

EUROPEAN TOURISM POLICY AND REFLECTIONS OF TOURISM IN THE NEGOTIATIONS WITH TURKEY

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This paper deals with Turkey's alignment with the EU norms in the area of tourism and consists of two main parts: Part one is an account of the European Union's approach to the tourism policy and the recent developments observed. Part two attempts to assess the progress made by Turkey in the adoption of the Acquis pertaining to tourism that covers a broad range of topics such as the internal market policy, competition policy, public health and consumer protection policies, regional development policy and the environmental policy, etc. In order to limit the scope, the discussion expands on the main axis of Enterprise and Industrial Policy, which forms the subject matter of Chapter 20 of the Negotiating Framework for Turkey.

Keywords: *the EU-Turkey Relations, Negotiation Process, Treaties, Enterprise and Industrial Policy, Tourism Industry*

JEL Classification: *L83, M1, O1*

INTRODUCTION

The EU-Turkey relations, that go back to early 1960s, have seen a series of important developments over the last decade. One of these developments is the official recognition of Turkey as “a Candidate State destined to join the Union on the basis of the same criteria as applied to the other Candidate States” (European Council, 1999:12). Another important development is the launch of accession talks with Turkey in line with the decision made at the Intergovernmental Conference held in Luxembourg on October 3, 2005. Since then, just as in all other fields, Turkey has been restructuring its national laws and regulations pertaining

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to tourism, in order to adopt the *Acquis* compiled under 35 headings in the Negotiating Framework.

Beginning with 2005 onwards, research on accession talks has gained importance in Turkey. Several studies have been conducted to explore the regulatory harmonization work under various chapters of the *Acquis*. Yet, the number of research looking into the regulatory harmonization in the field of tourism is few, such as by Tosun, *et al.* (2006), Pirnar and Miral (no date), Yılmaz (2008) Aykın and Yıldız (2008, 2009). This paper deals with Turkey's alignment with the EU norms in the area of tourism and consists of two main parts. Part one is an account of the EU's approach to the tourism policy and the recent developments observed. Part two attempts to assess the progress made by Turkey in the adoption of the *Acquis* pertaining to tourism that covers a broad range of topics such as the internal market policy, competition policy, public health and consumer protection policies, regional development policy and the environmental policy, etc. In order to limit the scope, the discussion expands on the main axis of Enterprise and Industrial Policy, which forms the subject matter of Chapter 20 of the Negotiating Framework for Turkey.

THE EUROPEAN UNION'S APPROACH TO TOURISM POLICY

Reflections of Tourism in the Maastricht Treaty

Tourism is a significant economic activity in the EU. Highly dominated by small and medium sized enterprises, the European tourism industry is the main source of income and employment generation especially in rural areas. One third of the global accommodation capacity is registered in the EU, and one out of every three tourists in the world is of European nationality. Despite the prominence of tourism industry for the European economy, it was not until 2009 that tourism found room for itself among the EU policies.

Though insufficient, a single sentence regarding tourism was introduced to the Treaty for the first time in Maastricht. The objectives to be achieved by the European Community were specified in Article 2 of the Maastricht Treaty, according to which the Community should have the task of promoting a harmonious, balanced and sustainable development of economic activities, by establishing a common market and implementing common policies or activities referred to in Article 3. Article 3(t) of the Treaty gave the Community liability to take relevant

measures in the sphere of tourism so as to attain the goals set in Article 2. Apparently, tourism was defined not as a target, but a tool in attaining Community targets in both articles of the Treaty.

In order to serve the objectives set out in the Treaty, the EU institutions were implicitly given the right to carry out activities supporting the actions of the Member States and the local actors, coordinating the Community programs and policies and complementing the national tourism policies, provided that these activities did not violate the principle of *subsidiarity*, nor infringed the sovereignty of the Member States, and surely conformed with the clause of unanimity in voting. This used to be the dominating approach to the tourism policy at the European level.

The *subsidiarity* principle combined with the far reaching unanimity clause ended up in a fragmented tourism policy in the EU. Priorities of the consumers and the environment enthusiasts as two of the stakeholders in tourism industry have been reflected upon tourism activities within the context of consumer protection policy (Article 153) and the environmental policy (Articles 174-176), respectively, while priorities of the enterprises have been dealt on three axis, i.e. (1) competition policy whereby the Community enjoys exclusive powers (Articles 81-97), (2) internal market policy whereby powers are shared between the Community and the Member States (Articles 14, 15, 26, 47(2), 49, 80, 93, 95), and (3) industrial policy whereby powers are not conferred upon the Community, at all (Article 157).

The *Acquis* on Industrial Policy consists of policy principles and policy recommendations formulated as a result of consultation and information exchanges, expressed in the form of communications, recommendations and Council resolutions (CEC, 2006b). However, this part of the *Acquis* does not entail sanctions. Furthermore, one could hardly argue that tourism entrepreneurs' priorities have been effectively taken into consideration by the Treaty of Maastricht and its successors, which lacked a clearly defined tourism policy and strategy. However, the shortcomings of the former Treaties have been remedied with the introduction of the Treaty of Lisbon / Reform Treaty which brought prominent amendments to the former Treaty, even including a separate chapter on tourism.

New Approach Developed by the Treaty of Lisbon

Quests to establish a common tourism policy throughout the history of the EU began in the second half of the 1990s with the publishing of a

Green Book (CEC, 1995) and continued with a number of strategy papers (CEC, 2001, 2003, 2006a, 2007, 2010). These attempts began to bear fruit towards the end of 2000s. Entered into force on November 1, 2009, the Treaty of Lisbon / Reform Treaty can be said to have eventually established a common European policy supporting the tourism entrepreneurs.

Article 2(e) of the Treaty of Lisbon authorizes the EU institutions, under specified conditions, to take actions supporting, coordinating or complementing the actions of the Member States, without exceeding the competences conferred upon them. Yet, legally binding norms such as European laws and European framework laws, regulations and decisions enacted as per the related provisions of the Treaty should not aim at harmonizing the Member States' laws and regulations (Treaty of Lisbon, Part I, Article 2(a/5)).

Part XXI of the Reform Treaty is dedicated to tourism policy. According to Article 176(b/1) of the Treaty of Lisbon, the Union is given the right and the liability to complement the action of the Member States on tourism, in particular by promoting the competitiveness of the undertakings. In order to achieve this end, all the Union actions should aim at encouraging the creation of a favorable environment for the development of undertakings in the tourism sector, on the one hand, and promoting cooperation between the Member States, particularly by the exchange of good practice, on the other. Further, with Article 176(b/2) of the Treaty, the Council is authorized to take specific measures to achieve the objectives referred to in the first paragraph of Article 176, in accordance with the ordinary legislative procedure that should not result in harmonization.

With the provisions given above, the Reform Treaty brought a revolutionary insight into the EU's perspective on tourism. In the 1990's, tourism used to be viewed as a tool to reach Community targets, but the Reform Treaty described it as an economic sector that should be supported by the EU to gain competitive power and relabeled it as a target *per se*. Hence, the EU institutions are, on the one hand, required to respect the existing diversity in the field of tourism, as well as differences in national laws and regulations; on the other hand, they are assigned the duty of complementing Member States' actions to enhance the competitive power of tourism undertakings. In this respect, the EU is deemed responsible for establishing a favorable environment for the development of the industry and improving cooperation among Member States.

It seems likely that binding acts rather than policy recommendations will be formulated in line with the aforementioned provisions, soon. Nevertheless, for the integration of the Turkish tourism industry with that of the EU and the alignment of the laws binding for tourism, one should still trace the entire *Acquis* and its reflections in the Negotiating Framework for Turkey.

REFLECTIONS OF TOURISM IN THE NEGOTIATIONS WITH TURKEY

Recent Developments in the EU – Turkey Relations

Official recognition of Turkey as a candidate state at the Helsinki European Council (December 10-11, 1999) marked a turning point in the EU – Turkey relations. It was concluded that a pre-accession strategy should be devised and Turkey should be given the right to enjoy the instrument for pre-accession assistance. It was further decided that the EU would prepare Accession Partnership for Turkey, and Turkey would prepare its National Program in return. Hence, Accession Partnership - a roadmap marking the areas that Turkey should take reformative actions - was approved by the Council on March 8, 2001 and had been submitted to the Turkish authorities. After the endorsement by the Council of Turkish Ministers, the National Program of Turkey - whereby the short, medium and long term actions were scheduled and all the human and financial resources were allocated in order to meet the priorities indicated in the Accession Partnership - entered into force as of March 19, 2001. Both the Accession Partnership and the National Program are binding for Turkey in view of accession to the EU.

Certainly, the launch of accession talks with Turkey was the most important development in the EU - Turkey relations. Based on the Commission's strategy paper (CEC, 2004) confirming that Turkey had fulfilled the Copenhagen political criteria and suggesting negotiations should be launched, at the Brussels European Council (December 16-17, 2004), it was declared that the negotiations would begin as of October 3, 2005. Further, the Commission was asked to prepare a Negotiating Framework for Turkey. As decided, accession negotiations officially started with the presentation of Negotiating Framework for Turkey at the Intergovernmental Conference convened in Luxembourg on October 3, 2005.

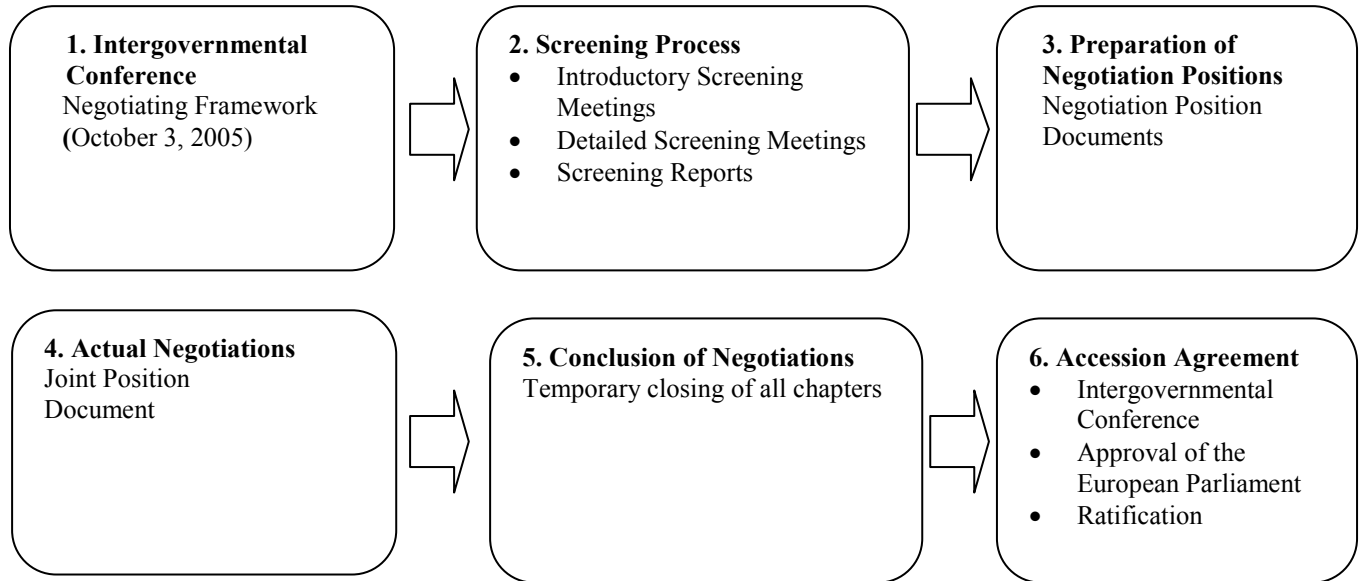
Accession Negotiations represent a process in which Turkey's time schedule and resources for transposition of the *Acquis* into the national

law as well as enforcement and effective implementation of the *Acquis* are specified. Figure 1 illustrates the Negotiation Process consisting of a series of stages, such as official launch of the accession talks in line with the Negotiating Framework, twofold screening process followed by preparation of negotiation positions, actual negotiations followed by temporary closing of each chapter and final endorsement of the Accession Agreement and the ratification. Turkey is currently at different stages in each Chapter of the Negotiating Framework.

Within the Negotiating Framework, *Acquis* to be adopted by Turkey was compiled under 35 Chapters as illustrated in Table 1. However, none of the Chapters were named tourism which became an object of curiosity for the tourism entrepreneurs in Turkey. Soon, it became clear that tourism would be dealt under Chapter 20 entitled “Enterprise and Industrial Policy” since the EU lacked a common tourism policy. Nevertheless, the Turkish Ministry of Tourism and Culture has been commissioned to carry out the alignment task regarding tourism and culture, and given that tourism is a horizontal policy area, the Ministry has been represented in most of the screening meetings, especially on Chapters entitled Free Movement of Workers, Right of Establishment and Freedom to Provide Services, Free Movement of Capital, Intellectual Property Law, Information Society and Media, Agriculture and Rural Development, Statistics, Enterprise and Industrial Policy, Education and Culture, Environment and Customs (Mehter Aykın and Yıldız, 2009).

Despite the substantial progress made in the EU - Turkey relations, as conveyed in the Brussels Presidency Conclusions, “the negotiations are an open-ended process, the outcome of which cannot be guaranteed beforehand” (European Council, 2004:23). The underlying motive of this argument is embedded in the fact that the *Acquis* is constantly being reshaped to meet the changing conditions, thus urging the Candidate States to take relevant actions at once. Throughout the negotiation process, which has been ongoing for almost five years with Turkey, only one Chapter that is “Science and Research” has been closed temporarily (Secretariat General for EU Affairs, 2007).

Figure 1 The Negotiation Process



Source: Derived from the information provided in the Negotiating Framework for Turkey (CEU, 2005)

Table 1 Preliminary Indicative List of Chapter Headings

1. Free movement of goods
2. Freedom of movement for workers
3. Right of establishment and freedom to provide services
4. Free movement of capital
5. Public procurement
6. Company law
7. Intellectual property law
8. Competition policy
9. Financial services
10. Information society and media
11. Agriculture and rural development
12. Food safety, veterinary and phytosanitary policy
13. Fisheries
14. Transport policy
15. Energy
16. Taxation
17. Economic and monetary policy
18. Statistics
19. Social policy and employment
20. Enterprise and industrial policy
21. Trans-European networks
22. Regional policy and coordination of structural instruments
23. Judiciary and fundamental rights
24. Justice, freedom and security
25. Science and research
26. Education and culture
27. Environment
28. Consumer and health protection
29. Customs union
30. External relations
31. Foreign, security and defence policy
32. Financial control
33. Financial and budgetary provisions
34. Institutions
35. Other issues

Source: CEU, 2005:17

TURKEY'S ADOPTION OF THE ACQUIS PERTAINING TO TOURISM

As a reflection of the EU's approach foregrounding *subsidiarity* and respecting diversity, thus refraining the European institutions exercise exclusive power, tourism has been included in the scope of Chapter 20 of the Negotiating Framework. Driven by the renewed Lisbon strategy for growth and jobs as well as the sustainable development strategy, issues such as strengthening the market economy based on competition, supporting R&D and innovation, adapting to the changing posture, developing human resources, encouraging environment-friendly investments and technologies stand out as the Union's priorities in the area of Enterprise and Industrial Policy.

Introductory screening meetings for Chapter 20 took place on March 27-28, 2006 with presentations made by the European Commission, followed by detailed screening meetings on May 4-5, 2006 with presentations by the Turkish side (Secretariat General for EU Affairs, 2007). The process continued by drafting of the Screening Report by the European Commission (2006b) which admitted that Turkey had reached a satisfactory level of alignment with the *Acquis*, yet it needed to improve its capacity to assess industrial and sectoral competitiveness, as well as its capacity to apply impact assessment in order to enhance policy design. The existing *ad hoc* Committee on policy consultation with business was found to work permanently well. The policy documents pertaining to enterprise and industry were all welcomed by the European Commission, yet found weak as instruments of policy coordination and in terms of ensuring policy coherence. The SME definition applied in Turkey was found largely to be in line with that of the EU, and the updated strategy and action plan was welcomed by the European Commission. The need for further alignment with the Directive on combating late payment in commercial transactions and the *Acquis* on state aid in terms of business support mechanisms were also two other requirements foregrounded in the Screening Report, former being dealt under Chapter 6 on Corporate Law and the latter under Chapter 8 on Competition Policy. Turkey's administrative capacity was found to be sufficient in the area of enterprise and industrial policy, yet the lack of a foreign investment agency caused concern, and the role of the State Planning Organisation as the central body for policy design and coordination raised questions with the fear to reduce the efficiency of measures due to lower sectoral competence and policy ownership issues (CEC, 2006:5).

Facing the challenges, adoption of a revised industrial policy to replace the one drafted by the State Planning Organisation was defined as the sole priority in the National Program of 2008, and the Ministry of Industry and Trade was commissioned to develop a strategy and action plan to this end. In the National Program (2008), commitments of Turkey on Chapter 20 necessary for legislative approximation and implementation were based on a three-stepped schedule lasting for three years (2009-2011). The first step envisaged strengthening administrative capacity of the Ministry in order to implement, improve, monitor and evaluate the updated industrial policy and strategy, which called forth building capacities of the existing departments and units - i.e. industrial strategy department, sectoral departments and internal stakeholders - on the one hand, and establishing new units in charge of industrial policy and strategy and management of industrial information system, on the other. The second step called forth implementation, improvement, monitoring and evaluation of the newly adopted industrial policy and strategy, while the final stage envisaged development and monitoring of an “Industrial Platform” with a view to enhancing the dialogue between the public institutions and the stakeholders from both private sector and the NGOs. A total of 4,056,700 Euro was allocated for the implementation of the aforementioned actions (National Program, 2008:221-223). Yet, the industrial policy document has not been renewed at all.

CONCLUSION

Over the last decade, Turkey has been restructuring its existing laws and regulations so as to comply with the European norms in the field of tourism. As a reflection of the EU’s traditional approach to the tourism policy, issues which are of interest to tourism enterprises are included in the scope of Chapter 20 of the Negotiating Framework, under which the Acquis consists mainly of policy principles and policy recommendations that are reflected in communications, recommendations and Council resolutions. Nevertheless, the entire European laws, European framework laws, regulations and decisions affecting tourism are not simply limited to the scope of Chapter 20, but rather dispersed among most of the 35 Chapters of the Negotiating Framework. As a horizontal policy area having issues in common with many other policy areas, it would not be wrong to assert that Turkey will have *de facto* aligned with the European norms in the area of tourism, only after it has adopted the entire *Acquis* covering a broad range of issues such as the internal market policy, competition policy, public health and consumer protection policies,

regional development policy and the environmental policy, etc. As put in the Negotiating Framework, “Turkey’s timely alignment with the Acquis and effective and efficient implementation of the European norms and rules will determine the pace of negotiations” (CEU, 2005:10). Thus, immediate adoption of a revised industrial policy embracing the tourism undertakings is of great importance for Turkey in view of membership to the EU.

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