



# IKV MONTHLY



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## THE COMMISSION ADOPTED ITS 2<sup>nd</sup> REPORT ON VISA LIBERALISATION

European Commission published on 4 March 2016 its second Report assessing the progress made by Turkey in fulfilling the requirements of the Visa Liberalisation Roadmap.

European Commissioner for Migration, Home Affairs and Citizenship Dimitris Avramopoulos expressed his satisfaction in Turkey's progress although it is in the frontline of the Syrian refugee crisis. The report which was published before the critical Turkey-EU Summit, presents an assessment of Turkey's progress in meeting the 72 criteria in order to achieve visa liberalisation.

### What's Hot in the Second Report?

The report not only details the progress which has already been achieved by Turkey but also reminds the criteria which still needs to be implemented by Turkey. According to these criteria, Turkey is expected to achieve further progress in combating irregular migration, preventing smuggling of migrants, implementing the Turkey-EU Readmission Agreement, enhancing border controls, adapting the visa regime, advancing in the fight against organised crime and corruption as well as making further progress regarding the law on data protection and the law on the fight against all forms of discrimination.

Thus, it will be possible to lift the visa requirements for Turkish citizens in 2016 only if Turkey succeeds in meeting these criteria.

Along with the Second Report, the Commission published a Staff Working Document where it assesses Turkey's progress and the possible effects of visa liberalisation upon migration. The Commission also evaluates the effect of visa liberalisation upon migration flows as it conducted a research regarding the assumptions that migration towards the EU would increase and a security risk would be created as a result of lifting visa requirements on Turkish citizens. Whilst the Commission recognizes that visa liberalisation may have an effect in increasing to some extent migration flows towards the Member States which have a sizeable Turkish diaspora, it stressed that it would have a limited effect. The Commission's positive assessment within the Second Report regarding Turkey's capacity in meeting the remaining criteria strengthens the visa free travel hopes in 2016 for Turkish citizens. **PAGE 2**



## PUBLIC CONSULTATION FOR TURKEY-EU CUSTOMS UNION

The European Commission has launched in March an online public consultation with the aim of collecting information and views from all stakeholders on the revision of Turkey-EU Customs Union.

Turkey and the EU decided to start the process of upgrading the Customs Union in an effort to resolve the problems encountered in the current way of the functioning of Turkey-EU Customs Union and to adapt to and mitigate the global changes in the economic and trade relations. In this context, European Commissioner in charge of Trade Cecilia Malström and the then Turkish Minister of Economy announced their decision to upgrade the Turkey-EU Customs Union.

Both parties are currently conducting impact assessments

which are foreseen to be finalized in July 2016. Following the outcomes of these impacts assessment reports, the mandate needs to be obtained from the relevant authorities in order to launch the negotiation process.

Within the framework of the preparation of Impact Assessment on the revision of the Turkey-EU Customs Union, the Commission launched on 24 March 2016 an online public consultation with the aim of collecting information and views from all stakeholders and better understanding their expectations regarding future trade and economic relations between

Turkey and the EU. The results of this consultation will be included and evaluated in the Impact Assessment. Furthermore, within the principle of transparency in the negotiation process, the report of the consultation will be published and will be available on the Commission's website.

Through this public consultation, the Commission asks the participants not only to assess the current trade and economic relations between Turkey and the EU but also to tell which topics should be covered within the revised version of the Customs Union. The consultation also covers questions on various

trade-related topics such as customs procedures and trade facilitation, tariffs, rules of origin, non-tariff measures, trade in services, investment, intellectual property rights and geographical indications, public procurement, competition policy and sustainable development. The survey also directs a few specific questions related to SMEs and consumers. The Commission wants to measure the impact of the reduction of barriers to trade between Turkey and the EU on consumers. The Commission also tries to assess which topics should be further developed in Turkey-EU trade and economic

relations within the perspective of the SMEs.

It is noteworthy to underline that this online public consultation is not only addressed to stakeholders of the 28 EU Member States but also to Turkey, EFTA countries, the USA, Canada and other third countries. This online public consultation which will be opened until 9 June 2016 present a great opportunity for the Turkish business community to raise their concerns regarding the scope and the current way of functioning of the Turkey-EU Customs Union.



## THE COMMISSION ADOPTED ITS 2<sup>ND</sup> REPORT ON VISA LIBERALISATION

### FROM THE FIRST PAGE Irregular Migration as the Main Obstacle towards Visa-free Europe

According to the Second Report, the most important pending issue remains the irregular migration and entry of third country nationals to the EU through Turkey. Whilst this number was 57,000 in 2011; it increased approximately by 15 % reaching 888,000 in 2015. In spite of tough winter conditions, this number increased to 110,000 between 17 December 2015 and 31 January 2016.

Such unprecedented numbers constitute a strong pressure on the EU. In the previous summer season, German Chancellor Angela Merkel came to Turkey to try to find a common solution to this issue but unfortunately did not receive the necessary support from most EU Member States. Following the Turkey-EU Summit which was held on 29 November 2015 and where the parties agreed on a joint action plan, the Commission recognized Turkey's increased efforts in this particular area. Furthermore, the decrease in the number of irregular migrants entering the EU through Turkey and the implementation of the Turkey-EU Readmission Agreement in June 2016 represents *sine qua non* conditions for the EU. To that end, the cooperation between Turkey and Greece regarding migration control and a functioning readmission mechanism is of utmost importance.

## NEW LOAN FACILITY FOR SMEs

An agreement was signed on 16 March 2016 between the European Investment Fund (EIF) and the Turkish Industrial Bank for SMEs in Turkey which would benefit from 20 million euros in EU-guaranteed loans and would have easier access to risk capital.

Under the agreement the loans to finance SMEs' innovation activities will be guaranteed up to 50 % by the EIF and the EU under InnovFin SME Guarantee which is a new EU-backed loan facility under Horizon 2020, the EU's Framework Programme for Research and Innovation Programme targets early and development stage companies.

As it is known, InnovFin SME Guarantee Facility is managed by the EIF and is rolled out through financial intermediaries, banks and other financial institutions in EU Member States and associated countries. It provides guarantees and counter-guarantees on debt financing of between 25,000 and 7.5 million euros for innovative SMEs.

# IKV ASSESSED TURKEY-EU RELATIONS IN CENTRAL ANATOLIA REGION

IKV assessed the latest developments in Turkey-EU relations in Central Anatolia on 15-16 March 2016. A seminar entitled "A Horizon Tour on EU-Turkey Relations: New Dimensions, New Objectives" was organized in Konya and Kayseri.

### Visit to Konya

IKV participated at several events organized by Konya Chamber of Industry (KSO) and Konya EU Information Centre on 15 March 2016.

IKV Secretary-General Assoc. Prof. Çiğdem Nas, IKV Senior Researcher Selen Akses and IKV Junior Researcher Ahmet Ceran came together at a breakfast with representatives of NGOs and local public authorities working on Turkey's EU accession process and EU projects. Recent developments in EU-Turkey relations, mainly the refugee crisis and the visa liberalisation dialogue were the main topics of interest during the meeting.

At the seminar organized in cooperation with KSO and Konya EU Information Centre, recent developments in EU-Turkey relations, the revision of the Customs Union, the visa liberalisation dialogue and the Turkey-EU Readmission Agreement were discussed. In his opening speech, KSO Secretary-General M. Sedat Taşkazan emphasized the importance of the opening of new chapters to negotiations and the revision of the Customs Union.

Following the opening speech, IKV Secretary-General Assoc. Prof. Çiğdem Nas revealed information on the steps and current situation in the Turkey-EU negotiations process and the challenges ahead in Turkey-EU relations. Assessing the current state of play in the negotiations, IKV Secretary-General Assoc. Prof. Nas drew the attention to the slow pace of the negotiations process. However, she also explained that the signature of the Readmission Agreement and the decision to modernize the Customs Union gave further impetus to Turkey-EU relations. She also stated that the refugee crisis constitutes an important item in the agenda of Turkey-EU relations in the upcoming periods.

Furthermore, IKV Secretary-General Nas also touched upon how the EU is perceived in the Turkish public opinion. In this respect, she referred to the results of a public opinion survey conducted under IKV activities and which aimed at identifying the level of information and awareness among the Turkish public opinion on the EU and further analyzing the level of support for Turkey's EU membership. According to the results, the survey showed that although 61.8% of the Turkish public opinion supports Turkey's EU membership, only 30% of the



respondents believe that Turkey will become a member of the EU.

In her presentation, IKV Senior Researcher Selen Akses informed the participants about the need to update the Customs Union and the process which awaits Turkey. In this respect, Senior Researcher Akses pointed out to the problems encountered within the current way of functioning of the Customs Union and the need to upgrade the Customs Union in parallel to the changes in the world trading systems.

IKV Senior Researcher Akses stressed that although Turkey has to align its trade policy with the EU's preferential trade regime; Turkey is not included in the decision-making process and the negotiations conducted by the EU with third countries, thus creating an asymmetric situation in disfavour of Turkey. These concerns have increased following the launch of the TTIP negotiations between the EU and the USA.

At the meeting, IKV Junior Researcher Ahmet Ceran gave a presentation regarding the Turkey-EU Visa Liberalisation Dialogue and the refugee crisis faced by the parties. IKV Junior Researcher Ceran informed the participants about the 72 criteria that need to be fulfilled by Turkish authorities for Turkish citizens to access the EU visa-free. He also assessed the Turkey-EU Summits held on 29 November 2015 and on 7 March 2016 during which dates for the launch of visa-free travel have been pronounced. While the date for visa-free travel for Turkish citizens was set for October 2016 at the first Summit, the date has been advanced to June 2016 during the second Summit.

Moreover, IKV Junior Researcher Ceran referred to different dimensions of the visa problem. In this respect, he shared the results of the research and analysis carried out by IKV regarding the economic and humanitarian dimensions of the visa problem. Lastly, he drew attention to the importance for the Turkish business world, civil society and public opinion to increase pressure on EU decision-makers in order to lift the visa obstacles against Turkish citizens.

### Visit to Kayseri

Following the visit to Konya, IKV also organized a similar seminar in Kayseri in cooperation with Kayseri Chamber of Commerce (KAYSO) on 16 March 2016.

At the seminar where recent developments in EU-Turkey relations were assessed, KAYSO Member of the

Board of Directors Murat Başyazıcıoğlu explained in his opening speech that Turkey-EU relations gained recently an important momentum with the opening of the chapter on Economic and Monetary Policy to negotiations, the signature of the Turkey-EU Readmission Agreement, the launch of the visa liberalization dialogue and the decision to revise the Customs Union.

IKV Secretary-General Assoc. Prof. Çiğdem Nas gave a presentation on the current state of Turkey-EU relations and the expectations for the future. IKV Senior Researcher Selen Akses gave information regarding the revision process of the Customs Union and its impacts on the business community. Lastly, IKV Junior Researcher Ahmet Ceran presented the roadmap for the Turkey-EU Visa Liberalization Dialogue and the Readmission Agreement.



# IKV ORGANIZED THE TAX LAW BIENNALE FOCUSING ON AUTOMATIC EXCHANGE OF INFORMATION

In this meeting, the Automatic Exchange of Information (AEOI) and prospects for further Turkish-German cooperation in that area were discussed. The EU Information Center hosted by IKV opened an information stand at the Biennale.

IKV Secretary-General Assoc. Prof. Çiğdem Nas delivered the opening speech of the Biennale which was held in ISO's Assembly Hall. In her speech, she stressed that tax is a crucial concept for a fair and sustainable society and that it constitutes the most important source of income for governments. Furthermore, she also emphasized that automatic exchange of information is of critical importance with respect to the implementation of tax equity. IKV Secretary-General Nas also touched upon G20 studies conducted on this topic and stated that the EU Member States have taken the necessary steps for the implementation of this standard at the EU level.

Istanbul Kemerburgaz University Dean of the Faculty of Law Prof. Şükran Şipka indicated that they expect that the meeting will contribute to the International Tax Law area in general and more specifically to enhance tax administrative cooperation between Turkey and Germany.

During first session, AEOI Expert Group at the European Commission and Senior Analyst at TJN Markus Meinzer explained that economic inequalities are increasing rapidly in the world and that the richest 62 people in the world have the same income of 3.6 billion people. He



emphasized that whilst this number was 85 in 2014, capital is moving easily with global causes. Meinzer also stressed that the Multilateral Exchange of Information (CRS) was signed in October 2014 and that at the present time, there are 79 signatory countries including Switzerland.

Istanbul Kemerburgaz University Faculty of Law lecturer Assoc. Prof. Leyla Ateş assessed AEOI and the double taxation agreements of Turkey. She stated that within the framework of cross border tax administration cooperation, the scope of AEOI is being enlarged day by day and financial account information, nonfinancial categories, cross border advance rulings and spot price contracts on country basis reports will be subject to AEOI. As for Turkey, the only existing legal principle to AEOI is based on double taxation agreements.

During the second session of the meeting, Prof. Michael Hendricks

from Flick Gocke Schaumburg, German Ministry of Finance Head of Division for Direct Taxation Ernst Czakert, lecturer at Koç University Faculty of Law Prof. Billur Yalıtı and Turkish Revenue Administration Head of EU and Foreign Relations Department Tahir Erdem delivered presentations respectively.

Prof. Michael Hendricks emphasized that the majority of German taxpayers are not in favour of private information exchange, especially regarding their financial and tax information. As for Ernst Czakert, he clarified that Germany does exchange information based on the treaty since last summer and started to gain experiences in that respect. İdris Şenyurt revealed information regarding Turkey's current position on international tax agreement, including FATCA and AEOI. Prof. Billur Yalıtı evaluated the tax payers' data protection and the right of privacy in the framework of taxation agreements in Turkey.

## TURKEY-EU JOINT CONSULTATIVE COMMITTEE CO-CHAIR WEZEL VISITED TOBB



TOBB President and Co-Chair of Turkey-EU Joint Consultative Committee (JCC) M. Rifat Hisarcıkloğlu met with his counterpart Annie Van Wezel at TOBB. During the meeting, Co-Chairs discussed the 2016-2017 work plan, JCC meeting agendas, and expectations from the JCC. The Co-Chairs also exchanged their views on the issues regarding the future work plan of the JCC.

As it is known, Turkey-EU JCC was established in 1995 with the aim of contributing to enrich the dialogue among civil society organisations from Turkey and the EU. The JCC is composed of 15 members from the European Economic and Social Committee and 18 members representing the civil society in Turkey. On behalf of Turkish civil society, TOBB President M. Rifat Hisarcıkloğlu is holding the Co-Presidency of the Committee with his counterpart from the European Economic and Social Committee Annie Van Wezel for the term 2015-2018.

## TIMELINE MARCH 2016

1	
2	
3	European Council President Tusk's visit to Turkey (3-4 March)
4	IKV organized a meeting at the Tax Law Biennale
5	Foreign Minister Çavuşoğlu's visit to Greece
6	Commission released Second Visa Liberalisation Report
7	Turkey-EU Summit (7-8 March)
8	Turkish-Greek High Level Cooperation Council
9	International Women's Day
10	IKV Brief on "TRACECA: New Silk Road" published
11	
12	IKV Brief on "Data Protection Agenda of Brussels and Ankara" published
13	Terrorist attack in Ankara
14	IKV Brief on "Second Visa Liberalisation Report" published
15	IKV assessed Turkey-EU relations in Konya and Kayseri (15 -16 March)
16	
17	
18	Turkey-EU Summit
19	Terrorist attack in Istanbul
20	
21	IKV-JTI seminar in Brussels (21-23 March)
22	Terrorist attacks in Brussels
23	Minister for EU Affairs Bozkrık's visit to Finland (23-24 March)
24	President Erdoğan received Romanian President Iohannis
25	Launch of Public Consultation on Turkey-EU Customs Union
26	
27	
28	1 <sup>st</sup> Industrialist Women's Workshop in Istanbul
29	Minister for EU Affairs Bozkrık's visit to Slovenia (29-31 March)
30	
31	IKV Brief on "Deciphering Turkey-EU Summit Decisions" published

# IKV IN COOPERATION WITH JTI ORGANIZED A BRUSSELS VISIT FOR MEDIA REPRESENTATIVES



IKV organized a tour of the EU capital for members of leading news agencies and newspapers in Turkey on 21-23 March 2016. The tour titled "Inside Brussels: An Expedition Tour to the Heart of the EU" was sponsored by Japan Tobacco International (JTI), a global company with 364 offices worldwide including Turkey and Belgium. The tour included visits to the EU institutions, briefing on Turkey-EU relations by EU officials

and experts as well as information sessions on the EU institutional structure and governance. The aim of the tour was to contribute to an increase in media awareness about the EU and Turkey-EU relations. The meetings were held at the IKV's Office in Brussels situated in the Permanent Representation of the Union of Chambers and Commodity Exchanges of Turkey (TOBB).

The tour was however, interrupted by the high-level

security alert following the terror attacks in Brussels that took place on 22 March 2016. The group witnessed the capital of the EU under exceptional circumstances since offices and shops were closed due to the terror alert. The attacks came as a shock both to the inhabitants of Brussels and the world at large. We hope that international cooperation against terrorism will succeed in overcoming such threats in the future.

## GENDER (IN)EQUALITY IN TURKEY

Within the framework of the EU accession process, Turkey has taken significant steps to align with the EU acquis on gender equality.

Turkey initiated policies for promoting gender equality in the early days of the Republic and maintained efforts in the EU accession process. Yet, its place in the global rankings is quite well below the frontrunner countries. In fact, when gender equality in Turkey is compared to those of the EU Member States, Turkey is ranked as the country representing the highest gender inequalities. For instance, in 2015 Global Inequality Index of the United Nations which is one of the widely-used indices of gender equality, Turkey is ranked 72 out of 188 countries while the worst-performing EU Member State Bulgaria is ranked as 59<sup>th</sup>.

Furthermore, in 2015 the Global Gender Gap Report (GGGR)

published by the World Economic Forum, Turkey is ranked 130 out of 145 countries – only leaving behind countries such as Oman, Egypt, Saudi Arabia, Morocco, Pakistan and Syria. According to GGGR, female-to-male ratio of economic participation and opportunity in Turkey is 0.45 compared to the average level of all countries which is 0.59. In other words, men are twice more likely to be able to participate in the labour force than women in Turkey. The figures for political empowerment of women in Turkey represent a more pessimistic picture: female-to-male ratio of political empowerment is 0.10 compared to the average value of 0.23.



Within the framework of its EU accession process, Turkey has taken significant steps to align with the EU acquis on gender equality such as the amendments in the Constitution, the Turkish Civil Code and Penal Code or the establishment of the Directorate General on the Status of Women and Equal Opportunities Commission for Women and Men in the Turkish Grand National Assembly. Yet, these figures

represent a huge controversy between the legal and institutional developments in regard to gender equality in Turkey. The major reason for such a gap between the policies and practices is likely to stem from limited implementation of the regulations due to prevalent social norms and practices in Turkey. The 2015 Progress Report also highlights the concerns of the European Commission regarding gender equality in Turkey.

According to the Report, although the legislative and institutional framework on equality between women and men is in place, promotion of traditional role of women, ineffective implementation of the legislation and the low quality of day care services make discrimination against women and gender-based violence major areas of concern.

## TURKEY AND EUROPE HIT BY TERRORIST ATTACKS AGAIN

The increasing number of terrorist attacks in Turkey, in the EU and around the globe calls upon the need to join hand in further reinforcing global cooperation to fight terrorism.

Just one month after the terrorist attack in the administrative centre of Ankara, a car bomb has exploded on 13 March 2016 in Kızılay District which is an important commercial area and a key transport hub in Ankara. This attack caused the loss of 38 people and wounded 125 people. This is the third attack that took place in Ankara over the last five months.

A few days later, on 19 March, a suicide bombing took place in the popular shopping area of İstiklal Avenue just in front of the district governor's office, causing the loss of 5 people (3 citizens from Israel and 1 from Iran) and wounding more than 30 people.

Following these attacks, European representatives expressed their continuing solidarity and support to the Turkish government and its citizens. They reaffirm their commitment to reinforce international cooperation to fight the global threat of terrorism. To

express their solidarity, Consul-General of 19 countries marched against terror in Istanbul on 22 March on the scene of the suicide attack in İstiklal Avenue along with Mayors of three Istanbul District.

Following these attacks in Turkey, Brussels was also the target of terrorism. On 22 March, two bombs exploded at Zaventem Airport followed short after by another bombing in the European District of Brussels in the Maelbeek metro station. These attacks killed 35 people and wounded more than 300 people.

Following these attacks, in a

Joint Statement released, the EU Heads of State or Government and the leaders of the EU institutions on the terrorist attacks in Brussels expressed their solidarity to the government of Belgium and the Belgian people. Emphasizing that these terrorist acts were an attack to EU's democracy, the leaders expressed their resolution to defend European values and to be united and firm in the fight against hatred, violent extremism and terrorism. Condemning these terrorist attacks, Turkish representatives also expressed their solidarity to Belgian people.

Prime Minister Prof. Ahmet Davutoğlu called all communities to stand united against global terror and any sort of terrorism.

As IKV, we condemn the terrorist attacks and extend our condolences to those who lost their lives and wish a fast recovery to those injured. These attacks which obstruct the development of democracy and rule of law by targeting peace are considered as inhumane acts. We condemn all acts of terrorism and renew our call to all the international community to join hands and form a united front against terrorism.

## EP PRESIDENT'S VISIT TO CYPRUS

**P**resident of the European Parliament Martin Schulz paid an official visit to Cyprus on 29-30 March 2016 to engage in a series of meetings in the Turkish Republic of Northern Cyprus (TRNC) and the Greek Cypriot Administration of Southern Cyprus (GCASC). The visit is interpreted as a sign of significant interest and support for the ongoing UN-sponsored settlement talks.

On the first day of his visit, President Schulz was received by President Mustafa Akıncı in the TRNC. Following the meeting, TRNC President told the reporters that they

had a constructive meeting with President Schulz who confirmed about the EU's continuing support for the efforts for a settlement in Cyprus. President Schulz also held contacts in the southern part of the Green Line, where he was received by GCASC Leader Anastasiades and later addressed the Greek Cypriot House of Representatives. In his address, President Schulz underscored that reunification is a realistic possibility and that this historic opportunity must be seized. Stating that reunification would be a magical moment for Europe as a whole, President Schulz highlighted

that Europe needs a message of hope more than ever. Regarding the refugee crisis, President Schulz stated that the recent Turkey-EU deal represented a breakthrough and confirmed that there could be no solution without Turkey.

In the context of his visit, President Schulz also visited the laboratory of the Committee of Missing Persons and came together with the leaders of Greek Cypriot and Turkish Cypriot political parties. On the final day of his visit, President Schulz met with UN Secretary General's Special Adviser Espen Barth Eide.



## PRESIDENT OF THE EUROPEAN COUNCIL TUSK'S VISIT TO TURKEY



The President of the European Council Donald Tusk paid two visits to Turkey in order to discuss the measures regarding the refugee crisis ahead of the Turkey-EU Summit held in Brussels.

**A**s part of his regional tour to Austria, Slovenia and the Balkans, President Donald Tusk visited Turkey on 3-4 March 2016. During his visit, President of the European Council Tusk met with President Recep Tayyip Erdoğan and Prime Minister Prof. Ahmet Davutoğlu. During his meeting with President Tusk, Prime Minister Davutoğlu agreed that the flow of migrants could be reduced significantly and that the rapid return from Greece to Turkey of all migrants not in need of international protection could be ensured. Prime Minister Davutoğlu mentioned that both parties discussed the issues such as the EU's

financial support to migrants in Turkey, the opening of new chapters in Turkey's accession process and the return of migrants from Greece to Turkey.

Following his second visit on 15 March 2016, President Tusk stressed that Turkey and the EU should work together on common challenges ranging from economy to counter-terrorism, from visa-free travel to foreign policy. He also expressed his condolences to the victims and families of the terrorist attack which struck Ankara on 13 March 2016 and stressed that Turkey and the EU stand together in the fight against terrorism.

## EU MINISTER VOLKAN BOZKIR'S VISITS TO EU

Minister for EU Affairs and Chief Negotiator Volkan Bozkır paid official visits to Finland and Slovenia at the end of March.

**I**n his visit to Finland on 23-24 March 2016, Minister Bozkır met with Finnish Minister of Foreign Affairs Timo Soini, Finnish State Secretary for EU Affairs Kare Halonen and members of the Grand Committee at the Parliament in Helsinki. Minister Bozkır also met with the Helsinki Branch of the Union of European Turkish Democrats.

Following his visit to Helsinki, Minister Bozkır paid a visit to Slovenia on 29-31 March 2016. During his visit, Minister Bozkır was

received by President of Slovenia Borut Pahor and Prime Minister Miro Cerar as well as President of the Slovenian National Assembly Milan Brglez. In Ljubljana, Minister Bozkır also came together with Slovenian Minister of Foreign Affairs Karl Erjavec.

During his meetings in both countries, Minister Bozkır discussed with key officials, bilateral relations, Turkey-EU relations, migration policy, visa liberalization and fighting against terrorism.



## TURKEY AND EU REACH LANDMARK DEAL

Turkey and the EU reached a landmark deal on migration in exchange for re-energizing Turkey's accession talks, accelerating visa liberalization dialogue and additional financial support for refugees. The deal -if efficiently implemented- has real potential to stem the irregular migrant flows to Europe.

Following months of high-level exchanges and diplomatic efforts between Turkish and European officials, EU leaders and Turkish Prime Minister Prof. Ahmet Davutoğlu finally reached an agreement with a real potential to stem the flow of irregular migrants to Europe at the Turkey-EU Summit on 18 March 2016. The EU leaders, who initially met with Prime Minister Davutoğlu on 7 March in an informal meeting, had asked for additional time to study the proposals presented by Turkey. In essence, these proposals foresaw returning all irregular migrants crossing to the Greek islands to Turkey in exchange for doubling the 3 billion euros funding already agreed, re-energizing Turkey's EU accession talks by opening five chapters to negotiations, introduction of a 1:1 formula foreseeing resettlement of a Syrian refugee from Turkey for each Syrian Turkey readmits from the Greek islands and the acceleration of the implementation of the visa liberalisation roadmap with a view to lifting the visa requirements for Turkish citizens by the end of June 2016. The proposals put forward, especially the request for an additional 3 billion euros and the opening of five chapters in the accession talks, took the EU leaders by surprise. Following hours-long discussions, European Council President Donald Tusk confirmed that a preliminary agreement was reached on the key elements but he added that the Member States would need to work out the details with Turkey before the 17-18 March European Council.

### What has been agreed?

Following months of uncertainties regarding the future of the Schengen area with thousands of migrants stuck in miserable conditions in Greece, white smoke finally emerged from the Justus Lipsius building on 18 March 2016. The EU and Turkey reached a deal, which if efficiently implemented, has real potential to weaken the business model of human traffickers by substantially reducing irregular migration via the Aegean route, which has been used by 885,386 irregular migrants in 2015 according to Frontex. Under the deal, all irregular migrants crossing from Turkey to the Greek islands as of 20 March 2016 will be returned to Turkey. The return process will be carried out in compliance with the principles



of the EU and international refugee law. By this logic, knowing that they will be returned to Turkey, irregular migrants will avoid embarking on a dangerous journey undertaken by around 2,000 people every day. Despite assurances that there will be no blanket returns and the principle of non-refoulement will be respected, human rights groups seem unconvinced about the legality and applicability of the deal. Their criticisms centre on the return process and Turkey's status as a safe third country given the limitations applied within the framework of the 1951 Geneva Convention. Furthermore, one should note that the chief sponsor of the deal German Chancellor Angela Merkel admits that the deal is far from being perfect and they are likely to face legal obstacles implementing it. According to European Commission President Jean-Claude Juncker, the deal is a "Herculean task" especially for Greece which has neither the capacity nor the means to process all asylum requests. The Commission stated that a small army of 4 thousand judges, asylum officers and interpreters will need to be stationed in Greek islands.

Under the deal in accordance with the 1:1 resettlement formula, for every Syrian being returned to

Turkey from the Greek islands, EU leaders agreed to resettle another Syrian from Turkey to the EU. 18,000 places will be used from the existing relocation capacity and an additional quota of 54,000 places will be made available, with the deal being capped at 72,000 resettled Syrians. The latter quota will be used voluntarily by the Member States. Nonetheless, the question of how this quota will be distributed among them remains unanswered. Given the Member States' rather poor performance in relocating refugees from Italy and Greece, there is reason to believe that they might act hesitantly.

Furthermore, in order to avoid the emergence of alternative routes for irregular migration Turkey committed itself to taking the necessary measures. It was agreed that once irregular crossings between Turkey and the EU were substantially reduced a Voluntary Humanitarian Admission Scheme would be activated. Furthermore, the EU agreed to speed up the disbursement of the initially allocated 3 billion euros under the facility for refugees and to mobilise an additional amount of 3 billion euros by the end of 2018. Given the fact that Turkey has spent around 8 billion dollars for refugees in the last four years with the international

community contributing less than half a billion dollars, the increase in financial assistance is key for meaningful burden-sharing. Moreover, Turkey and the EU committed themselves to working to improve humanitarian conditions inside Syria.

According to the deal, the parties decided to speed up the implementation of the visa liberalisation roadmap with a view to lifting the visa requirements for Turkish citizens by the end of June 2016, provided the Turkish government's fulfilment of the necessary criteria. The Turkish government confirmed that it complies with 35 out of the 72 criteria outlined in the visa liberalisation roadmap and expressed its determination to fulfil the remaining requirements by May 2016. Following the fulfilment of the necessary criteria and a proposal by the Commission, the ball will be in the European Parliament and the Council's court which will decide on the matter by a qualified majority vote.

Regarding Turkey's accession negotiations, the parties reconfirmed their commitment to re-energize Turkey's EU accession process and agreed on opening Chapter 33 on Financial and Budgetary Provisions during the

Dutch Presidency of the Council of the EU. The chapter, which was previously among the five chapters blocked by France under President Nicolas Sarkozy in 2007 on the grounds that it was directly linked to membership, will be opened for negotiations in the first half of 2016, which will bring the total number of opened chapters to 16. It is important to note that Turkey initially requested opening five chapters covering judiciary and fundamental rights, justice and security, foreign policy, education and energy, which have been blocked by the Greek Cypriot Administration of Southern Cyprus (GCASC) in 2009. Despite intense diplomatic efforts by Council President Donald Tusk, who shuttled between Southern Cyprus and Turkey before the summit, the GCASC refused to lift its veto on the five chapters and threatened to veto the deal. Analysts argue that in the run up to the parliamentary elections in the south of the Green Line in May 2016. The EU leaders have been careful not to exert too much pressure on the Greek Cypriot leader in order to avoid derailing the UN-sponsored reunification talks on the island which are perceived as the last chance to solve the decades-long Cyprus problem.

## HIGH LEVEL COOPERATION COUNCIL MEETING BETWEEN TURKEY AND GREECE

Greek Prime Minister Alexis Tsipras stated that two countries should work together to find a legal solution to the problem of illegal immigrants.

A historical meeting took place between Turkish Prime Minister Prof. Ahmet Davutoğlu and Greek Prime Minister Alexis Tsipras on 8 March 2016. The 4<sup>th</sup> High-Level Cooperation Council meeting held in Izmir was followed by a joint press conference. Prime Minister Prof. Davutoğlu stressed that opportunities to raise the trade volume between the two countries from 6 to 10 billion dollars would be assessed and announced a new flight route between Athens and Ankara. Prime Minister Prof. Davutoğlu stressed that Greece and Turkey are sharing

the burden of the refugee crisis, noting the importance of seeking common solutions to reduce refugee flows in the Aegean Sea. Greek Prime Minister Tsipras stated that neither Greece nor Turkey were the cause of the current refugee crisis, and added that the two countries should work together to find a legal solution to the problem of illegal immigrants set off towards Europe.

During the meeting, four cooperation agreements were signed between the two countries. These agreements are as follows: Thessaloniki-

Izmir Sister Port Relationship Agreement, Joint Declaration on Bilateral Tourism Cooperation, Protocol of Cooperation between the Turkish Radio Television Corporation and the Hellenic Broadcasting Corporation and Cooperation Agreement between Athens Macedonian News Agency and Anadolu News Agency. Last but not least, the Turkish Minister of Interior and the Greek Minister of Interior and Administrative Reconstruction also signed a declaration of intent to jointly combat illegal migration.



## FOREIGN MINISTER ÇAVUŞOĞLU'S VISIT TO GREECE



Foreign Minister Mevlüt Çavuşoğlu paid an official visit to Greece on 4 March 2016. Minister Çavuşoğlu met with his Greek counterpart Nikos Kotzias to discuss bilateral relations and regional issues. After the meetings, Minister Çavuşoğlu underlined in a joint press conference that the migration crisis is a global problem that concerns not only Turkey and Greece but also the international community. He further stressed that these massive flows and the

resulting humanitarian crisis need to be handled. In this respect, Minister Çavuşoğlu added that Greece and Turkey needed to improve the existing cooperation framework relating to rescue operations in the Aegean Sea. Greek Minister Kotzias underlined that they had a chance to discuss the agreement for NATO's involvement in tackling the current refugee and migrant crisis. During his visit, Minister Çavuşoğlu also met with Members of Parliament.

## SIX PRINCIPLES IN TACKLING THE MIGRATION CRISIS

The European Commission announced the six principles aimed at further developing Turkey-EU cooperation in tackling the migration crisis in a communication released on 16 March 2016.

EU leaders agreed on 7 March 2016 on taking bold moves in order to successfully close down the smuggling routes towards the EU as well as to break the business model of the smugglers and to further secure the EU's external borders in order to bring an end to the ongoing migration crisis. To achieve these objectives, EU leaders expressed their satisfaction towards the additional proposals brought forward by Turkey and agreed to work in coordination with Turkey on the basis of a set of six principles.

The Communication released by the Commission represents its contribution to the European Council debates with respect to the migration

crisis and the subsequent Turkey-EU cooperation in that regard. Moreover, it sets out how the six principles should be taken forward, delivering on the full potential for EU-Turkey cooperation while respecting European and international law. The six principles are as follows:

1. Legal safeguards for the return of all new irregular migrants and asylum seekers crossing from Turkey into the Greek islands: The arrangement for all returns of irregular migrants and asylum seekers must be ensured in line with international and EU laws and directives. Additionally, all new migrants and asylum seekers who are not in need for

international protection, has already been given a refugee status or come from a "safe third country" can be returned from EU borders.

2. A 1:1 resettlement scheme: 1:1 refers "one in, one out" policy through which migrants who arrive in Greece and do not qualify for asylum will be sent back to Turkey, and a Syrian refugee will be resettled in Europe for each person who is accepted by Turkey.
3. Accelerating the Visa Liberalisation Roadmap: Provided that Turkey fulfils the remaining 35 requirements out of 72 benchmarks in time, the Commission will accelerate the roadmap on

the visa liberalisation and will prepare a legislative proposal on visa-free access to Turkish citizens by mid-April.

4. Speed up the disbursement of funds under the Facility for Refugees in Turkey: Turkey has been offered so far 55 million euros in order to ensure that Syrian school-children will access to proper education and 40 million euros for the humanitarian aid project and further funding will be taken into agenda depending on Turkish authorities' analysis on necessary projects and needs by mid-April.
5. Accelerating Accession

Negotiations: Progress on opening new 5 chapters and Turkey's accession procedures will be accelerated by the Commission and Member States also by speeding up the screening process taken by the Commission.

6. Improving the humanitarian conditions inside Syria: With the goal of improving safe and humanitarian conditions inside Syria to allow migrants to live in Syria, cooperation between Turkey and the EU plays an important role also as specified by joining parties of the International Syria Support Group in Munich on 11-12 February 2016.

# TOWARDS DIGITAL MARKET: MORE INFORMED/ EDUCATED CONSUMERS NEEDED IN TURKEY

Regarding the harmonization with EU *acquis*, Turkish Law on Consumer Protection provides further rights and conditions for consumers. However, a better access to digital good and services is not addressed in the legislation.

İlge Kivilam, IKV Researcher

The World Consumer Rights Day was adopted by the UN on 15 March 1985. Consumer-related practices across the world have evolved to meet today's new opportunities such as digital market. Consumer protection practices are closely related to economic interests of consumers, protection of citizens and consumers from environmental hazards and public health.

As of today, opening up digital opportunities to consumers in terms of ensuring an effective "digital economy" is vital for the EU. This means maximizing the economic growth potential of the digital economy as well as creating consumer right conditions and providing better access for consumers to digital goods and services. The Digital Single Market was adopted by the European Commission on 6 May 2015. By the end of 2016, 16 initiatives need to be delivered in accordance with the Strategy. According to the European Commission's survey, consumers in the EU could save up to 11.7 billion euros each year when shopping online.

The EU is however currently struggling in terms of ensuring a better access for consumers and businesses to digital goods and services across Europe as well as cross-border. 77 % of internet users in the EU for instance still worry about their personal online data. Only 7 % of SMEs in the EU choose cross-border business options. According to more than 60 % of companies willing to sell online, too high delivery costs are a big problem in the EU. In this respect, the new aim of the consumer protection policy of the EU is to "inform and educate consumers" in accordance with public interests as well as contributing to the effective economic growth.

What about consumer protection practices in Turkey while the digital market transforming the EU's consumer protection policy area?



## What the EU Brings

In line with the growing importance attributed to consumer rights in Turkey, consumers are protected and guaranteed under Article 172 of the 1982 Constitution. It should be underlined that the context of the protection of consumers in Turkey has developed to meet EU standards following Turkey's EU accession process officially started on 3 October 2005. Regarding Turkey's EU negotiation process, "Consumer and Health Protection" Chapter was opened to negotiations on 19 December 2007 under the Portuguese Presidency of the Council of the EU. Concerning Turkey's level of alignment with the EU *acquis*, it may be concluded that Turkey's level of alignment is at an advanced level including in the field of tobacco control.

In particular, as a result of an intensive legislative process, "the Law on Consumer Protection" numbered 6502 was issued in the Turkish Official Gazette on 28 October 2013 and entered into force on 28 May 2014. EU Directives covering consumer

protection area has been transferred into the Turkish legislation by the Law No. 6502. The Law is also the key legislation in terms of harmonization process with the EU *acquis*.

In accordance with Article 2, the Law numbered 6502 aims to "take measures that protect the health, safety and the economic interests of the consumer, to compensate losses incurred by consumers, to ensure protection of the consumers from environmental hazards, which "inform and educate the consumers" in accordance with public interest; to promote self-protecting initiatives by the consumers and to regulate particulars on the promotion of the voluntary organizations for establishing policies regarding this matter". This aim shows that the Law is enacted to harmonize with more than one EU Directive. It regulates unfair terms in consumer contracts and credits, price tag, after-sales services, instalment sales, subscription agreements, off-premises contracts, distance contracts, package tours, timeshare vacation and long-term holiday

service contracts, commercial advertisement, unfair trade implementations and board of advertisement, pyramid selling schemes, arbitration committees for consumer problems, housing finance, pre-paid house sale, defective goods and services, introductory guideline and user manual, certificate of warranty and voluntary warranty, promotions arranged by institutions publishing periodicals, consumer council and advertising council and consumer courts. Moreover, 26 secondary legislations implementing the Law entered into force currently.

The Law replacing the former Act numbered 4077 which governed only consumer transactions for the goods and service market is one of the biggest gains of EU integration process in Turkey. Furthermore 99 % of the Law is in harmonization with the EU legislation as mentioned by the Head of Unit of Consumer Protection and Market Surveillance at the Ministry of Customs and Trade at IKV's seminar titled "New Consumer Protection Law within

the EU Integration Process" held in Istanbul on 6 October 2015. Thus, some measures are stricter than those applied in the EU, especially in areas related to consumer credits, customer sales contracts and credit card offers. However, there is still a need to reinforce the effective consumer policy in Turkey. According to 2015 Progress Report on Turkey published by the Commission, the main problematic areas in terms of fulfilling the requirements of Chapter 28 are an active participation of consumer protection organizations in the decision making and implementations processes and effectiveness of Consumer Arbitration Committees in solving consumer complaints.

Apart from that, even though the Law fits with basic principles of consumer protection legislation in the EU, there is no clear statement related to digital opportunities and solutions for consumers while digital technologies transforming the EU's market. Therefore, Turkey should address the needs for market measures to be integrated into the EU's single digital market.