



Editors: Paul Rivlin and Yitzhak Gal Assistant Editor: Brandon Friedman

Vol. 6, No. 3 March 31, 2016

The Dominoes Fall: The War in Syria, Europe and Turkey

Paul Rivlin

The war in Syria has resulted in the loss of up to 450,000 lives and some 13.5 million people are now in need of humanitarian assistance, including six million children. There are 4.7 million refugees in neighboring countries, including 2.6 million in Turkey, one million in Lebanon, and 600,000 in Jordan. [The loss of GDP in Syria was estimated at \\$275 billion](#) and it will take many years for the country to be reconstructed once the conflict ends. This catastrophe has had effects beyond the Middle East and this edition of *Iqtisadi* examines the implications for the European Union (EU) and Turkey.

The 28 members of the EU and ten Middle Eastern and North African (MENA) countries – Algeria, Egypt, Jordan, Israel, Iraq, Libya, Morocco, Palestine, Syria (suspended) and Tunisia – have signed an agreement known as the European Neighborhood Policy. This aimed to achieve the political association and economic integration between the EU and MENA members. While they are separated only by the Mediterranean Sea, the demographic and economic differences are huge. In 2014, the EU had a population of just over 500 million, while MENA states (including Iran and the Gulf Arab states) had over 350 million. After a long period of demographic transition, the countries of the EU are now characterized by low fertility and a dwindling and aging population. This demographic predicament has economic and social consequences, including a shortage of labor. Families in MENA have, on average, twice as many children than those in the EU, which has led to a substantial

increase in the number of young people, as well as an overall increase in the total population.

Table 1 shows that the contrast is economic as well as demographic. Average income levels in the EU are much higher than in the Southern and Eastern Mediterranean countries listed. The developing countries of MENA (excluding Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, and the UAE) have a combined GDP of \$1.5 trillion, equal to only eight percent of that of the EU. If the list was widened and Syria, Iraq, Afghanistan, and the countries of the Sahel were included, then the gap would be even wider.

Table 1

The North-South Gap, 2014

	GDP, \$ billions	Population, millions	GDP/capita \$
EU-28 countries	18,510	508	36,437
Germany	3,868	81	43,461
Greece	236	11	21,455
Algeria	214	39	5,487
Egypt	287	90	3,189
Lebanon	46	4.5	10,222
Libya	41	6.3	6,508
Morocco	110	34	3,235
Palestine	13	4.3	3,023
Tunisia	49	11	4,545
Turkey	798	76	10,500

The author's calculation using World Bank data

These demographic and economic gaps form very powerful push and pull factors driving the emigration from MENA to Europe, but in recent years they have been overshadowed by the wars that have engulfed MENA and have caused millions to flee to Europe.

In 2015, more than a million migrants and refugees fled to Europe, compared with 280,000 in 2014. More than 135,000 people arrived during the first two months of 2016 and it is estimated that two thousand a day are arriving in Greece. Over 80 percent of those who reached Europe by boat in 2015 came from Syria, Iraq, and Afghanistan. The refugees aim to reach the richer northern members of the European

Union (EU), particularly Germany and Sweden, that had, until recently, liberal policies towards the admittance of refugees.

This is taking place against a background of terrorist attacks on European targets by the Islamic State (IS), the latest of which were two attacks in Paris— in January 2015 when 17 people were killed November 2015 when 130 were killed —and Brussels on March 22, 2016, in which more than 30 people were killed.

Most of the migrants have fled via Turkey to Greece and then, with increasing difficulty, north towards Germany. The effects of the recent mass migration to Europe have been dramatic with the re-imposition of border controls in much of the EU. In 1985, the Schengen Agreement was signed by five of the then European Community member states. The Schengen Area was established separately from the European Community, when consensus could not be reached among all EC member states on the abolition of border controls. In 1990, the Agreement was supplemented by the Schengen Convention, which proposed the abolition of internal border controls and a common visa policy. Border controls in the Schengen Area were abolished on March 26, 1995. It currently consists of 26 states, including four that are not members of the EU. Ireland and the United Kingdom are not part of the agreement and operate border controls with other EU member states.

In order to improve control over the flow of immigrants, in Autumn 2015, six Schengen states – Norway, Austria, Sweden, Germany, Hungary and Slovenia – reintroduced checks on their internal borders in a bid to halt the flow of migrants. France and Malta introduced controls due to the threat of terrorism. The most dramatic measures were taken by Sweden in November 2015, when it announced it would tighten its asylum and border regime after the number of asylum seekers reached 10,000 a week. In 2015, Sweden received 163,000 asylum seekers, the highest number per head of any EU country. Denmark received only 18,000 applications and successfully deterred would-be applicants with a strict regime, including a proposal to empower police to search asylum seekers' clothes and luggage for valuables that might offset the cost of looking after them. In response to the Swedish measures, Denmark also introduced border controls. These measures that in

effect suspend the Schengen Area [could result in the loss of 0.8 percent of the EU's GDP](#) as well as damaging its plans for political union.

On the other hand, the International Monetary Fund (IMF) suggests that the inflow of asylum seekers is likely to have an immediate expansionary effect on the economy. In the short term, additional public spending will increase domestic demand and GDP. This effect will be modest for the EU as a whole (raising the level of GDP by some 0.1 percent in 2017), but more pronounced in the main asylum seeker destination countries. GDP per capita will be however lower, reflecting the weaker labor market performance of refugees and restrictions on labor market access to asylum seekers in some countries. In the long run, the economic impact will depend on the speed of integration of refugees into the labor market. [The IMF forecasts](#) an inflow of 1.3 million first-time asylum seekers. This means that by 2017, there could be a total of four million immigrants with more expected afterwards.

By virtue of its geographic location, Turkey has received the largest number of migrants from Syria and is a major transit route for those fleeing from Iraq and Afghanistan. It has therefore emerged as a key partner in the EU's struggle to contend with the migration crisis.

Turkey is not however an easy partner for the EU. Negotiations for Turkish membership of the EU have been going on for fifty years and there is the belief that neither side wants to conclude them. In the early years of its rule, the Justice and Development Party (AKP) government introduced many of the reforms that the EU demanded as pre-conditions for membership, but in recent years there has been a major retreat from democracy in Turkey. Human Rights Watch stated that the AKP has become increasingly intolerant of political opposition, public protest, and critical media. Elected to office for a fourth term in 2015, with a strong parliamentary majority, the AKP government has increasingly interfered with the courts and prosecutors thus undermining judicial independence and the rule of law. The breakdown of a peace process and escalating conflict between the security forces and the armed Kurdistan Workers' Party (PKK) across the southeast [has led to mounting civilian deaths and multiple human rights violations](#).

The EU needs Turkey's cooperation in curbing the flow of migrants. The clash in November 2015, when Turkey shot down a Russian fighter plane that overflew its territory, along with the Russian occupation of Crimea, and the conflict in Ukraine may have encouraged the Europeans to offer aid to the Turks in exchange for help on the migration issue.

On March 7, 2016, the [EU agreed](#) to return to Turkey all new irregular migrants crossing from Turkey into the Greek islands with the costs covered by the EU; to resettle, for every Syrian readmitted by Turkey from Greek islands, another Syrian from Turkey in the EU, within the framework of the existing commitments; to accelerate the implementation of the visa liberalization roadmap with all member states with a view to lifting the visa requirements for Turkish citizens at the latest by the end of June 2016; to speed up the disbursement of the three billion euros to ensure funding of a first set of projects before the end of March, and to decide on additional funding for the Refugee Facility for Syrians; to prepare for the decision on the opening of new chapters in the Turkish accession negotiations as soon as possible, building on conclusions of the October 2015 European Council; to work with Turkey in joint endeavors to improve humanitarian conditions inside Syria which would allow for the local population and refugees to live in areas which will be more safe.

This deal has many similarities to that agreed in 2010 between Italy and Muammar al-Qaddafi, the former leader of Libya. It was Colonel Qaddafi, the former Libyan strongman, who, before Europe and the United States helped to overthrow him, had an agreement with Italy to keep migrants from its shores. In 2010, during a visit to Rome, Colonel Qaddafi demanded about \$6.6 billion a year from the then the Italian prime minister, Silvio Berlusconi, to continue to stem the tide of immigrants from Africa and the Middle East trying to flee to Europe through Italy.

Turkey itself is facing multiple crises. Its security forces have intensified operations in Kurdish areas of southern and southeastern parts of the country and have killed hundreds of people and displaced tens of thousands since last year. Curfews and martial law, backed by tanks, have been used in areas near the Iraqi and Syrian borders.

Turkey's Kurdish problem is only one of the challenges that President Erdoğan has exacerbated. Turkey is at war with Syrian Kurdish militias fighting the Islamic State in northern Syria because it fears that they may try to create a separate political entity linked to the autonomous Kurdish region in northern Iraq. Tension inside the country has increased following Erdoğan's manipulation of the judiciary, repeated threats to prosecute pro-Kurdish MPs and leaders, curbs on the freedom of the media, corruption, and Erdoğan's attempt to enact a new constitution giving him wide presidential powers. Turkey has been subject to repeated terrorist attacks by the Islamic State and by extremist Kurdish groups. As the civil war in Syria moves towards a cease-fire, the situation in Turkey looks worse than it has for many years.

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