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## **Decarbonization as Modernization in Turkey-EU Relations**

The EU Green Deal is intended to bring the continent's net emissions down to zero by 2050, and "decouple" economic growth from carbon emissions. As the Intergovernmental Panel on Climate Change (IPCC) pleaded in their sixth assessment report, either we start to decarbonize now, or it will be too late for our planet. I see the decarbonization issue as a component of modernization in the context of Turkey. The Green Deal has indeed added a totally new dimension to the Customs Union (CU) modernization debate between the EU and Turkey.

Why? Today Turkey is one of Europe's main polluters in electricity production, along with Germany, Poland and Ukraine. As of 2015, Turkish carbon emissions were around 12 percent of EU-wide emissions. However, things will change quickly if the newly announced EU decarbonization agenda sticks.

Imagine for a moment that the EU keeps its promise of lowering 1990 carbon emissions by 55 percent in 2030, as set out in the "Fit for 55" program in July 2021. Turkey, meanwhile, has committed in 2015 to lowering its emissions by 21 percent until 2030. If this remains the case, in 2030, Turkey's carbon emissions will amount to 40 percent of EU-wide emissions. That means that the country's share of the emissions are on its track to increase by 333 percent, mind you.

What does that mean? The decarbonization of Turkey is the decarbonization of Europe, if you ask me. CU modernization gains a new dimension with the decarbonization agenda. First, the old customs union arrangement and all the work done around 2014 to jumpstart CU modernization is outdated now. The Green Deal and its twin transformation agenda have radically changed the equation.

Second, the CU is definitely better than an FTA (free trade agreement) in its ability of making European value chains operating in Turkey stronger and greener. Hence, CU modernization will be essential for the digital and green transformation agendas, as our existing value chains will be strengthened, and new ones in services and agriculture can be established. Diversity is good.

Third, there is no political will in Turkey to pass ambitious decarbonization laws. Only with new European investments to strengthen the value chains passing through Turkey can the country have an ambitious green agenda. With Europe becoming a more intrinsic part of the Turkish economy, Turkey can be incentivized for change and find the necessary funding. Hence that

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12 percent emission relationship between Turkey and EU could be kept, even lowered. That would be good for the environment, and good for the Turkish economy.

In terms of the geopolitical implications of the Green Deal, there will be many companies losing their business plans in the vicinity, especially in oil producing countries. I believe that a greener and stronger Turkish economy will be needed, both, to guarantee more orderly migration and job creation, as as to manage the economic and social transformations to come.

Anyone working on Turkey-EU economic relations must formulate CU negotiations within the context of the Green Deal. Turkey and Europe should have commensurate decarbonization plans, comparable ETSs (emission trading systems) and they should cooperate more in order to deal with the economic and social transformations migration brings.

Turkey and EU have lost their vision of a common future with the stalling of the EU-Turkey accession process after 2007. The items on the “positive agenda”, most recently created around cooperation on Syrian migrants, were too shallow to get us back on track. The economic incentive, however, is different. CU modernization in the age of the Green Deal is deep enough to think once again about a common future for the EU and Turkey.

We need a deeper, well designed, positive agenda. Think about the depth of digitalization, biologization, decarbonization and the common security issues at hand. There is a lot to talk about on the technical level between the Commission and the Turkish teams. It may be tempting for either party to abandon the CU altogether and simply sign a Free Trade Agreement (FTA) with Turkey. That would be a mistake. It would not be able to handle the increasing complexity the Green Deal requires. Now is the time to be ambitious in EU-Turkey relations again and modernize the one thing that has truly transformed Turkey for the better. Draft a plan for the Turkey-EU Customs Union 2.0. Future generations depend on it. On both sides.