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TOURISM and TRADE DIMENSIONS of TURKISH-GREEK RELATIONS under ERDOGAN GOVERNMENTS

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Abstract

As it is known, after the parliamentary elections of 2002, Justice and Development Party (AKP) came to power in Turkey and the country has been governed by three Erdogan's cabinets between 14 March 2003 and 29 August 2014 until he was elected president of the republic. In this period, not only the basic features of politics but also Turkish-Greek relations have been altered and tourism and trading have helped to this change. In this study, the alteration of the Turkish-Greek relations will be examined in the context of trade and tourism with the use of Keohane and Nye's theory of complex interdependence. According to this theory, states which have controversial issues or historical problems may avoid the tension and conflicts under economic interdependency. In this context, the aim of this study is to put forward the alterations and progress among these states through economic relations under Erdogan governments between 2002 and 2014. In conjunction with the progress, it can be claimed that the economic relations are getting better every passing day.

Key words: Greece, Turkey, Prime Minister Erdogan, Justice and Development Party, trade, tourism.

INTRODUCTION

In 1997, Turkey's current president of the republic Recep Tayyip Erdogan, recited a religiously discriminatory poem of pan-Turkist poet and theorist of early 20th century, Ziya Gökalp in a meeting as the mayor of Istanbul (Milliyet 1998). At this poem there was a "controversial" part, which says "the mosques are our

barracks, the domes our helmets, the minarets our bayonets and the faithful our soldiers” (BBC News 2002). Under article 312/2 of the then Turkish Criminal Law he was sentenced to prison and banned from politics in 1998. He stayed 10 months in jail. Even if he became the leader of Justice and Development Party (AKP) from its establishment, he was still banned for active political life. That’s why he couldn’t be candidate for the parliamentary elections of 2002.

Before the 2002 parliamentary elections Turkey was facing serious political problems because of the different unstable coalition governments. Under these circumstances AKP came into power on 18th November of 2002 with a vast majority, under Abdullah Gül’s prime ministry. In December 2002, Supreme Election Board cancelled the election results from Siirt -the hometown of Erdogan’s wife and the city where he recited the poem- the new elections were scheduled for 9 February 2003. Meanwhile the political ban of Erdogan was removed by the parliament and he had the right to participate in the elections. Then he won and was declared the Prime Minister of Turkey in 14 March 2003 (Hürriyet 2002)

In 2002, Turkish economy had begun to recover from the great recession with the help of the reforms, implemented by Kemal Derviş who was the Minister of Economic Affairs in Ecevit’s government. Thus, Erdogan and AKP inherited the Turkish economy during the recovery period. Then Erdogan supported the Minister of Finance Ali Babacan in enforcing the macro-economic policies. The main target of the government at this period was to attract more foreign investors and funding into Turkey. The GDP per capita have increased constantly until 2009 (TÜİK 2015b). In foreign policy, he supported the then Minister of Foreign Affairs Ahmet Davutoğlu to enforce zero problem policy with neighbor countries “to get rid of the bad heritage of past years in mutually relations” (Mercan, Usta 2012)

In brief, he kept the advantage of coming to power alone in the implementation of all these policies, in every field. He followed liberal economy policies just like the former Prime Minister Turgut Özal. Özal was the most known neo-liberal, center-right, populist prime minister of the country. He was also known about his efforts for the good Turkish-Greek relations in 1980s. One of his most important measures was the abolishment of the visa requirements for Greeks. This practice helped Greek people to meet the Turkish society and reality. Erdogan tried to follow his path.

ECONOMIC INTERDEPENDENCE and HISTORICAL FRAME

Turkey and Greece are known to be in conflict from the establishment of both states. The language of their relations has been dominated by ‘mistrust’ and ‘tension’ all these years (Kutlay 2009). Greek announcement of independence had caused concern within the Ottoman Empire. In addition after the foundation of the Republic of Turkey in 1923, the two states had serious controversies over the

minority groups -Greek minority in Turkey and Muslim minority in the West Thrace-, hierarchy problems of patriarchy which is in the territory of Turkey, and many sovereignty issues at the Aegean Sea and Cyprus. It is a fact that with these political disputes, relations between Turkey and Greece display ups and downs (Aksu 2004). Herein American theorists Keohane and Nye are claiming that states like Greece and Turkey can solve their conflicts with interdependency on their economic relations. According to them, there are three main characteristics of interdependence on the way to solution of the conflicts; "multiple channels between societies, with multiple actors, not just states; multiple issues, not arranged in any clear hierarchy; and the irrelevance of the threat or use of force among states linked by complex interdependence" (Keohane, Nye 2000). According to Nye, there are two aspects of interdependence: sensitivity and vulnerability. Herein, sensitivity means "liability to costly effects imposed from outside in a given situation" and vulnerability means "continued liability to costly effects imposed from outside" (Nye 1976). These two situations are the indicators of the economies which show the level of dependence or interdependence. While sensitivity towards a country or product can make one state more careful in diplomatic relations, vulnerability can harm economies.

We can say that after 1980s, Turkish and Greek societies started to use multiple channels for communication with the help of chamber of commerce, refugee associations, touristic, academic and artistic activities and others. If we don't take into consideration the hierarchic advantage of Greece because of its membership in European Union, it can be said that no conflict, apart from the Cyprus issue, has been discussed. Military threats or use of force have been decreasing year by year. Except for the collision of Turkish and Greek F-16 aircrafts at the Aegean Sea, southeast of the island Karpathos in 2006 (In.gr 2006), Turkey and Greece have not experienced an important military intervention similar with their history. Keohane and Nye point out that states, which start to come in contact and start to gain from trade, cooperate instead to conflict. In brief, economic interdependency leads to more political cooperation (Tsarouhas 2009).

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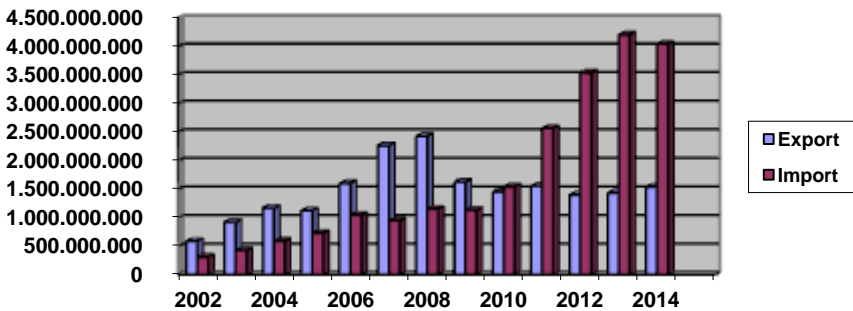
Despite their historical disputes, Turkey and Greece are two neighbor countries which have multiple connections. It is possible to claim that especially during their rapprochement processes; they use the profit of the good relations appropriately. Turgut Özal-Andreas Papandreu and İsmail Cem-George Papandreu politic periods may be characterized as periods in this direction (Anastasiou 2009, Ker-Lindsay 2000). Also Erdogan wanted to be written in the history as a Prime Minister who worked hard for this rapprochement. He visited Greece and Greek Prime Minister Kostas Simitis, just after 2002 elections as the leader of AKP and continued his visits also as Prime Minister of Turkey. He was

the first Prime Minister who visited Athens in 2004 after Özal's last visit in 1988 and also he made an official visit in Western Thrace after 52 years (Ellis 2007). He visited Greece six times officially as Prime Minister of Turkey (Office of Public Diplomacy 2014). During all these visits he and his councils and committees tried to discuss in diplomatic levels the issues with the other part to improve the economic relations. Despite all these positive steps, the fact that he stopped his visits to Greece since 2010 is an important detail. It can be said that, recently, these details open the discussions about axis shift of Turkey.

Trade

Greece is a European Union member since 1980 and Turkey is a signatory country of Customs Union since 1996. Despite the ongoing nationwide controversial remarks, Turkey benefits from the Customs Union by participating in the EU single market for goods. It mainly covers industrial and processed agricultural goods and definitely does not cover agricultural products and coal and steel products (European Commission 2015). When we look at Turkey's foreign trade data after Customs Union, it is visible that both export and import increased constantly but Kutlay claims that Customs Union did not make any significant contribution to the amount of trade flowing between Turkey and Greece (2009).

Figure 1. Foreign Trade Data with Greece (\$)



In Figure 1, foreign trade amounts of Greece between 2002 and 2014 are presented. After economic crisis of 2009, Turkey's export to Greece has decreased and after 2011, import from Greece got ahead of export by landslide. It can be claimed that this difference between imports and exports, on the example of Greece, is definitely an indicator of possible deficit which could cause economic problems in Turkey in the near future. On the other hand, exports to Greece have

reached a steady level since 2010. Nevertheless neither exports to Greece nor imports from Greece have got closed to the total exports and imports levels of Turkey. Greece's share in Turkish export may be seen below, at Table 1.

Table 1. Export Data of Turkey (\$)

	Export to Greece	Total Export of Turkey	Percentage Value of Greece
2002	590.381.620	36.059.089.029	1,637%
2003	920.400.913	47.252.836.302	1,948%
2004	1.171.203.001	63.167.152.820	1,854%
2005	1.126.678.489	73.476.408.143	1,533%
2006	1.602.589.526	85.534.675.518	1,874%
2007	2.262.654.564	107.271.749.904	2,109%
2008	2.429.967.687	132.027.195.626	1,841%
2009	1.629.636.855	102.142.612.603	1,595%
2010	1.455.677.610	113.883.219.184	1,278%
2011	1.553.312.046	134.906.868.830	1,151%
2012	1.401.400.957	152.461.736.556	0,919%
2013	1.437.442.755	151.802.637.087	0,947%
2014	1.536.763.636	157.715.040.403	0,974%

The data was compiled from TÜİK (Turkish Statistical Institute) foreign trade statistics.

As seen from the data given on the Table 1 and 2, it's not hard to say that Greece is not a non-ignorable part but an essential trade partner for Turkey. Greek part of Turkish foreign trade does not exceed %2 of total value. Thus, we conclude that Turkey is neither sensitive nor vulnerable to Greek products. But it's not possible to claim also the same for Greece. For years, it's known that Turkey was a very important market for the Greek products. On the other hand while Greece doesn't exist in top 5 list of export destinations and import origins of Turkey, Turkey is the number one export destination of Greece with about %11 annually (OEC 2015a, 2015b, Sunday's Zaman 2012). That's the reason, why Greece should not venture a crisis with Turkey.

Table 2. Import Data of Turkey (\$)

	Import from Greece	Total Import of Turkey	Percentage Value of Greece
2002	312.462.301	51.553.797.328	0,606%
2003	427.743.333	69.339.692.058	0,617%
2004	594.350.617	97.539.765.968	0,609%
2005	727.829.627	116.774.150.907	0,623%
2006	1.045.327.904	139.576.174.148	0,749%
2007	950.157.396	170.062.714.501	0,559%
2008	1.150.715.179	201.963.574.109	0,570%
2009	1.131.065.420	140.928.421.211	0,803%
2010	1.541.599.547	185.544.331.852	0,831%
2011	2.568.826.355	240.841.676.274	1,067%
2012	3.539.868.993	236.545.140.909	1,496%
2013	4.206.019.845	251.661.250.110	1,671%
2014	4.043.838.977	242 223 958 803	1,669%

The data was compiled from TÜİK (Turkish Statistical Institute) foreign trade statistics.

Until 2000s, except for the convergence with the help of the friendship between Turkish politician İsmail Cem and Greek politician George Papandreou, it's hard to claim that the Turkish governments have policies for better Turkish-Greek relations. Nevertheless in the recent progression, beyond any doubt, Prime Minister Erdogan and his macro-economic policy understanding played an important role. Before 2000s, all the meetings and efforts by the two nations being organized by NGOs and especially by Izmir Chamber of Commerce. Turkish-Greek Business Council of Turkish Foreign Economic Relation Board (DEİK) started to take part in Turkish-Greek economic relations since 2006. Even if the Council was established in 1988, until 2006 didn't work effectively. Since 2006, every year either in Turkey or Greece Business Forums for the businessmen of the two regions are organized with the support of the Ministry of Economy. In this way Izmir Chamber of Commerce which is known to have controversial political choices from the government has been deactivated. Additionally, from 1 March, 2015 DEİK is connected with the Ministry of Economy (Boyacıoğlu 2015) so all

the future activities are directly linked to the government. The results of this policy choice will be checked in a couple of years.

Tourism

As mentioned before, the very first touristic relations were established by Prime Minister Özal's initiatives in 1980s. He abolished the visa requirements for Greek citizens who wanted to visit Turkey for touristic reasons and by this way, Greeks started to get in touch with Turkey and Turkish culture. In recent years, they may visit Turkey without passport and only with their Greek identity cards (Grigoriadis 2012). On the other side of the Aegean Sea, not any effort has been done until the economic recession of 2009. In 2010, at last, Greece abolished the visa requirements from the special passport holders of Turkey. This process had originally started by other European Union member states years before. If we take into consideration that only civil servants who have a regular income may have a special passport, the importance of this implementation can be understood. As predicted, the number of the Turkish citizens, mostly special passport holders, who visit Greece from 2010 increases each pass year. After this successful implementation, another one went into operation: Greece started to issue Schengen visa to Turkish regular passport holders from the customs offices of five Aegean islands (Lesvos, Chios, Samos, Kos and Rhodes) in 2012 with the confirmation of EU. If we take into consideration the fact that Greece is a country which most part of its income consists of the profit from tourism sector, we can understand the value of these policy choices.

Table 3. Data of Turkish Citizens Arrivals

	Arriving Citizens from Greece	Percentage Change	Total Arriving Citizens	Percentage Value of Greece
2003	170 019	-	3414844	4,98
2004	185 422	9,06	3844495	4,82
2005	141 380	-23,75	4124828	3,43
2006	241 987	71,16	4063179	5,96
2007	305 666	26,32	4956068	6,17
2008	263 048	-13,94	4892716	5,38
2009	277 540	5,51	5561354	4,99
2010	428 721	54,47	6557233	6,54
2011	345 653	-19,38	6281971	5,50
2012	447 908	29,58	5802951	7,72
2013	598 936	33,72	7525869	7,96
2014	741 037	23,73	7982264	9,28

The data was compiled from TÜİK (Turkish Statistical Institute) tourism statistics.

As seen at Table 3, Greece's visa implementations towards special passport holders and regular passport holders, affect Turkish citizens destination choices. According to the statistics of TÜİK, in 2006, Greece was the first destination for Turkish citizens and from then, their second choice (2015c). From 2010, Georgia is the first destination for Turkish tourists and herein the regulation between Turkey and Georgia which allows the citizens of the two states to travel without passport, only with identity cards, played a role (Ministry of Foreign Affairs 2011). Despite this, it is seen that especially in 2012 while the total number of Turkish citizens who travel abroad decreased, the number of tourists who went to Greece has increased. Especially in 2014 when the implementation of issuing visa has been settled, the Turkish citizens who take a vacation to Greece reached about %10 of the total citizens who went abroad. Therefore, if in the future, a positive visa regulation will be on the carpet on Greek side, it's for sure that Turkish citizens will raid to Greece.

Table 4. Data of Greek Arrivals

	Greek Arrivals	Percentage Change	Total Arrivals	Percentage Value of Greeks
2002	279 751	-	13 248 176	2,11
2003	393 399	40,62	13 956 405	2,82
2004	491 300	24,89	17 548 384	2,80
2005	584 784	19,03	21 124 886	2,77
2006	412 819	-29,41	19 819 833	2,08
2007	447 950	8,51	23 340 911	1,92
2008	572 212	27,74	26 336 677	2,17
2009	616 489	7,74	27 077 114	2,28
2010	670 297	8,73	28 632 204	2,34
2011	702 017	4,73	31 456 076	2,23
2012	669 823	-4,59	31 782 832	2,11
2013	703 168	4,98	34 910 098	2,01

The data was compiled from TÜİK (Turkish Statistical Institute) tourism statistics.

As seen at Table 4, except from 2006 which had a total decrease, the amount of Greek citizens who visited Turkey has been increasing. Even in 2009, which was a very difficult year economically for Greeks, arrivals from Greece have increased. But it is sayable that Greek arrivals to Turkey for touristic reasons do not exist at an un-ignorable level, just like in trade, when we consider the total arrivals. But if we make a comparison between these statistics bearing in mind also the population of the states, it is visible that while almost 15% of Greeks visit Turkey, only 1% of Turks visit Greece. On the other hand, when we read these data, we have to remember the fact that in Western Thrace, there is a Muslim community which consists of Muslim Greek citizens who have very close links to Turkey.

CONCLUSION

In 2000s, Turkey and Greece started to have relatively good relations. After the rapprochement efforts of Özal and Cem, Erdogan proceeded to walk on their paths. He tried to have close links with all Greek Prime Ministers. He visited Greece six times as Prime Minister of Turkey for economic cooperation. In every meeting both in Greece and Europe he insisted on his demands and he mentioned the abolishment of visa requirements for Turkish citizens. Either with his efforts or

through political conjuncture, Turkey and Greece has reached a point both on trade and tourism that was impossible to imagine 10-15 years ago.

Also in domestic politics he took favorable steps on the controversial issues related with Greece, such as the return of the real estates of Greek minority foundations and the role and visibility of Ecumenical Patriarch of Constantinople. He said several times that he supports the re-opening of Halki Theological Seminary. But all these evolvments can be understood within the frame of his macro-economic policy understanding and Islamic worldview. Just as the "millet" system of Ottoman Empire, Erdogan supported the rights of Greek minority as a religious minority and all the other economic steps, which were made, were made within his neo-liberal economic policy choices. But either positive or negative points of view towards Erdogan do not change the fact that just like most of other things, Turkish-Greek relations have also altered.

He was the first Prime Minister who stayed at the office for 11 years and during his administration he had the chance to apply most of his neo-liberal macro-economic plans smoothly. Today we can easily say that the international political aspect of his policy understanding, the zero problem policy with neighbor countries of the then Minister of Foreign Affairs Davutoglu, did not succeed and in the implementation process of this policy, Turkey was criticized by both domestic and international commentators about a possible axis shift to the Middle East. The risks that were taken by Erdogan at this point can be understood with his Islamic background which could be examined in another study. But it has to be emphasized that the future governments of both Greek and Turkish sides should stay the course. Beyond any doubt, the outputs of positive policy choices will get their results in the future.

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