During the Cold War, Turkey exempted from visas only nationals of the member countries belonging to the then Council of Europe with the exception of Greece and Cyprus. Bilateral agreements also exempted nationals of Iran and Romania from visa requirements since the 1960s. Turkey began to ease its visa requirements for nationals of first Greece in 1986, then the Soviet Union in 1990 followed by the successor states of the Soviet Union by the early 1990s.¹⁴ The total number of third-country nationals entering Turkey increased from just over 5.2 million in 1991 to around 28.6 million in 2010 (Appendix E) with an even larger number of people entering Turkey from the surrounding regions. In 1980, a mere 40,000 person from the Soviet Union entered Turkey. This figure had increased to more than 623,000 by 1991 thanks to a freer visa arrangement. In the meantime the number of entries from Turkey's immediate neighborhood increased from about 2.5 million in 1991 to 10.9 million in 2010 constituting 38 percent of overall entries in 2010. Entries from EU member countries continue to constitute the largest group with 51.5 percent of overall entries. The number of entries from Arab countries increased from about 220,000 in 1991 to just less than 1.9 million in 2010 constituting about 6.6 percent of overall entries.

However, in a major and dramatic break from past practice the Justice and Development Party (AKP (*Adalet ve Kalkınma Partisi*)) 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 late in 2009. At the 5th Arab–Turkish Forum, Turkish Minister of Foreign Affairs Davutoğlu, underlined openly the importance of free movement of people and creation of free trade areas to foster greater economic activity and integration in the region.¹⁵ He advocated an ambitious vision of an integration project leading to free movement of goods and people from the city of Kars to the Atlantic, and from Sinop to the Gulf of Aden. It is yet difficult to substantiate the net impact of visa liberalization however a major increase can be expected in the coming years. The number of Iranians that entered Turkey in 2010 was almost equal to that of those from the whole of the Arab world. More than half a million Israeli nationals had entered Turkey in 2008 however this figure dropped dramatically to just under 110,000 in 2010 as a function of deteriorating relations between the two countries.

As is the case with trade the level of Turkey's integration with the Arab world in the case of movement of people too remains limited. The introduction of visa free policies with a number of Arab countries in the course of the couple of years have boosted entries from the Arab world by 62 percent and is much higher than the overall increase of nine percent between 2008 and 2010. Nevertheless, entries from the Arab world constituted only 6.6 percent of overall entries. Actually, in 2008 before relations with Israel deteriorated the number of entries from the whole of the Arab world with a population of approximately 332 million was only twice the number of Israeli entries. There is also an interesting relationship between movement of people and economic integration. Some of the entries from the Arab world were composed of suitcase traders involved in economic activity in a similar way to what had happened in the early 1990s when Turkey opened its borders to nationals of the ex-Soviet world.¹⁶ In the case of the former Soviet space, following an initial period of suitcase trade, both the numbers of entries from and trade with the ex-Soviet world exploded. The increase in the number of people entering Turkey from the ex-Soviet world between 1995 and 2008 was just under 400 percent while trade for the same period increased by more than 900 percent. Just as a more liberal visa policy played a central role in the expansion of trade with Turkey's northern neighborhood, it would be reasonable to expect a similar expansion in trade with Arab Middle Eastern countries following the liberalization of visas.

One very important but often-overlooked manner in which Turkey economically engages its neighborhood is through the transfer of remittances from Turkey to neighboring countries. Turkey is within less than 2 h flight distance from six of the top 20 leading remittance-receiving countries in the world based on data for 2004.¹⁷ They include Albania, Armenia, Bosnia and Herzegovina, Georgia, and Moldova. Turkey's visa system has long allowed nationals of especially Armenia, Georgia and Moldova as well as nationals of some Central Asian to come and work in Turkey illegally in domestic care sector. As Mine Eder points out the informal nature of this sector and the poverty in the countries of origin have constituted a pull as well as push factor for the migrants. Most of these migrants are women and the remittances they send back home "have been instrumental in addressing the skyrocketing poverty in the country."¹⁸ Traditionally, Turkey was an emigration

country that at one point dependent heavily on remittances coming from Turkish migrants in Europe and especially in Germany for capital accumulation. Yet, the growth of the Turkish economy has contributed to Turkey's transformation into a growingly immigration country. As Thomas Straubhaar notes, "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."¹⁹ Furthermore, this informality also enables these countries that usually run a deficit in their trade with Turkey to raise the resources to pay for Turkish imports.

An often-overlooked aspect of Turkey's foreign relations is the modest but growing engagement of the neighborhood by Turkish civil society. The state of civil society in Turkey is far from being ideal. Nevertheless in the last decade or so there has been a significant growth in civil society and at least some of this civil society is increasingly developing transnational links. This engagement by its very nature is difficult to track in a systematic manner. Whether this engagement is indeed contributing to a transformation of the region of course is even more difficult to substantiate. However, there is no doubt that it is a growing source of transnational relations between Turkey and its neighborhood that deserves further study. This section will offer a number of examples of such engagements that enrich transnational relations and deepen Turkey's integration with its neighborhood.

The business world is undoubtedly the most active section of the civil society in terms of Turkey's neighborhood. Business-related groups such as the Independent Industrialists' and Businessmen's Association (MUSIAD (*Müstakil Sanayici ve İşadamları Derneği*)), Turkish Foreign Economic Relations Board (DEİK (*Dış Ekonomik İlişkiler Kurulu*)), Turkish Exporters Assembly (TIM (*Türkiye İhracatçılar Meclisi*)), Turkish Union of Chambers (TOBB (*Türkiye Odalar ve Borsalar Birliği*)), Turkish Industrialists' and Businessmen's Association (TUSIAD (*Türkiye Sanayiciler ve İş Adamları Derneği*)), and Confederation of Businessmen and Industrialists (TUSKON (*Türkiye İş Adamları ve Sanayiciler Konfederasyonu*)) are of course the most visible ones in terms of their transnational relations. Most of them even have offices abroad in places like Washington, DC; Berlin; Brussels; and Paris. However, they are also becoming increasingly involved in regions surrounding Turkey. This engagement contributes to the deepening of Turkey's integration with its neighborhood but also helps a transfer of experience and know-how with respect to not just technical issues and doing business in liberal markets but also with respect to ways of defending business interests in the political arena.

Beyond the business world, slowly but surely, non-governmental organizations dealing with issues ranging from culture, democracy, humanitarian assistance and women issues are also beginning to develop transnational links including with Turkey's neighborhood. They are all in one way or the other engaged in external activities. These activities are mostly dominated by development and humanitarian assistance oriented groups such as the Anatolian Development Foundation (AKV (*Anadolu Kalkınma Vakfı*)), Foundation for Humanitarian Relief (IHH (*İnsan Hak ve Hürriyetleri ve İnsani Yardım Vakfı*)) and the International Blue Crescent Relief

and Development Foundation (IBC (*Uluslararası Mavi Hilal İnsani Yardım ve Kalınma Vakfı*)). These organizations have been involved in projects ranging from basic humanitarian assistance to the construction of public amenities, schools and health center rehabilitation in neighboring countries.

Turkish civil society has been active in the education sector too. The Mother Child Education Foundation (*Anne Çocuk Eğitim Vakfı* (AÇEV)) from Istanbul is one such organization. It is a long-standing NGO that advocates the idea that it is crucial to the development of children to start education as early as possible and recognizes a strong relationship between improved education and the likelihood of effective democratic participation in addressing and resolving societal problems. AÇEV has been involved in projects with partners in Syria and Lebanon.²⁰ There are also long-standing numerous NGOs set up by immigrants from the Balkans and Caucasus in Turkey such as the Association of Culture and Solidarity of Rumelian Turks (RUMDER (*Rumeli Türkleri Kültür ve Dayanışma Derneği*)) and the Caucasian Cultural Association (KAFDER (*Kafkas Kültür Derneği*)) involving educational projects for their kin from the neighboring geography.

Among all the Turkish civil society groups with education-centered activities beyond Turkey's borders, it is probably the Gülen Movement that has attracted the greatest attention and also controversy. The movement enjoys an extensive network of schools,²¹ and businesses across the world through which it disseminates its views and thinking on politics. Fetullah Gülen, a religious preacher, who has been living in the USA since the late 1990s, leads the Movement. The movement is "the largest and most influential Islamic group in Turkey and the most widely recognized one internationally."²² There are those who have seen the movement as an important if not central actor in the transformation and democratization of Turkey.²³ The movement is also seen, together with AKP, as contributing to the emergence of the notion of "Muslim democracy."²⁴ However, there are also those who look at the Movement with growing skepticism. They question the commitment of the Movement to truly liberal democratic values. Even though there is almost unequivocal praise for the quality of the education provided at the Movement's schools, there are also those who argue that Islamist values are inculcated discreetly during classes and more openly during after class activities and in dormitories of the Movement. These allegations or concerns have led at least two countries, Russia and Uzbekistan, to close down the Movement's schools. Nevertheless, the Gülen Movement has become an actor with considerable influence in Turkey and beyond it. It is also likely to increase its current engagement of Turkey's neighborhood in the coming years and only time will be able to tell whether the Movement is indeed a source of pluralist democracy or an impediment to it.

There are also non-governmental organizations involved in projects in Turkey's neighborhood that have a closer link to political reform agendas. One such organization is the Women for Women's Human Rights. They played a critical role in the reformulation of the Turkish Penal Code during the EU reform process and have also been known for their activism advocating respect for sexual and bodily rights of women including eradicating the practice of honor killings. It is especially in the latter area that they have made for themselves a strong reputation and have led

the formation of an extensive network of feminist NGOs in the Muslim world, including the Middle East. Another example concerns Turkish Economic and Social Studies Foundation (TESEV (*Türkiye Ekonomik ve Sosyal Etüdler Vakfı*)) which is one of the longest-standing think-tanks in Turkey with a long record of projects directly related to democracy and reform promotion in Turkey. It is also a rare Turkish NGO involved in various projects in Turkey's neighborhood involving transmission of democracy related ideas. Finally, there is a wide body of civil society organizations with considerable experience with respect to the defense and promotion of human rights. Organizations such as Human Rights Association (IHD (*İnsan Hakları Derneği*)), Association for Human Rights and Solidarity for Oppressed People (Mazlum-Der, *İnsan Hakları ve Mazlumlarla Dayanışma Derneği*), Helsinki Citizens' Assembly-Turkey (HYD (*Helsinki Yurttaşlar Derneği*)), the Turkish branch of Amnesty International, the General Medical Council of Turkey (TTB (*Türkiye Tabipler Derneği*)), the Turkish Human Rights Foundation (TIHV (*Türkiye İnsan Hakları Vakfı*)) and the Social and Legal Research Foundation (TOHAV (*Toplum ve Hukuk Araştırmaları Vakfı*)) that have all developed extensive transnational networks in Turkey's neighborhood.

Against this background of Turkish NGOs involved, directly or indirectly, in activities that support greater regional integration, reform and democratization there are also those organizations that act in the opposite direction. These are by and large right wing nationalist organizations and think-tanks that advocate greater unity between "Turkic" countries and communities especially in the former Soviet Union. Some of these organizations advocate nationalist and confrontationist agendas. Values traditionally associated with a pluralist understanding of democracy such as civic conceptions of citizenship, recognition of multiculturalism, advocacy of intercultural dialog and tolerance are not part of their political culture. There is also the case of Diaspora organizations in Turkey. These associations have mostly aimed at maintaining culture, identity and solidarity as well as extend support to their brethren in their original homelands. Just as some are engaged in efforts to promote reform in their homelands there are also those that promote exclusivist and separatist agendas likely to perpetuate conflicts in the North Caucasus.²⁵

Indeed civil society engagement of Turkey's neighborhood is probably the area that has received so far the least attention. Yet, it is part of the expanding transnational relations between Turkey and its neighborhood. It complements the other two channels of transnational relations that are making Turkey so much more interdependent with its neighborhood. The question of how then does this influence translate itself into the transformation of Turkey's neighborhood is beyond the scope of this article but deserves future study. In the meantime there are a number of challenges that face Turkey if indeed a better integrated, prosperous, stable and peaceful region is to be achieved.

Challenges

The previous section demonstrated three set of transnational channels through which Turkey engages its neighborhood. This engagement offers a range of opportunities from assisting economic and political reform process in the neighborhood especially

in the Arab world to deepening regional interdependence and integration that could in the long run help to bring about a more peaceful, prosperous and democratic neighborhood. Yet, there are also challenges that stand in the way of these opportunities if Turkey is indeed going to have a transformative impact on its neighborhood. These challenges have partly to do with Turkey and partly with the region as well as the EU.

First and foremost at a time when the Arab world is craving for reform and transformation Turkey's own reform process will need to be reinvigorated. After an energetic period of political reform Turkey's reform process has slowed down and concerns have been expressed by an ever growing range of domestic and external actors about setbacks with respect to consolidating a liberal and pluralist democracy. Keyman as well as Öniş rightly and convincingly point out to the importance of the continuation and consolidation of reform and democratization in Turkey if positive and constructive foreign policy is to be sustained.²⁶ In the first months of 2011 the Turkish government has begun to face growing domestic as well as international criticism with respect to policies and measures seriously undermining freedom of expression.

A second challenge emerges again with respect to the uprisings and the demand for transformation in the Arab world. There is going to have to be a grand debate in Turkey and careful thinking about the difficult exercise of finding a balance between the ethical necessity of supporting reforms in the Arab world and a range of national and business interests associated with stability. This difficulty became particularly conspicuous in relation to the uprisings in Egypt versus Libya. There is general agreement that with respect to Egypt the government came out in support of the uprisings and demands for reform at a critical moment and in an unequivocal manner when the Prime Minister Erdoğan called on Mubarak to heed to the demands of the public and go. The same decisiveness was not manifested in the case of Libya and concerns have been expressed that interests got in the way of ethics leading a prominent columnist to raise the question whether "Turkey was a shy ally of Gaddafi."²⁷ A number of Arab commentators have actually raised this issue and their expectation that Turkey would stand by the Libyan people rather than the regime and its business interests.²⁸ If Turkey will want to sustain its image as a model or example for democratization in its neighborhood there will be hard choices to make between upholding universal values and allowing for business, economic and ideational interests room for maneuver.

Another challenge, paradoxically, results actually from Turkey's energetic and successful economic engagement of its neighborhood. As Turkey pushes for free trade agreements and freer movement of people there needs to be a recognition that the size of the Turkish economy and the comparative advantage that Turkey enjoys in relation to especially many of its smaller neighbors as well as Arab economies could lend Turkey to accusations of becoming hegemonic.²⁹ When Greece, Russia and, oil producing, Iran are left out, Turkey's GDP for 2008 is actually larger than the total of all the other eight remaining countries (Appendix F). The situation is even more striking when Turkey's GDP is compared with those countries with which Turkey has free trade agreements. Turkey's GDP in 2008 equals the size of 14 of its partners

excluding Chile (Appendix G). It is not that long ago that in Turkey it was possible to hear cries that the Customs Union with the EU would create an unbalanced relationship in which the Europeans would be the “partners” and Turkey would simply be a “market” that would be flooded by European goods. In the long run, this imbalance in the size of the economies may not sustain a trade that is beneficial to both sides. As Kadri Kaan Renda aptly points out to prevent “unintended results and a backlash against” Turkey, there will be a need for Turkey to provide “public goods” such as “economic assistance, conflict free environment and regional institutions” for the neighborhood.³⁰ In other words, Turkey would have to think of policies that can produce win–win outcomes through economic integration.

A most important issue is Turkey’s relations with the EU. Davutoğlu’s aspiration for an integrated Middle East where people and goods can move freely from “Kars to the Atlantic” is most welcome and is actually reminiscent of the vision of the founding fathers of the EU. However, any integration project in Turkey’s neighborhood should not take place at the expense of the EU at least for two good reasons. Öniş rightly notes that independent of the problems that the EU is creating for Turkish accession “there is a need to adopt a long-term perspective on this issue and maintain commitment to the EU membership process” for foreign policy as much as political reasons.³¹ The EU will be important for Turkey for purely economic reasons too. Transition to democracy and rule of law in the Arab world will be a painful one. There will be ups and downs accompanied with considerable instability. Turkish business and economic interests especially in Libya have already badly suffered. This might be a moment for taking stock and reassessing the value of access to the European market to make up for the losses incurred as a result of the uprisings and the accompanying instability. Furthermore, as Straubhaar, notes a much greater compatibility between the EU economies and the Turkish one in terms of foreign trade and that unless the economies of Turkey’s neighborhood are significantly transformed there will always be a problematic imbalance in foreign trade between Turkey and its neighborhood.³² The EU will also remain the most important source of FDI and technology for Turkey’s own economic development. Hence, independent of what happens with Turkey’s accession process it will be important to nurture and reform the Customs Union.³³ Paradoxically, it is the experience of competing in the European market that will continue to give Turkish companies the competitive edge in relation to its neighborhood.

The need for Turkey’s EU anchor is important also because the region and especially the Arab world want to see strong EU–Turkish relations. A number of public opinion surveys and statements by leaders of Turkey’s neighborhood have underlined Turkey’s added value to the region’s stability as well as economic and political development is intimately tied with the health of Turkey’s EU relations. Maintaining or nurturing stronger relations with the EU would also be important in terms of especially Davutoğlu’s vision for Turkey’s neighborhood that aspires to emulate the experience of the EU. However, Davutoğlu’s ideas are likely to carry much more credibility if Turkey is able and willing to strengthen its relations with the EU. Yes, the EU is mistreating Turkey and some EU member countries are invoking

cultural issues against Turkey membership that is beyond standard accession criteria. However, Turkey should not allow such discourse and policies based on emotions and resentment get in the way of cold rational interests and strategic considerations. The fact that 64 percent of the Arab public opinion surveyed supported the view that it is Turkey's EU membership prospects that make Turkey an attractive partner for the Arab world speaks for itself.³⁴ 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."³⁵

Just as Turkey needs the EU, the reverse is also the case. The EU will need to open its eyes to the fact that the world is changing, Turkey has changed and the Arab world is about to change and change dramatically. Against this background the EU cannot continue with its "Fortress Europe" policies both in respect to movement of people as well as trade. The EU has for too long given too much priority to security concerns with respect to its neighborhood. This process of securitizing EU's relations especially with its Mediterranean neighborhood has culminated in the Schengen visa regime that has created an almost impenetrable paper wall around the EU. This regime vastly complicates access to the EU for civil society activists, business people, students as well as officials not to mention tourists. Between 2003 and 2009, Schengen visas issued for the nationals of the European neighbors of the EU increased by 188 percent while for the Arab countries by only seven percent.³⁶ How can one expect the EU to promote democracy in the Arab world or enjoy the influence of its "soft power" under such circumstances? The EU will have to start to revitalize especially European – Mediterranean Partnership (EMP) and Union for the Mediterranean by starting to ease visa restrictions. Undoubtedly, this will also call for revisiting the failed 1995 commitment to achieve a "free trade area in the Mediterranean by 2010." Trade and movement of people is an area where the EU could benefit from the lessons of Turkey's much more "open door" policy toward the Arab world.³⁷ Surely, transmitting the values and norms of the EU and encouraging transformation is going to be considerably easier if people from the region are allowed to trade and travel more easily to the EU.

Turkey's neighborhood to its north is characterized by a certain degree of regionalism and multilateralism. They are all members of the Organization of Black Sea Economic Cooperation, Council of Europe and Organization of Security and Cooperation in Europe. Most are members of the WTO. There is also considerable movement of people and trade between these countries. However, this is not the case with respect to the Middle East. Instead the Middle East is characterized by an exceptionally low level of regionalism and regionalization.³⁸ Intra-regional trade remains low in spite of some advances achieved in the last few years.³⁹ Similarly, transnational relations between Arab countries let alone between Israel and the Arab world is extremely limited. The absence of such relations is one important obstacle in the way of conflict resolution and reconciliation let alone economic interdependence. In this respect, Turkey's economic, social and political engagement both at the state as well as the non-state level clearly contributes to encouraging greater interdependence and possibly institutionalization too. Turkey's efforts to mediate

conflicts in the region have to be welcomed too. Yet, at the same time, the limits of Turkey's ability to change the course of well-entrenched patterns of economic and political relations in the region have to be recognized. "Getting to Zero" problems in Turkey's relations with its neighbors let alone in Turkey's neighborhood in general are not going to be any easy exercise.⁴⁰ At the same time, one should not underestimate the role of growing transnational relations and interdependence between Turkey and its neighborhood creating a conducive environment for dialog, reconciliation and transformation in the long run.

Finally, there is the issue of Israel. It goes without saying that Israel's blockade of the Gaza Strip and its treatment of civilians during the military intervention there in 2008 was simply unacceptable. Many Israelis also accept that what happened on board of the *Mavi Marmara* in June 2010 was wrong. Actually, media reports suggested that the Prime Minister of Israel was indeed close to issuing an apology demanded by Turkey if it was not for his Minister of Foreign Affairs sabotaging the effort. However, it is also difficult to see how some of the rhetoric adopted by the Turkish government against Israel can serve Turkey's grander objective of promoting a 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. After all what made Jean Monnet and Robert Schuman such visionaries is that they envisaged an integration program that engaged France's archenemy Germany as a partner. There is no way that European integration would have reached the deepening and widening it has had, had Germany been excluded. Instead of isolating and confronting Israel Turkey should rise above the current bilateral problems and regain the ground that could help Turkey to play its traditional role in Israeli-Arab relations of confidence building and mediation. The Middle East is in dire need of a country that can enjoy the confidence of both sides and contribute to encouraging both sides out of the vicious circle they have been caught in for so long. Just as Turkey has a role to play in assisting reform and transformation among Arab countries it can also play a role, as modest as it may be, to lure Israel to reform its outlook and strategy toward the Arab world and Palestinians.

Conclusion

The article tried to highlight how current literature on Turkish foreign policy remains primarily state-centric and that there is a need to compliment this literature with research that focuses on Turkey's engagement of its neighborhood through transnational relations and economic integration. Such a synthetic approach is important for a number of reasons. Firstly, this broader picture opens the prospects of a fascinating research agenda that goes beyond the current one centered mostly on what the state or government is doing. What is the extent of transnational relations between Turkey and its neighborhood? As much as it may be difficult to measure it, the impact that these relations are having on the transformation of the region and some countries of the region is worth researching. Such research could make an important contribution

to existing empirical as well as theoretical literature on regionalism, regionalization as well as transnational relations. It is an academic opportunity worth seizing.

Secondly, these transnational relations and the Turkish government's policies encouraging economic interdependence and movement of people must be having an impact. This is evident in the current debates on the idea of Turkey constituting a model or an inspiration for reform and transformation in the Arab world and on the EU having to extract lessons from Turkey's experience and its default neighborhood policy for reforming European Neighbourhood Policy and EMP. In other words, however modest, Turkey's engagement of its neighborhood is having an impact, this impact is attracting growing policy attention and hence it should be studied.

Thirdly, these transnational relations point at opportunities for a more interdependent and integrated neighborhood. This would be promising in terms of win-win outcomes for Turkey, the EU and the region in respect to greater trade, prosperity and reform. Such an interdependent and integrated neighborhood around Turkey could unleash economic, social and political processes that may eventually lead to a democratic peace in the very long run. Turkey is and would be a central player in that process. However, a number of tough challenges would have to be addressed. Some of these have to do with Turkey while others are beyond Turkey's control. Turkish governments ought to think about these challenges as much as civil society, academia and the think-tank world. The missing link if well understood can offer a lot of food for thought for academia and a multitude of opportunities for policymakers, business people and civil society activists. The outcome could be the transformation of a neighborhood traditionally mired in conflict to one that begins moving in the direction of the experience that European integration has gone. It is a long shot but Turkey's "new" foreign policy offers this opportunity. It is worth grabbing it.

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Notes

1. This article is an abridged and revised version of the paper that received the "Sakıp Sabancı International Research Award" in June 2011. The full version of the paper can be obtained from the author.
2. Space precludes the inclusion of a review of this literature in this article. However, this review is available in the Sakıp Sabancı International Research Award version of the paper.
3. This paper recognizes that the term "new" for Turkish foreign policy is contested. The term appears to have become popular especially subsequent to Ahmet Davutoğlu's article "Turkey's Foreign Policy Vision: An Assessment of 2007," appeared in the first issue of *Insight Turkey* in 2008 and the journal announced this particular issue as "Turkey's New Foreign Policy Vision." Since then, many articles have employed the term. This paper uses the term in a broader sense to cover a transformation in Turkish foreign policy that started before the Justice and Development Party (AKP) came to power. This paper supports the view raised by a number of analysts that AKP's foreign policy is a reflection both of "continuity" and "change" in Turkish foreign policy.

4. Calculated from Tables 1 and 2 in Kemal Kirişçi, "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 (2005), pp. 343–367 and data from the Turkish Statistical Institute (TUIK).
5. Calculated from TUIK data.
6. These destinations were one in the Soviet Union (Moscow since 1989), one in Greece (Athens since 1947), two in Iran (Tabriz since 1965 and Tehran since 1978), one in Iraq (Baghdad since 1978) and one in Bulgaria (Sofia 1984). 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 www.thy.com.tr.
7. For a discussion of the concept of "trading state" with respect to Turkey, see Kemal Kirişçi, "The Transformation of Turkish Foreign Policy: The Rise of the Trading State," *New Perspectives on Turkey*, Vol. 40 (2009), pp. 29–57.
8. Undersecretariat of the Prime Ministry for Foreign Trade (DTM), "Dış Ticaretin Görünümü: 2008," p. 26.
9. Based on TUIK data.
10. "Dış Ticaretin Görünümü: 2008," p. 15. Currently, Germany continues to be Turkey's largest partner. However, Germany's share in Turkish foreign trade fell from 19.2% in 1991 to 9.7% in 2010.
11. TCMB İstatistik Genel Müdürlüğü, available at www.tcmb.gov.tr.
12. "Müteahhitlik Alanında Bilgi Notu," available at www.ydmh.gov.tr (accessed March 29, 2010).
13. Juliette Tolay, "Turkey's Other Multicultural Debate: Lessons for the EU," *The Annual Sakıp Sabancı International Research Award 2010 Competition*, p. 7.
14. Kirişçi (2005).
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19. Thomas Straubhaar, "Turkey as an Economic Neighbor," in Ronald Linden, Ahmet Evin, Kemal Kirişçi, Thomas Straubhaar, Nathalie Tocci, Juliette Tolay and Joshua Walker, *Turkey and Its Neighbors: Foreign Relations in Transition* (Boulder, CO: Lynne Rienner, 2012), pp. 173–194.
20. Interview with two representatives of AÇEV held in Istanbul, October 2009.
21. According to Balcı in 2003, there were Gülen schools in 25 countries, see Bayram Balcı, "Fethullah Gülen's Missionary Schools in Central Asia and Their Role in the Spreading of Turkism and Islam," *Religion, State & Society*, Vol. 31, No. 2 (2003), p. 156.
22. Berna Turam, *Between Islam and the State: The Politics of Engagement* (Stanford: Stanford University Press, 2007).
23. Bülent Aras, "Turkish Islam's Moderate Face," *Middle East Quarterly*, Vol. 5, No. 3 (1998), pp. 23–29; Filiz Başkan, "The Fethullah Gülen Community: Contribution or Barrier to the Consolidation of Democracy in Turkey?," *Middle East Studies*, Vol. 41, No. 6 (2005), pp. 849–861; Turam, 2007.
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27. Cengiz Çandar, "Türkiye Kaddafi'nin 'Utangaç' Müttefik mi?," *Radikal*, March 22, 2011. See also Şaban Kardaş, "Turkey's 'Moral Politics' in Libya: Seduction by Analogy?," *Today's Zaman*, March 20, 2011.
28. See, for example, Yaser el-Zeatire, "Erdoğan'a çağrı" translated and published in *Radikal*, March 25, 2011.
29. 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, Brandeis University), No. 51, May 2011.
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36. Kemal Kirişçi, "Comparing the Neighborhood Policies of Turkey and the EU in the Mediterranean," in Meliha Benli-Altunışık, Kemal Kirişçi and Nathalie Tocci (eds.), *Turkey: Reluctant Mediterranean Power* (GMF, Mediterranean Paper Series, February 2011), p. 40.
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Appendix A. Turkey's Foreign Trade with Neighbors and Other Regions Between 1991 and 2010 (in million US Dollars)

	Turkey																Percentage of change 1991–2008	Percentage of change 2008–2010
	1991				2002				2008				2010					
	Export	Import	Total	Percentage of total	Export	Import	Total	Percentage of total	Export	Import	Total	Percentage of total	Export	Import	Total	Percentage of total		
Greece	144	77	221	0.64	590	312	902	1.03	2.430	1.151	3.581	1.07	1.456	1.542	2.998	1.00	1520	-16
Bulgaria	76	140	216	0.62	380	508	888	1.01	2.152	1.840	3.992	1.20	1.498	1.701	3.199	1.07	1748	-20
Romania	105	199	304	0.88	566	662	1.228	1.40	3.987	3.548	7.535	2.26	2.599	3.448	6.047	2.02	2379	-20
Ukraine	-	-	-	-	313	991	1.304	1.49	2.188	6.106	8.294	2.48	1.261	3.830	5.091	1.70	-	-39
Russia	611	1.097	1.708	4.93	1.172	3.892	5.064	5.78	6.483	31.364	37.847	11.33	4.632	21.596	26.228	8.76	2116	-31
Georgia	-	-	-	-	231	65	296	0.34	1.667	928	2.595	0.78	769	291	1.060	0.35	-	-59
Azerbaijan	-	-	-	-	103	138	241	0.28	998	525	1.523	0.46	1.551	865	2.416	0.81	-	59
Armenia	-	-	-	-	-	-	-	-	0	1	1	0.00	0	3	3	0.00	-	200
Iran	487	91	578	1.67	334	921	1.255	1.43	2.030	8.200	10.230	3.06	3.043	7.645	10.688	3.57	1670	4
Iraq	122	492	614	1.77	-	-	-	-	3.917	1.321	5.238	1.57	6.043	1.355	7.398	2.47	753	41
Syria	264	67	331	0.96	267	506	773	0.88	1.115	639	1.754	0.53	1.849	663	2.512	0.84	430	43
Neighborhood total	1.665	2.086	3.751	10.83	3.366	7.683	11.049	12.61	24.537	54.472	79.009	23.66	23.245	41.397	64.642	21.59	1986	-18
Lebanon	90	7	97	0.28	187	42	229	0.26	665	179	844	0.25	619	229	848	0.28	770	0
Jordan	158	30	188	0.54	117	18	135	0.15	461	25	486	0.15	572	43	615	0.21	159	27
GCC + Yemen	650	2.220	2.870	8.29	1.334	952	2.286	2.61	12.722	4.361	17.083	5.11	6.746	3.642	10.388	3.47	495	-39
North Africa	524	432	956	2.76	938	1.518	2.456	2.80	4.424	4.324	8.748	2.62	4.779	3.378	8.157	2.72	815	-7
Egypt	169	48	217	0.63	326	118	444	0.51	1.426	943	2.369	0.71	2.261	926	3.187	1.06	991	35
Sudan	20	4	24	0.07	59	12	71	0.08	234	9	243	0.07	228	5	233	0.08	912	-4
Arab world total ^a	1.997	3.300	5.297	15.29	3.228	3.166	6.394	7.30	24.964	11.801	36.765	11.01	23.097	10.241	33.338	11.14	594	-9
Israel	79	78	157	0.45	805	545	1.350	1.54	1.935	1.448	3.383	1.01	2.083	1.360	3.443	1.15	2055	2
EU	7.348	9.896	17.244	49.78	20.415	25.689	46.104	52.62	63.390	74.802	138.192	41.38	52.659	72.215	124.874	41.71	701	-10
NAFTA ^b	981	2.435	3.416	9.86	3.673	3.473	7.146	8.16	4.954	13.786	18.740	5.61	4.393	13.727	18.120	6.05	449	-3
BICSKJ ^c	632	1.931	2.563	7.40	575	4.534	5.109	5.83	2.899	27.659	30.558	9.15	4.052	30.000	34.052	11.37	1092	11
Sub-Saharan Africa	117	269	386	1.11	430	558	988	1.13	3.212	2.503	5.715	1.71	2.258	2.108	4.366	1.46	1381	-24
Others	1.304	1.686	2.990	8.63	4.434	6.624	11.058	12.62	20.187	23.992	44.179	13.23	15.557	23.158	38.715	12.93	1378	-12
Grand total	13.593	21.047	34.640	100.00	36.059	51.554	87.613	100.00	132.027	201.964	333.991	100.00	113.899	185.497	299.396	100.00	864	-10

Source: TUIK.

^aArab world total contains Iraq, Syria, Lebanon, Jordan, Egypt, Sudan, North Africa countries (Algeria, Libya, Tunisia, Morocco), GCC (Bahrain, Qatar, Kuwait, Saudi Arabia, UAE, Oman), Yemen.

^bNorth Atlantic Free Trade Area contains Canada, Mexico and United States.

^cBICSKJ contains Brazil, India, China, South Korea and Japan.

Appendix B. Foreign Trade and the Turkish Economy Between 1975 and 2010

	Turkey					
	1975	1985	1995	2005	2008	2010
Export (US\$ billion)	1.4	7.9	21.6	73.5	132	113.9
Import (US\$ billion)	4.7	11.3	35.7	116.8	201.9	185.5
Total trade (US\$ billion)	6.1	19.3	57.3	190.2	333.9	299.4
GDP (US\$ billion)	64.5	67.5	244.9	484	794.2	729
GDP (<i>per capita</i>)	1.564	1.316	2.773	6.801	10.745	10.207
GDP (ranking) ^a	17th	25th	24th	17th	17th	17th
Foreign trade (percentage of GDP)	9	29	23	39	42	41

Source: World Bank Database and *Global Finance* magazine.

^aRankings for 1975 and 1985 need to be interpreted cautiously because of large number of missing data for both years.

Appendix C. Turkey's Rank in Neighboring Countries Export and Import in 2001 and 2008

		2001		2008		2001		2008	
		Export	Import	Export	Import	Export	Import	Export	Import
Greece	Germany	11.3%	Germany 13.9%	Italy 11.5%	Germany 11.9%	Russia 9.2%	Germany 13.9%	Netherlands 12.2%	China 13.0%
	Italy	8.4%	Italy 12.2%	Germany 10.5%	Italy 11.4%	Italy 7.4%	Belarus 9.4%	Italy 9.0%	Germany 12.8%
	UK	7.9%	France 6.3%	Bulgaria 7.1%	Russia 7.3%	China 5.6%	Ukraine 9.2%	Germany 7.1%	Japan 7.0%
	USA	5.5%	Netherlands 5.6%	Cyprus 6.4%	China 5.5%	Ukraine 5.3%	USA 7.8%	Turkey 5.9%	Ukraine 6.1%
	Bulgaria	5.5%	Russia 5.6%	USA 5.1%	France 5.1%	Belarus 5.3%	Kazakhstan 4.8%	Belarus 5.1%	USA 5.2%
	Turkey (10)	3.4%	Turkey (15) 1.8%	Turkey (9) 3.6%	Turkey (11) 2.8%	Turkey (10) 3.3%	Turkey (21) 1.2%		Turkey (14) 2.3%
Bulgaria	Italy	15.0%	Russia 20.0%	Greece 9.9%	Russia 17.7%	Armenia 17.3%	Russia 19.8%	Russia 20.3%	Russia 20.4%
	Germany	9.5%	Germany 15.3%	Germany 9.1%	Germany 11.0%	USA 15.2%	UK 10.9%	Germany 17.4%	China 9.2%
	Greece	8.8%	Italy 9.6%	Turkey 8.8%	Italy 7.9%	Belgium 13.7%	USA 10.0%	Netherlands 12.4%	Ukraine 7.6%
	Turkey	8.1%	France 6.0%	Italy 8.4%	Turkey 5.6%	Israel 9.8%	Iran 8.7%	Belgium 8.6%	Turkey 6.5%
	Ukraine	5.9%	Greece 5.7%	Romania 7.3%	China 5.3%	Iran 9.2%	UAE 5.4%	Georgia 7.3%	Iran 4.9%
	Turkey (7)	3.8%				Turkey (24) 0.3%	Turkey (8) 3.5%	Turkey (46) 0.04%	
Romania	Italy	25.1%	Italy 20.0%	Germany 16.5%	Germany 16.4%	Georgia 22.8%	Turkey 15.5%	Turkey 17.6%	Turkey 15.1%
	Germany	15.6%	Germany 15.2%	Italy 15.6%	Italy 11.4%	Turkey 21.6%	Russia 13.4%	Azerbaijan 13.7%	Ukraine 10.8%
	France	8.1%	Russia 7.6%	France 7.4%	Hungary 7.4%	Turkmenistan 9.1%	Azerbaijan 10.8%	Ukraine 9.0%	Azerbaijan 10.0%
	UK	5.1%	France 6.3%	Turkey 6.6%	Russia 6.0%	UK 7.2%	Germany 9.4%	Canada 8.8%	Germany 7.1%
	Turkey	4.0%	Hungary 3.9%	Hungary 5.1%	France 5.7%	Switzerland 5.0%	Ukraine 7.2%	Armenia 8.4%	Russia 7.0%
	Turkey (9)	2.4%			Turkey (6) 4.9%				
Ukraine	Russia	22.4%	Russia 36.6%	Russia 23.5%	Russia 22.7%	Azerbaijan 57.2%	USA 16.1%	Italy 40.2%	Russia 18.8%
	Turkey	6.2%	Turkmenistan 10.5%	Turkey 6.9%	Germany 8.4%	Israel 7.1%	Russia 10.7%	USA 12.6%	Turkey 11.3%
	Italy	5.2%	Germany 8.5%	Italy 4.4%	Turkmenistan 6.6%	Georgia 4.5%	Turkey 10.3%	Israel 7.6%	Germany 8.4%
	Germany	4.2%	Kazakhstan 4.2%	Poland 3.5%	China 6.6%	Spain 4.4%	Turkmenistan 9.4%	India 5.1%	Ukraine 7.9%
	USA	3.4%	France 2.9%	Belarus 3.1%	Poland 5.0%	Iceland 3.7%	Kazakhstan 7.0%	France 4.9%	China 6.7%
	Turkey (21)	0.9%		Turkey (13) 2.3%		Turkey (7) 2.9%		Turkey (12) 1.3%	
Iran ^a	Chinese Taipei	21.6%	Germany 10.4%	China 15.0%	China 14.2%	Syria 37.2%	Italy 11.0%	Iraq 17.8%	Russia 13.0%
	EU and other Europe not specified	21.5%	UAE 9.2%	Japan 14.3%	Germany 9.6%	Italy 15.0%	Ukraine 7.8%	Germany 11.4%	China 10.9%
	Japan	21.4%	Italy 6.1%	Turkey 7.4%	UAE 9.1%	Turkey 8.4%	USA 5.6%	Ukraine 9.3%	Ukraine 9.8%
	Italy	8.6%	France 5.6%	Korea 7.3%	Korea 6.3%	Spain 7.8%	Korea 5.5%	Italy 8.3%	Malta 8.0%
	Africa	6.1%	Brazil 5.1%	Italy 6.4%	Russia 5.7%	Oman 4.9%	Germany 5.2%	Saudi Arabia 7.1%	Italy 4.7%
	Turkey (26)	0.3%	Turkey (22) 1.6%				Turkey (6) 4.6%	Turkey (8) 4.4%	Turkey (10) 2.8%
Iraq	USA	54.3%	France 10.6%	USA 38.0%	Turkey 19.0%				
	France	7.6%	Jordan 9.6%	India 15.6%	UAE 14.6%				
	Netherlands	6.9%	Australia 7.7%	Italy 9.5%	Syria 12.4%				
	Jordan	5.9%	Vietnam 7.3%	Korea 7.0%	USA 10.3%				
	Italy	5.2%	China 7.1%	Chinese Taipei 3.6%	Jordan 6.2%				
	Turkey		Turkey	Turkey (11) 2.2%					

Source: Derived from trademap.org.

^aStatistics for Iran is for 2007.⁴¹

Appendix D. Turkey's Rank in Neighboring Countries Overall Foreign Trade Between 2001 and 2008

		2001		2008				2001		2008	
Bulgaria	1	Germany	12.9%	Russia	12.0%	Azerbaijan	1	Italy	36.0%	Italy	35.3%
	2	Russia	12.7%	Germany	10.3%		2	USA	6.5%	USA	13.9%
	3	Italy	11.8%	Italy	8.1%		3	Russia	6.2%	Israel	6.7%
	4	Greece	6.9%	Turkey	6.8%		4	Turkey	5.7%	India	4.6%
	5	Turkey	6.4%	Greece	6.7%		5	Israel	4.5%	France	4.5%
										Turkey	2.6%
Greece	1	Germany	13.2%	Germany	11.6%	Armenia	1	Russia	19.1%	Russia	20.3%
	2	Italy	11.2%	Italy	11.4%		2	USA	11.5%	China	7.3%
	3	France	5.6%	Russia	6.2%		3	UK	9.5%	Ukraine	6.4%
	4	UK	5.4%	France	4.8%		4	Iran	8.9%	Germany	6.4%
	5	Russia	4.8%	China	4.4%		5	Belgium	7.5%	Turkey	5.2%
										Turkey	2.6%
Romania	1	Italy	22.1%	Germany	16.4%	Iran ^a	1	Japan	14.5%		
	2	Germany	15.4%	Italy	13.0%		2	Chinese Taipei	13.3%		
	3	France	7.0%	Hungary	6.5%		3	EU and other Europe not specified	12.8%		
	4	Russia	4.7%	France	6.3%		4	Italy	7.6%		
	5	UK	4.2%	Turkey	5.6%		5	UAE	5.2%		
										Turkey	0.8%
Ukraine	1	Russia	29.4%	Russia	23.1%	Iraq	1	USA	36.9%	USA	31.0%
	2	Germany	6.3%	Germany	5.9%		2	France	8.6%	India	12.2%
	3	Turkmenistan	5.5%	Poland	4.3%		3	Jordan	7.1%	Italy	7.5%
	4	Italy	3.9%	Turkey	4.3%		4	Italy	5.4%	Turkey	6.4%
	5	Turkey	3.6%	China	4.0%		5	Netherlands	4.8%	Korea	5.6%

(Continued)

Appendix D. (Continued).

		2001		2008				2001		2008	
Russia	1	Germany	10.6%	Germany	9.2%	Syria	1	Italy	24.8%	Iraq	9.2%
	2	Belarus	6.5%	Belarus	8.4%		2	France	9.9%	Russia	7.3%
	3	Ukraine	6.4%	China	7.6%		3	Turkey	6.6%	Italy	6.3%
	4	Italy	6.4%	Italy	7.2%		4	Spain	5.3%	Germany	6.2%
	5	USA	5.3%	Ukraine	5.4%		5	Ukraine	4.0%	China	6.2%
Georgia		Turkey	2.7%	Turkey	4.6%					Turkey	3.5%
	1	Turkey	17.4%	Turkey	15.6%						
	2	Russia	16.4%	Azerbaijan	10.8%						
	3	Azerbaijan	8.4%	Ukraine	10.4%						
	4	Germany	7.2%	Germany	6.2%						
5	Ukraine	6.1%	Russia	6.0%							

Source: Trademap.org.

^aNo data for 2008.

Appendix E. Movement of People into Turkey from Its Neighborhood and Other Regions Between 1991 and 2010

	Turkey									
	1991		2002		2008		2010		Percentage of change 1991–2008	Percentage of change 2008–2010
	Total	Percentage of total	Total	Percentage of total	Total	Percentage of total	Total	Percentage of total		
Greece	122.793	2.36	279.751	2.11	572.212	2.17	670.297	2.34	366	17
Bulgaria	925.446	17.82	834.070	6.30	1255.343	4.77	1433.970	5.01	36	14
Romania	503.724	9.70	180.106	1.36	447.419	1.70	355.144	1.24	–11	–21
Ukraine ^a	–	–	193.038	1.46	730.689	2.77	568.227	1.98	279	–22
Russia ^b	623.978	12.02	946.494	7.14	2879.278	10.93	3107.043	10.85	361	8
Georgia ^a	–	–	161.687	1.22	830.184	3.15	1112.193	3.88	413	34
Azerbaijan ^a	–	–	163.114	1.23	459.593	1.75	486.381	1.70	182	6
Armenia ^a	–	–	17.572	0.13	63.855	0.24	69.323	0.24	263	9
Iran	244.352	4.71	432.281	3.26	1134.965	4.31	1885.097	6.58	364	66
Iraq	3.848	0.07	15.758	0.12	250.130	0.95	280.328	0.98	6400	12
Syria	112.719	2.17	126.428	0.95	406.935	1.55	899.494	3.14	261	121
Neighborhood total	2536.860	48.85	3350.299	25.29	9030.603	34.29	10,867.497	37.96	256	20
Lebanon	13.855	0.27	31.298	0.24	53.948	0.20	134.554	0.47	289	149
Jordan	15.295	0.29	33.127	0.25	74.340	0.28	96.562	0.34	386	30
GCC + Yemen ^c	25.803	0.50	45.828	0.35	121.214	0.46	169.865	0.59	370	40
North Africa ^d	38.070	0.73	135.296	1.02	194.546	0.74	244.173	0.85	411	26
Egypt	7.711	0.15	21.583	0.16	57.994	0.22	61.560	0.22	652	6
Sudan	2.336	0.04	2.212	0.02	8.987	0.03	6.634	0.02	285	–26
Arab world total	219.637	4.23	411.530	3.11	1168.094	4.44	1893.170	6.61	432	62
Israel	41.094	0.79	270.262	2.04	558.183	2.12	109.559	0.38	1258	–80
EU	1382.305	26.62	7708.214	58.18	14,871.907	56.47	14,747.142	51.51	976	–1
NAFTA ^{a,e}	–	–	297.896	2.25	854.073	3.24	818.232	2.86	187	–4
Sub-Saharan Africa	9.470	0.18	49.999	0.38	117.550	0.45	133.127	0.46	1141	13

(Continued)

Appendix E. (Continued).

	Turkey									
	1991		2002		2008		2010		Percentage of change 1991–2008	Percentage of change 2008–2010
	Total	Percentage of total	Total	Percentage of total	Total	Percentage of total	Total	Percentage of total		
Others	1245.575	23.98	1579.701	11.92	2,659.319	10.10	3696.076	12.91	114	39
Total	5193.245	100	13,248.176	100	26,336.677	100	28,632.204	100	407	9

Source: T.C. Emniyet Genel Mudurlugu.

^aInstead of percentage of change in 1991–2008, change in 2002–2008 is calculated.

^bFigures for 1991 is for the Soviet Union.

^cBahrain, Kuwait, Qatar, Saudi Arabia, Oman, UAE, Yemen.

^dMorocco, Algeria, Tunisia, Libya.

^eNorth Atlantic Free Trade Area contains Canada, Mexico and United State.

Appendix F. GDP of Turkey and Neighborhood Countries

Neighborhood in 2008	GDP^a	Percentage of Turkey's GDP
Greece	350.300	47.96
Bulgaria	51.825	7.10
Romania	200.071	27.39
Ukraine	180.355	24.69
Russia	1666.951	228.24
Georgia	12.795	1.75
Azerbaijan	46.258	6.33
Armenia	11.917	1.63
Iran	338.187	46.31
Iraq	86.524	11.85
Syria	54.516	7.46
Total	2999.699	410.73
Turkey	730.337	100.00

Source: World Bank Quick Query Database.

^aGDP in current million US dollars.

Appendix G. GDP of Turkey and Free Trade Agreement Countries

Free Trade Agreements	GDP^a in 2008	Percentage of Turkey's GDP
Albania	12.969	1.78
Bosnia and Herzegovina	18.512	2.53
Croatia	69.332	9.49
Macedonia	9.518	1.30
Montenegro	4.520	0.62
Serbia	48.857	6.69
Georgia	12.795	1.75
Syria	54.516	7.46
Jordan ^b	22.697	3.11
Egypt	162.836	22.30
Palestine	–	–
Morocco	88.883	12.17
Tunisia	40.845	5.59
Israel	202.101	27.67
Chile ^b	170.850	23.39
Total	919.231	125.86
Turkey	730.337	100.00

Source: World Bank Quick Query Database.

^aCurrent US million dollars.

^bFree Trade Agreements came into effect on 3 March 2011.