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MASTER'S THESIS

THE ROLE OF PERCEIVED PSYCHIC DISTANCE ON TURKEY-WEST AFRICA TRADE RELATIONS

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Grâce KONZOU

ABSTRACT

Master's Thesis

The Role of Perceived Psychic Distance on Turkey-West Africa Trade Relations

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This thesis explores the role of psychic distance on Turkey and West Africa international trade relations. It analyses the perception of Turkish and West African firms for Africa and Turkey according to the cultural, educational, legal, administrative, socio-economical dimensions of psychic distance. Although Africa is not listed among Turkey's top trade partners, there is a significant involvement of Turkey in Africa over a decade now. This relationship takes place in various sectors and in trade relations. Nonetheless, Turkey's trade relations with Africa since its establishment, kept on growing fast. The trade volume between Turkey and West Africa (ECOWAS) alone is estimated to 2.4 billion dollars in 2017 (Turkish Statistical Institute, 2018).

However, both Turkey and Africa's business environments are still not well known to one another, preventing some economic operators and investors to step into business with either Turkey or Africa. Given these reasons, the current study focuses on the trade relations between Turkey and West African countries (ECOWAS) in order to shed some light on the dissimilarities and similarities existing in foreign business environment of both regions; in addition, the study reveals opportunities each market have.

In international marketing, differences in host and domestic markets are known as psychic distance and many researchers through various studies defend that the measurability of the psychic distance and its variables should not be limited only to data and indexes but should also merely consider the information which take into account the perception of the company's decision makers. Thus, this study used a qualitative methodology through interviews to analyse the psychic distance phenomenon from managerial perspective of Turkish and West Africans traders. According to findings, the study revealed psychically high distance between both regions. Language, political-legal, and economic factors were revealed to have significant role on trade flow between Turkey and West Africa. Besides, the results reveal a huge trade potential in West Africa that can benefit both West Africa and Turkey.

Keywords: Psychic Distance, Internationalization, West Africa.

ÖZET

Yüksek Lisans Tezi

Algılanan Psikolojik Mesafenin Türkiye-Batı Afrika Ticari İlişkilerindeki Rolü

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İngilizce Dış Ticaret Tezli Programı

Bu tez çalışması, psikolojik mesafenin Türkiye ve Batı Afrika arasındaki uluslararası ticaret ilişkileri üzerindeki etkisini incelemeyi amaçlamaktadır. Türk ve Batı Afrika firmalarının Afrika ve Türkiye algısı, psikolojik mesafenin kültürel, eğitimsel, yasal, idari, sosyo-ekonomik boyutlarına göre analiz edilmiştir. Afrika, Türkiye'nin en büyük ticaret ortakları listesinde yer almasa da, Türkiye'nin Afrika topraklarındaki rolü on yıldan fazla bir süredir çok daha belirgin hale gelmiş ve bu da iki ülkenin ilişkilerinin gelişmesine katkıda bulunmuştur. Bu ikili ilişki çeşitli sektörlerde olduğu gibi ticari ilişkilerde de kendini göstermiştir. Bununla birlikte, Türkiye'nin kuruluşundan bu yana Afrika ile olan ticari ilişkileri hızla büyümeye devam etmektedir. 2017 yılında Türkiye ile Batı Afrika arasındaki ticaret hacminin tek başına 2,4 milyar dolar düzeyinde olduğu tahmin edilmektedir (Türkiye İstatistik Kurumu, 2018).

Buna karşın, Türkiye ve Afrika'nın henüz birbirlerinin iş ortamlarını tam anlamıyla tanıdığı söylenemez. Bu da bazı iş adamlarının ve yatırımcıların Türkiye veya Afrika ile ticaret yapmalarını engellemektedir. Bu nedenle, bu çalışma iki ülke pazarının sahip olduğu fırsatları ortaya koymakla birlikte, Türkiye ile Batı Afrika ülkelerinin dış ticaret ortamında var olan benzerliklerine ve farklılıklarına ışık tutmak amacıyla bu iki ülke arasındaki ticari ilişkilere odaklanmaktadır.

Yerli ve yabancı piyasadaki farklılıklar uluslararası pazarlamada psikolojik mesafe olarak bilinir. Çeşitli araştırmalar yoluyla birçok araştırmacı psikolojik

mesafenin ölçülebilirliğinin ve değişkenlerinin yalnızca veri ve indekslerle sınırlı kalmaması gerektiğini, aynı zamanda şirketlerin karar vericilere ait algısını da göz önünde bulundurulması gerektiğine inanır. Bu nedenle, bu çalışma psikolojik mesafe olgusunu Türk ve Batı Afrikalı yöneticilerin bakış açısıyla analiz etmek için görüşmeler yoluyla nitel araştırma yöntemini kullanmıştır. Bulgulara göre, bu çalışmada, her iki bölge arasında psikolojik mesafenin yüksek olduğu tespit edilmiştir. Ayrıca, iki ülke arasındaki yabancı dil, politik-yasal ve ekonomik faktörler, Türkiye ile Batı Afrika arasındaki ticaret akışını büyük ölçüde etkilemektedir. Ayrıca sonuçlar hem Batı Afrika hem Türkiye'ye kar sağlayacak büyük bir ticari potansiyel ortaya koymaktadır.

Anahtar Kelimeler: Psikolojik Mesafe, Uluslararasılaşma, Batı Afrika.

THE ROLE OF PERCEIVED PSYCHIC DISTANCE ON TURKEY-WEST AFRICA TRADE RELATIONS

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ABBREVIATIONS

TUIK	Turkish Statistical Institute
SSA	Sub Saharan Africa
WTO	World Trade Organization
IMF	International Monetary Fund
WEO	World Economic Outlook
ECOWAS	Economic Community of West African States
DEIK	Turkey's Foreign Economic Relations Board
GDP	Gross Domestic Product
FOB	Free on Board
CIF	Cost Insurance and Freight
GNP	Gross National Product
PPP	Purchasing Power Parity
FDI	Foreign Direct Investment
COMESA	Common Market for Easter and Southern Africa
ECCAS	Economic Community of Central Africa
NATO	North Atlantic Treaty Organization
OECD	Organization for Economic Cooperation and Development
SADC	Southern Africa Development Community
EPA	European Partnership Agreement
TIFA	Trade and Investment framework agreement
EU	European Union
US	United States
OPEC	Organization of the Petroleum Exporting countries
WAEMU	West African Economic and Monetary Union

EAC	The Eastern African Community
SME	Small and Medium Enterprises
OIC	Organization of Islamic Cooperation
FAO	Food and Agriculture Organization

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INTRODUCTION

In recent decades, there has been an increasing interest for understanding the role of psychic distance in internationalization. The willingness of companies to go beyond their home countries' border via trade is referred as internationalization. Indeed, due to the current globalization trend, companies are constantly advised to embark on internationalization. Several studies such as Johanson and Vahlne (1977); Bilkey and Tesar (1977); Cavusgil (1980) reveal that internationalization is an incremental process which happens to take place by stages, from exports activities at the beginning until the complete involvement of the firm into the foreign country after acquiring enough experience and knowledge.

There are several advantages that companies can inherit from extending their business activities beyond their borders. First, it increases sales and improves profits (Cavusgil, 1984; Singh, 2001; Child et al, 2003). Profitability has been one of the main objective of business companies; this profit can be made only if your products or service are effectively and efficiently disposed on the market in an attractive manner. Secondly, internationalization supplements companies with short-term security, long term security, increases innovation, exclusivity, economies of scale, government incentives. On the other side there is an obvious pre-requisite for companies and businesses to fulfil to fully enjoy the range advantages of internationalization. Internationalization requires proper knowledge of the foreign market for management to take right decisions. The acquisition of knowledge about foreign market is determined by the exploration of many factors such as cultural, educational, legal, administrative, socio-economical, geographical. The differences of these factors between home and host market are known as psychic distance. The concept of psychic distance often seen in business literature is the set of factors such as education, language, culture, political-legal system, industrial development etc. that could exist between firms and foreign market. Considering the significance of the area, many literatures in international marketing highlights a particular interest on the role of psychic distance in international trade (Johanson and Vahlne, 1977; Vahlne and Wiedersheim-Paul, 1977; Johanson and Wiedersheim-Paul, 1975; Nordstrom and Vahlne, 1994). Early researches conducted in the 1970’s reveal that psychic distance affects the firm’s choice of its foreign market destination. As a result, psychic distance is undoubtedly one of the most imperative factors to refer before stepping in international operations.

Considering the significance of the topic, the present study deeply investigates the role of psychic distance in internationalization between Turkey and West Africa. This study is restricted to trade between Turkey and Africa because, Turkey and Africa are involved in growing trade relations; indeed, it has been more than a decade now that both regions are determined to build a strong relation between them in almost every sector and essentially in international trade. Thus, it is crucial to study the role of psychic distance in trade relations undertaken by Turkey and African countries. The paper aims also to outline the existing psychic distance between Turkey and African countries, particularly West Africa region.

The study is organized as follow: The first chapter gives a literature review about the process of internationalization and the concept of psychic distance; the second chapter focuses on the trade relations between Turkey and West Africa. Third chapter is about exploratory research and its findings related to the perceived psychic distance in internationalization of Turkish companies in Africa and West African companies in Turkey.

CHAPTER ONE

INTERNATIONALIZATION PROCESS AND THE CONCEPT OF PSYCHIC DISTANCE

1.1. INTERNATIONALIZATION

Expansion of a firm's activities beyond borders is defined as internationalization and could be observed under various forms, such as export activities, licensing agreements, establishing international new ventures (Johanson and Vahlne, 1990). In the international business literature, Johanson and Wiedersheim-Paul (1975); Johanson and Vahlne (1977) are the first researchers who publish empirical studies related to internationalization. Johansson and Wiedersheim-Paul (1975) described internationalization as a commercial activity of a firm with a minimum one country out of home country's borders and internationalization is the consequence of a series of incremental decisions. Additionally, Oviatt and McDougall (1992) define internationalization as business organization that seek to establish business in various countries. In similar framework, Welch and Luostarinen (1988) define internationalization as the process of increasing involvement in international operations.

Internationalization is important for companies in today's world because it offers them a good opportunity to reach different markets around the world. In addition to this opportunity, internationalization is also a way for companies to express their entrepreneurial skills. In fact, according to Zahra and Neubaum (1998), international entrepreneurial orientation is a key to overcome domestic market challenges, such as the restrictions and high competitiveness in the local market. It was advocated by Bilkey and Tesar (1978); Cavusgil (1984); Child et al (2002) that companies sought foreign markets to gain competitive advantage, and business success. Moreover, some findings of researches suggested that internationalization is a strategy for firms and industries to reach expansion, growth and profitability (Reid,1981; Singh, 2001).

In contrast, besides the positive outcomes of internationalization, firms under internationalization may face difficulties arised from internal or external factors. For example, Kneller and Pisu (2011), discussed, language differences and transportation costs as some of the main barriers of internationalization as they explained that these factors generate trade cost. Furthermore, Singh (2001) analysed the internationalization challenges of Indian firms located in the United Kingdom. The findings revealed that the high value of currency was affecting goods prices. The goods prices of Indian firms located in United Kingdom were higher compare to those of competitors from less developed countries. The situation can be explained by the fact that the production input in less developed countries was lower than the one in United Kingdom. Moreover, Shaw and Darroch (2004) identified limited capital and financial resources as pitfall of international trade. In their studies, Roy et al (2016); Zahra and Neubaum (1998) pointed out the lack of knowledge and experience related to overseas markets as the main constraints of internationalization. In this framework, before a firm can fully take advantage of internationalization, they are required to fully acknowledge and understand the internationalization process.

1.2. INTERNATIONALIZATION PROCESS

Cavusgil (1980) discusses internationalization as a process by which companies engage in international operations. First, scholars Johanson and Wiedersheim-Paul (1975) initially introduced research about internationalization process on four Swedish companies: Sandvik, Atlas Copco, Facit and Volvo. Their research revealed that studied companies adopt international activities through cumulative stages over a long period of time. It was assumed that firms switch effectively to foreign operations by following a path of incremental steps from pre-exports, to reach over time to the full involvement in the foreign country. The authors explained that, the exporting firm gain additional knowledge at each stage of the process. It is assumed that lack of knowledge about the foreign environment lead firm to proceed by progressive stage. In fact, companies with a limited knowledge and experience about a foreign market keep a relatively low commitment in that market until they gain more experience. The study on the process of Swedish companies' internationalization encouraged further researches in the same field. Some studies were in consistent with Johanson and Wiedersheim-Paul findings which confirm that internationalization is a sequential process based on stages. In 1980, Cavusgil grounded his study on Johanson and Wiedersheim-Paul (1975) works and revealed that indeed internationalization is an incremental process. Yet, some authors criticized the model for being deterministic and that the sequential process of internationalization of Swedish companies might be an isolated case which cannot be generalized (Andersen, 1992). These critics generate the "born global" scholars (Oviatt and Mc Dougall, 1992; Knight and Cavusgil, 2004). Born global also referred as "early adopters of internationalization" stress that companies could have international origin and could start overseas activities at an early stage of their establishment. The fundamental hypothesis of this theory is that a firm may start international operations at day-one of its activities. The theory has grounded its assumption on the possibility that a firm might begin small and grow rapidly (Knight and Cavusgil, 2004). In the same perspective, some studies also explored technological internationalization whereby electronic communication constitutes the process of new firm's rapid expansion. Kumar (2012) has shown that nowadays remarkable technology revolution makes access to information less costly. Consequently, transfer of data and goods has granted all sizes of enterprises accessibility to new markets, even allowing smaller firms to compete with larger companies in the same battlefield.

The diversity of theoretical approaches underlines the complexity of the internationalization process. Instead of many approaches related to internationalization process, two fundamental models are leading among several international business literatures (Andersen, 1992; Leonidou and Katsikeas, 1996; Pantin, 2004; Kosala, 2015; Yan et al, 2018). The Uppsala Model (Johanson and Vahlne, 1977, 2009) and Innovation Related Model (Bilkey and Tesar, 1977, Cavusgil, 1980; Czinkota, 1982; Reid, 1981). Both of these models are incremental stage approach models and differ only from their theoretical framework perspective.

1.2.1 Uppsala Model of Internationalization Process

The Uppsala Model was developed by the Scandinavian university researchers (Johanson and Wiedersheim-Paul, 1975; Johansson and Vahlne, 1977) by focusing on internationalization process of four Swedish firms. The model also termed U Model, describes internationalization as a process occurring by progressive stage:

Stage 1: Non regular export activities

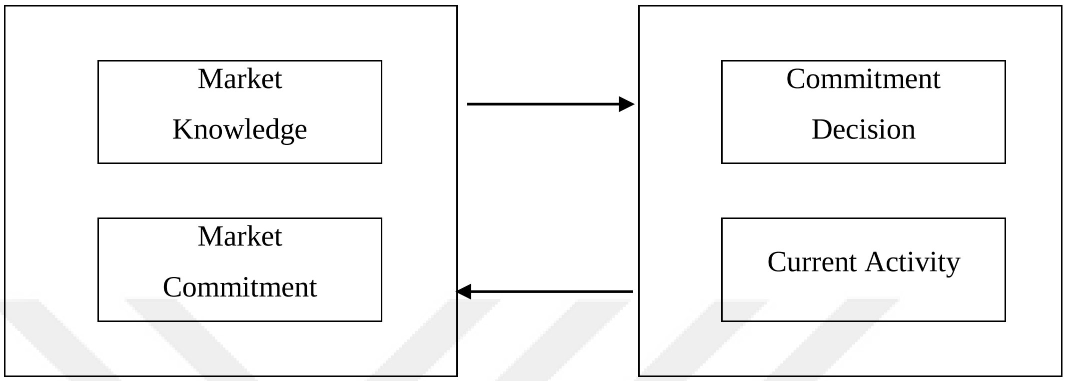
Stage: 2: Export via an agent

Stage3: Commercial representation in the host country

Stage 4: Establishment of a production subsidiary

The authors of the model asserted that at first stage, firm do not have any interest to enter a foreign market but rather start executing one or two spontaneous orders abroad, at following second stage by distribution abroad through independent representatives implying smaller resource commitment than the establishment of a sales agents. Then at third stage, the firms start selling from their own agency in the host country. The fourth and last stage is about the phase when the firm establish its own production in the foreign country. The model shows a gradual international involvement. Indeed, each stage in the process represents additional involvement to the international operations. The model claims that the willingness of a firm to enter a foreign country, starts from a low resource-commitment mode and only move to higher commitment as it gains experiential knowledge in the foreign market.

Figure 1: The Internationalization Process According to U-Model

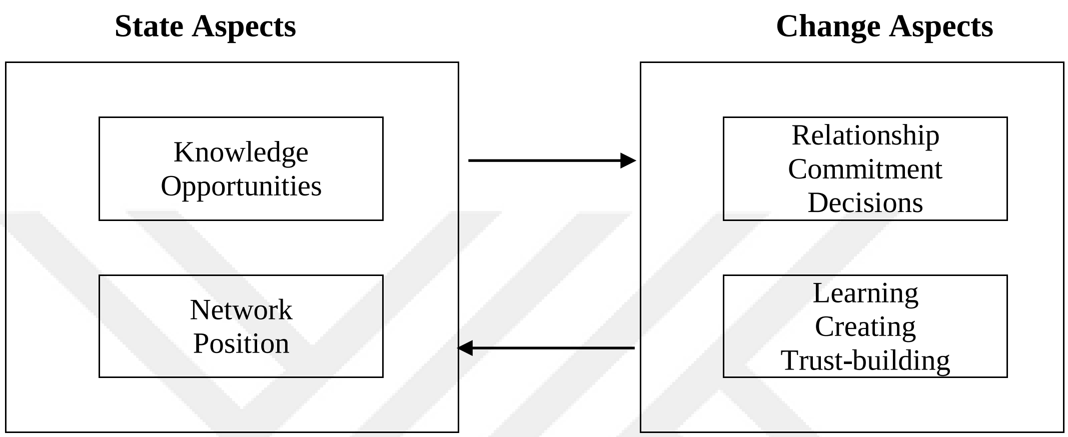


Source: Johanson and Vahlne, 1977: 26.

U-model presents the internationalization of firms, as a dynamic process distinguished by static aspects and change aspects. Firstly, the static aspects consist of two factors, namely: The ability of the firm to properly understand the foreign market's environmental factors or the knowledge that firm has on the foreign market (market knowledge), and the amount of resources committed (market commitment). The second aspect, which is a dynamic aspect refers to the company's resource allocation decisions in the host market (commitment decision) and current activities. The authors defended that the market knowledge and market commitment affect the decisions of the resources to be allocated in the current activities of the expanded venture (Figure 1). In other words, the knowledge acquired by the firms determines the degree of commitment in the foreign market activities. U-model developers proclaim that lack of knowledge about foreign countries and the propensity to avoid uncertainty is the reason why firms start exporting to neighbouring countries that are well known and similar with regard to business practices. It is assumed that firms enter markets with low psychic distance to them. Psychic distance is the second pattern of U-Model which is defined as factors that prevent or hamper the flow of information between the firm and host market (Valhne and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1990).

However, Johanson and Valhne revised the model in 2009 (Figure 2), given the fact that the model not only has been subject to critics but also nowadays economic and business environment are different from the one in 1970’s. The new model put ahead the business network and relationship as key to successful internationalization, defending that a firm is likely to perform well if positioned in its activity network.

Figure 2: New Version of Internationalization Process



Source: Johanson and Vahlne, 2009: 1424.

In the revised model, the set of state factors are knowledge opportunities and network position, and the change aspects consist of two variables. These variables are relationship commitment decision and learning-creating-trust building. The state aspects affect change aspects, which in return, affect state aspects as well. In the original Uppsala model of 1977, “market knowledge” in the state aspects has been replaced by “knowledge opportunities” characterized by recognition of opportunities. Unlike the U-Model of internationalization process which was based on knowledge, the 2009’s revised model describe opportunities as a subset for knowledge. The second variable of state aspects is identified as “network position” whereas it was identified as “market commitment” in the model built in 1977. Authors assume that internationalization process occurred within a relationship of network. So, the new model does seek to protect the company's position in the market and strengthen the firm's position in the network which they assume favourable to a successful internationalization. The dynamic aspect was represented first by “relationship commitment decision” assuming that firm chooses to increase or decrease commitment to its network. Also the second variable of change aspects is “learning, creating and trust-building” which highlights the importance of learning, creating process and trust in building relations.

Both 1977 and 2009 models discussed internationalization process and have put emphasis on the importance of psychic distance in international development. Uppsala model of 1977 emphasized on knowledge and assumed firms enter markets that are similar to them with a lower psychic distance. In contrast, Johanson and Vahlne (2009) debated more on the network, adopting that the greater the psychic distance between network partners, the more difficult to build new relationships. Nevertheless, it should be noted that in these two models, the psychic distance has not been conceptualized and therefore remains an abstract and complex concept to apprehend.

Uppsala model (Johanson and Vahlne, 1977), is still one of the most frequently cited model in the internationalization literature (Andersen, 1993; Child et al., 2002; Cheriet, 2010; Pantin, 2004; Johanson and Vahlne, 2009; Gary, 2010; Rodrigues and Child, 2012) in addition to Innovations-related Models of internationalization process.

1.2.1. Innovation-related Models of Internationalization Process.

Innovation-related Models of internationalization process, also known as I-Models in business literature, combined stage-type approach of internationalization with innovation. I-Models is developed respectively by Bilkey and Tesar (1977), Cavusgil, (1980), Czinkota (1982) and Reid (1981). The model find it root on Roger’s (1962) works on stage of the adoption process. Conceptually, U-Model and I-Model seem to share same stage-oriented approach. The difference between both models appears on the number of stages, and the illustration of each stage. Bilkey and Tesar Model illustrate internationalization in six stages. Cavusgil (1980) limited his model to five stages: domestic market stage, pre-export stage, involvement stage and the committed involvement stage. In their works Reid (1981) and Czinkota (1982) built their models in five and six stages respectively. These latter models discussed the manner and path by which enterprises undertake export activities. It appears that they proceed by stage through an incremental learning process. However, in business literature studies, Bilkey and Tesar's (1977) model remains, the most frequently used and representative among Innovation-related Models of internationalization process (Leonidou and Katsikeas, 1996).

The approach was developed in 1977 by Bilkey and Tesar to examine export behaviour of 423 firms in Wisconsin state. After data was gathered and analysed, the authors attained the conclusion that export development process of firms seems to proceed in stages. The conducted study led to a model. The model portrayed that the exports development process of firms tends to occur in the following stage as shown in the table below:

Table 1: Bilkey and Tesar Model of Internationalization Stages

Stage One: Management is not interested in exporting; would not even fill an unsolicited export order.
Stage Two: Management would fill an unsolicited export order, but makes no effort to explore the feasibility of exporting
Stage Three: Management actively explores the feasibility of exporting. (This can be skipped if unsolicited export orders are received).
Stage Four: The firm exports on an experimental basis to some psychologically close country
Stage Five: The firm is an experienced exporter to that country and adjusts exports optimally to changing exchange rates, tariffs, etc.
Stage Six: Management explores the feasibility of exporting to additional countries that, psychologically, are further away.

Source: Bilkey and Tesar, 1977: 93.

Both U-model and I-Model present internationalization as stage process. The Innovation Related Model consider each stage as innovation with acquisition of knowledge and capabilities through the process (Knight and Cavusgil,2004) whereas Uppsala model described the internationalization as a gradual process in which experience and market knowledge drive the commitment in the new market. U-Model support that in the internationalization process, firm enter first in the market similar to domestic market.

This claim constitutes the second pattern of the model. The second aspect of the Uppsala models highlighted on the concept of psychic distance which is known as the differences between two markets.

1.3. PSYCHIC DISTANCE AND INTERNATIONALIZATION

Many studies on internationalization highlight the function of distance in international operations. Distance is a concept first used by the economist Beckerman (1956) and gained interest of researchers of other disciplines such as international management (Johanson and Wiedersheim-Paul, 1975; Johanson and Valhne, 1977). The second aspect of Johanson and Vahlne’s (1977) U- Model of internationalization process is psychic distance concepts supporting that firms tend to export to neighbouring countries that are well-known and similar with regard to business practices. Johanson and Vahlne (1977) define psychic distance as the sum of the factors that limit the flow of information between the company and foreign markets. According to Nordstrom and Vahlne (1994), the business environment differences which exist between home country and host country is known as psychic distance. Moreover, companies willing to start new venture across its borders could face difficulties in understanding certain aspects of the managerial practices or business environment factors of the host country. The business environment englobes social, economic, political, legal, cultural, demographic, geographic, managerial practices, industrial development factors. Johanson and Wiedersheim-Paul (1975), claimed that perception of environment factors surrounding activities of firms play a major role when going international. In accordance to findings of O’Grady and Lane (1996); Drogendjik and Slangen (2006), psychic distance is crucial in determining entry mode and the product adaptation strategy.

However, psychic distance remains a complex concept with multiple attributions. Several meanings of psychic distance have been proposed in the literature, depending on how it was conceptualized (O'Grady and Lane, 1996). It is either understood as a one-dimensional construct that takes into consideration only one aspect or multi-dimensional concept. Some studies associate psychic distance with cultural distance (Sousa, 2008) while others discuss other factors such as cultural, political system, managerial practices, geographic, economic distance, as part of constructs to psychic distance. In international management, several works have focused on cultural distance (Kogut and Singh, 1988; Brouthers and Brouthers, 2001; Drogendjik and Slangen 2006; Mayrhofer and Roth 2007). According to these authors, psychic distance is limited to the single construct of cultural distance and measures the gap or differences between the cultural values of two countries. However, O'Grady and Lane (1996); Dow and Karunaratna (2006) and Brewer (2007) criticised the defenders of these studies, arguing that measuring culture distance at national level is too broad and might hide important details that could be found only at industry or individual level. Therefore, psychic distance cannot be reduced to cultural distance between two nations. In support of these findings some scholars argued that psychic distance should be asserted at individual level (Sottinger and Schelgelmilch, 1998; Child et al, 2009). According to Johanson and Vahlne's (1977) research on internationalization and psychic distance, they argue that managers or decision makers in a company are influenced by their own perception about the environment in the foreign markets. Additionally, Prime et al. (2009) regarded psychic distance as individually perceived differences in culture, managerial practices and environment between domestic and host country. Consequently, Prime et al. in their study, emphasize on the subjective nature of the concept. They indicate that the perception of psychic distance is an internal phenomenon and difficult to witness. Some researchers like Child et al. (2009) have proposed a cognitive approach to understand the perception of psychic distance. Prime et al (2009) defined cognitive process as *a process by which stimuli are selected, organized and interpreted.* Child et al. (2009) defend that manager's perception should account in the psychic distance assessment. Moreover, according to Sousa and Bradley (2008), only accurate indicators are not enough to measure psychic distance but rather the perception one have about the world should be taken into consideration. The focus should be at individual level in the analysis of psychic distance since they are more likely to witness reality. This is in consistence with Okechukwu and Adiele (2019) study on psychic distance and international marketing effectiveness. The emphasis on the managerial perception of psychic distance to assert the marketing effectiveness in multinational companies in

Nigeria. Their study reveal that the perception of psychic distance greatly impacts on the marketing efficiency. These studies confirm the importance of the role of perceived psychic distance.

1.4. DIMENSIONS OF PSYCHIC DISTANCE

Researchers mostly are not agree on the dimension that should be used to assess psychic distance. Each study and research assert different number of stimuli that could drive psychic distance (Dow and Karunaratna, 2006). However, from the various studies, psychic distance measurement is usually based on differences in culture, language, business practices, political and legal system, education, geography, economic development, marketing infrastructure, industrial development.

Table 2: Previous Empirical Studies on Psychic Distance

Authors	Title of research	Conceptualization of psychic distance	Dimension of the distance
O'Grady and Lane (1996)	The Psychic distance Paradox	The degree of uncertainty in a foreign market relies on cultural differences as well as managerial practices	Cultural distance Managerial distance
Sottinger and Schelgelmilch (1998)	Explaining export development through psychic distance: Enlightening or elusive?	Psychic distance asserted at individual level	Cultural distance Geographic distance Managerial distance
Fletcher and Bohn (1998)	The impact of psychic distance on the internationalization of the Australian firms	Perception of psychic distance by managerial team	Cultural distance
Guemawat (2001)	Distance still maters: The hard Reality of global expansion	Conceptualization of psychic distance from multidimensional perspective	Cultural distance Administrative distance Geographic distance Economic distance

Child, Hong and Wong (2002)	Psychic distance and internationalization: Evidence from Hong Kong Firms.	Multidimensional approach on the analysis of psychic distance	Socio-cultural distance Political distance Technological distance
Evans and Mavondo (2002)	Psychic distance and organizational performance: an empirical examination of international retailing operations	The distance between the domestic country and host country results from the perception of cultural and economic differences.	Cultural distance Economic distance Managerial distance
Sousa and Bradely (2006)	Cultural distance and psychic distance: Two peas in a pod?	Cultural distance and Psychic distance assessed separately. Cultural distance measured at national level and psychic distance measured at individual level	Cultural distance Managerial distance
Dow and Kanunaratna (2006)	Developing a multidimensional instrument to measure psychic distance stimuli	Culture, languages, religious, educational and political system as factors driving psychic distance.	Culture, language, level of education, industrial development, political system, religion, time zones, colonial links.

Drogendijk and Slangen (2006)	Hofstede, Schwartz, or managerial perceptions? The effects of different cultural distance measures on establishment mode choices by multinational enterprises	The perception of cultural distance by executive team between home country and foreign market. Such as differences perceived in standards and values, habits and customs, organizational practices, languages, means of communication, relationships with people.	Cultural distance
Child, Rodriguez and Frynas (2009)	Psychic distance, its impact and coping modes. Interpretation of SME decision makers	The psychic distance is about the decision maker's perception on the economic environment differences and its interest while starting business in the target country.	Geographical distance, culture, language, level of education, technological development, political and legal system, regulation, ethical and managerial practices.
Prime, Obadia and Vida (2009)	Psychic distance in exporter-importer relationships: A grounded theory approach	Psychic distance perception by exports managers	Cultural distance Administrative distance
Okechukwu and Adiele (2019)	Psychic distance and international marketing effectiveness of fast-moving consumer goods of multinational companies in Nigeria.	Psychic distance perception by managers	Cultural distance Political distance Economic distance
Ambos, Leicht-Deobald and Leinemann (2019)	Understanding the formation of psychic distance perception: Are country level or individual level factors more important?	Managers psychic distance perception is product of country levels and individual level factors	Economic distance Cultural distance Institutional distance Geographic distance

Table 2 shows some previous international business management literature related to psychic distance. With regard to these studies, different constructs have been attributed to the concept. In addition to cultural differences O'Grady and Lane (1996) in their conceptualization of the psychic distance suggested that legal, and competitive environment are important variables of psychic distance. Traditional literature argue that firms succeed in psychically closer country with a low degree of uncertainty Nordstrom and Vahlne (1994). However, O'Grady and Lane research on Canadian retailers proved that although it was assumed that the United States is psychically closer to Canada, Canadian firms were not successful in the United states for the reason that there were some critical differences in the business factors that managers did not learn. In contrast, Drogendijk and Slangen (2006), focused on cultural dimension as a single dimension of distance. Their study supported Shenkar's (2001) study which argue that country's cultural distance is the factor to be considered when entering an international market. However, Evans and Mavondo (2002); Dow and Karunatra (2006) included differences in culture, politics, legal, education, economic and business practices as dimensions of psychic distance which are likely to predict international trade flow. In their study Ambos et al. (2019) combined both individual-level factors and country-level factors as predictor to psychic distance perception. They consider economic, cultural, institutional, and geographic distance variables as country level factors, while mastery of local language, country-specific international experience, general international experience, work experience and formal education were considered as individual levels factors. According to the various studies no agreement has been acknowledged regarding to what might constitute dimensions of the psychic distance.

Even though it is challenging to assert the various dimensions of psychic distance, the current study is based on the assumption that psychic distance is a multidimensional concept (Child et al., 2009; Ghemawat, 2001). In this framework, cultural distance, economic distance, geographic distance, legal/administrative are discussed in the next section.

1.4.1. Cultural Distance

Hofstede (1991:5), *defined culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another*". Angue and Mayrhofer (2009) described culture as a multi-variable set including tradition, language, social institutions, time perception etc. The cultural distance is defined as the differences in values or beliefs between two organizations, two teams or two groups of individuals from two different countries (Ghemawat, 2001; Luo and Shenkar, 2011).

The concept of cultural distance has been widely studied in the international business literature (Kogut and Singh, 1988; Drogendjik and Slangen, 2006, Brouthers and Brouthers 2001; Shenkar, 2001) to determine its relevant variable. Number of these literature grounded their studies in Hofstede's work on culture dimensions to measure culture distance. Although there has been heterogeneity regarding to the constructs making the concept, common variables appeared in the past empirical studies related to cultural distance. In their study, O'grady and Lane (1996) illustrated that language, education and culture are to be the patterns of cultural distance; moreover, it was revealed that culture influence on one's attitude and values. Cultural distance is a function of various factors such as differences in language, ethnics, religion and social norms (Angue and Mayrhofer, 2009). Moreover, to assess the culture distance as perceived by management team, Drogendjik and Slangen (2006) used the following variable: differences in norms and values, behaviours, habits and customs, language, way of communicating, business practices. These variables were measured via a scale. However, regardless to the inconsistencies on the identified variables of cultural distance among studies, literature still acknowledge and emphasize role of cultural distance in international operations. Kogut and Singh's (1988) research revealed that entry mode selection depends on cultural distance. In the same perspective, Davidson (1980) found that cultural distance determines the entry mode choice, and influence marketing strategies. Drogendjik and Slangen (2006) suggested that high cultural distance with the target country causes different managerial and structural practices in that country.

Doing business in a foreign market brings the necessity to cooperate with people from different cultural background. Each person is conceived by certain values and beliefs which influence on the person's behaviour. There is some behaviour considered as acceptable or non-acceptable for a success in business. A minimum of ethics are required among people in a business. However, there is high risk attached dealing with unknown persons. Silva and Nardon (2008) argue that foreign market does not only present opportunities but also challenges and risk. In this sense, a high level of trust is a prerequisite among partners to minimize risk associated. In Child et al. (2009)'s study about British firms' export to Brazil discussed ethical and managerial practices in business. Their findings revealed that non-payment, corruption and other default behaviours were the common challenges encountered in the business practices. However, they suggested that a strong market position could contribute in reducing risk.

1.4.2. Economic Distance

According to Ghemawat (2001), economic distance is wealth differences between two countries. The same author categorised the factors englobing economic distance as differences in consumer income, differences in cost and quality of natural, financial and human resources, and differences in information and knowledge. The level of economic development is also another important variable when entering a new market, (Tsang and Yip, 2007). Brewer (2007) emphasizes on the smoothness of business in developed countries.

Tsang and Yip (2007) argue that economic distance has a great influence on the Foreign Direct Investment (FDI). Evans and Mavondo (2002) claimed that the economic environment is one of the most important factors affecting the attractiveness of foreign markets. Some authors have examined economic distance and emphasized on the relation between economic distance and the entry mode (Tsang and Yip, 2007). Other authors argue that there are more available business opportunities in developing economies. Therefore, it is suggested to the companies located in developed countries to enter into less developed market with more opportunities (Evans and Mavondo, 2000). Many studies suggest macroeconomics indicators in the measurement of economic distance between countries (Angue and Mayrhofer, 2010). Economic situation of the host country is an important predictor to marketing effectiveness (Okechukwu and adiele, 2019). These authors recommend to critically analyse the economic nature of each market in the international operations.

1.4.3. Geographic Distance

From the literary point of view, geographic distance is the distance between geographic areas. Geographic distance is the most physical aspect to evaluate. It measures distance between partner's countries engaging in business (Angue, Mayrhofer, 2010). National borders, size of the country, climate differences, accessibility to seas, oceans and rivers are some factors relevant to geographic distance. However, Guemawat (2001), advise that not only the cited factors ought to be accounted in the geographic distance attributes but also the transportation and infrastructure within the country should be considered. Additionally, the same author argues that geographic distance influences the cost of transportation and also permit the transfer of information.

According to Beckerman's (1956) study on European internal trade, trade concentration is high in neighbouring countries. This end result confirm that geographical distance remains a real barrier to trade between countries. In this framework, Shenkar (2001) claims that a small geographical distance reduces barriers to entry, facilitates personal contacts and the effective transfer of knowledge. In the same line, Dow and Karunaratna (2006) estimated that, geographic distance remains the most influential barrier to trade, due obviously to the fact that firms seek to have low transportation cost.

1.4.4. Administrative or Political Distance

Administrative distance or political distance consist of history, governmental and institutional systems, economic integration, and also monetary system (Angue, Mayrhofer, 2010; Ghemawat, 2001). For instance, previous colonial links are related to history. Past colonial links are considered as great influence to psychic distance. Former colonial links determine a country's political system (Dow and Karunatra, 2006). The cases of colonial ties are mostly observed in African countries where colonisers are still maintaining tight relations with their colonised countries. Examples of the countries which are still functioning with the political and monetary system established during the colonization period. For illustration, the "Françafrique"; as the term indicates, is the set of personal relationships, political, economic, military and cultural mechanisms that France maintains with its former colonies in Africa (Rieker, 2017). Most of West African country have been colonised by France and still maintain very close relationships. There is a France military presence in West African conflict zone where as the colonial currency and monetary system are being used up to date in the region. Guemawat (2001) discussed that regions with political unions, economic integrations, and common currency augment remarkably the speed of trade and also moderate administrative and political distance between countries.

Besides, Xu and Shankar’s (2002) study draws a particular attention to the institutional distance. Institutions is regarded as rules and belief system established within an environment and aimed to regulate organizations. Institutional distance, based on the institutional theory comprehension can be denoted as the distances or differences existing between home and foreign country in terms of institutions. It is recommended that before entering a new market, companies must design policies such as entry mode which is favourable to host country’s institutions. However, administrative and political distances measurement remain complex, obviously due to its abstract aspects. Few empirical investigations that have debated the subject use political freedom and earlier colonial ties as measurement instrument (Dow and Karunaratna, 2006).

CHAPTER TWO

TURKEY-AFRICA BILATERAL RELATIONS

2.1. GENERAL OVERVIEW OF AFRICA CONTINENT

Africa is the third largest continent in the world after Asia and Americas (North and South America). The continent is home to 54 countries and covers about one-fifth of the total land surface of earth. The continent recorded 1.2 billion population in 2017 (Africa's Development Dynamics, 2018:36). Africa is referred by many historians as mankind cradle and possesses vast and diverse natural resources, which makes the continent very attractive to foreign investment and international trade (Mazama, 2007). However, the African continent failed to exploit its strength endorsed by the natural resources to emerge as a super economic continent due to both historical (slavery and colonialism) and political (political instability) challenges. Despite, these challenges some parts of the continent keep showing evidence of economic recovery by embarking on a path of democracy and economic growth. Numerous countries on the continent are progressively making remarkable efforts in improving their economies through restructuring industries to boost economic growth by creating jobs and international trading opportunities (Padayachee, 2010). For example, countries such as Tanzania, Ghana, Ethiopia, Senegal, and Côte D'Ivoire recorded significant growth pattern between the years 2013 and 2017. Indeed, Tanzania, Ghana and Senegal recorded a growth rate of 7.1 %, 8.1% and 7.2% respectively for the year 2017. Conversely, Côte d'Ivoire and Tanzania grew by 10.2% and 7.2% respectively (World Development Indicators, 2018). These statistical data are consistent with the current African economic outlook in general. Africa's growth rate increase from 2.1 in 2016 to 3.5 in 2018 (African Economic Outlook, 2019:1). However, the positive state of economic growth noted on the continent does neither provide jobs nor overcome inequalities. Consequently, the population is exposed to high rate of poverty and unemployment. About 45% of the total population is under extreme poverty while unemployment rate hit 66% (Africa's Development Dynamics, 2018:35).

Youth represents 60% of the total unemployed Africans. The continent has a young population with a growing labour force, which is a highly valuable asset in an ageing world. With population of 1.2 billion, the African demography represents an important human capital. Over 50% of the population is essentially youth and according to World Bank report, Africa is expected to have the world's largest working-age population of 1.1 billion by 2034 (World Bank Report, 2014). These statistics are consistent with the empirical investigation of Collier in 2006. According to Collier (2006), African economies are well positioned to reach expected growth and a total recovery from poverty with the extensive natural resources capacity and youth dominated demography. However, this expectancy is unlikely to occur due to the high unskilled problems in the various regions of Africa. Most of Africa countries are developing economies with a huge concentration of the labour force in the agriculture sector which represent the lung of many countries of the continent. But the continent is still unable to feed its population and lack industrialization in order to exploit effectively its resources hence exposing the continent to refer to foreign experts for production. The dynamic divergence of various economic factors and complexity of labour market due to unskilled labour force and economic concentration on commodity, increase the level resiliency of the growth and increase the need of international trade.

Commodity trade constitutes the major trade component of many economies in Africa. According to the African Economic Outlook, the commodity export reached a volume of $852 billion dollars in 2015. The main export commodities are oil, ores, precious stone, cocoa and mineral resources (African Economic Outlook, 2017). About 26-60% of the continent's trade rely on primary unprocessed commodity export (African Economic Outlook, 2017:74-84). Consequently, the African economies remain very responsive to global commodity price volatility. Indeed, world commodity prices shocks pose direct impact on the continent's economic performance, thus preventing resilience of Africa economies during the world economy shockwaves. Moreover, imports are predominated by manufactured goods, metal and mineral, machinery and transport equipment, and also food and beverage. The export–import dilemma increase pressure on other sectors of the economy. For example, agricultural sector employs almost 60%

of labour force but yet only 15% of the continent agricultural products are exported. In addition, the high import of processed and manufactured products reduces the need of industry and infrastructure development which are needed to project towards a sustainable growth and economic development. Therefore, major trade partners may assist in delivery prospect technology in transforming commodities on the continents.

Majority of Africa's main trade partners are advanced economies. The main partners remain the European Union (30%) followed by China (15%), India and United State (African Economic Outlook, 2017:75). Export between Africa and these major partners remains primarily commodity product such as: crude oil from majority of North African countries and Nigeria; cocoa from Ghana and Côte d'Ivoire; uranium, gold, phosphate from others. Africa imports mainly industrial machines and equipment, high tech products and pharmaceutical products from the EU and the US. India, China mainly export processed goods to Africa such as textile, food and beverage. Besides, in 2015, China was classified as the first Africa's main trade partner, followed by India in the second position, France was holding the third position and United States the 4th position (African Economic Outlook, 2017:76). In the recent China-Africa summit in 2018, the Chinese government promised to increase its investment in Africa. Trade between African countries accounted for only 15%. The trade between countries and regions in Africa is regarded as key drivers to sustainable economic growth of the continent. For this purpose, Africa Union is under negotiation to achieve trade liberalization.

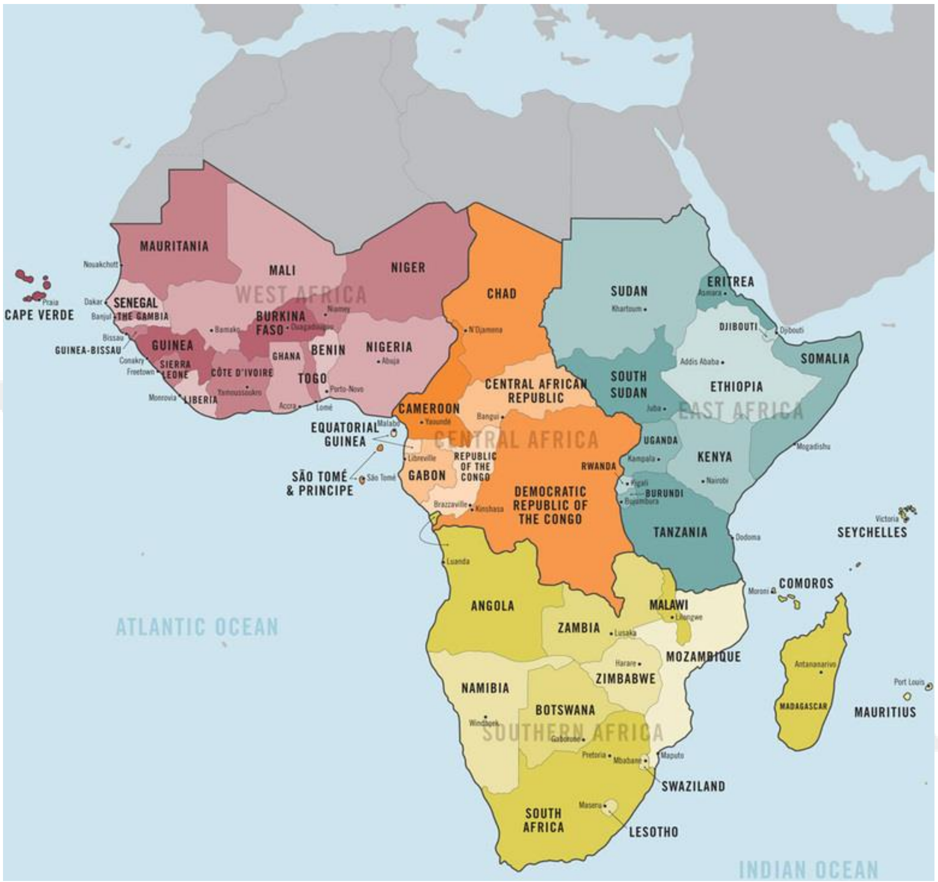
Africa continental landmass is divided into two big regions: North and South of the Saharan desert. In one-part, North Africa lies north of the Sahara and runs along the Mediterranean coast. North African countries are part of the Arab league countries. These countries are highly rich in oil and gas production predominantly. Despite Djibouti, Soudan, Somalia, Comoros and Mauritania being part of the Arab league, they still remain Sub-Sahara African countries. In fact, the number of countries grouped in North Africa varies from one institution to another and from one data base to another, for example International Monetary Fund (IMF) associates North Africa to Middle East in its regional subdivisions. Nevertheless, North Africa usually refers to Algeria, Egypt, Libya, Morocco, and Tunisia. These countries are known to be politically, socially, economically different from the rest of the continent and recorded a total population of 180.6 million in 2015 (World Economic Outlook Database, 2018). North Africa's GDP represent the 30% of the Africa's overall GDP and recorded a growth rate of 3.3% in 2015 (IMF-WEO, 2016). In the other landscape area that lies south of Sahara Desert is known as Sub-Saharan Africa (SSA), and also said to be Black Africa (See Figure 3). Truly, the SSA consists of 48 countries out the total 54 countries. The economies of these countries are highly rich in commodities and moderately in oil production.

2.2. SUB-SAHARAN AFRICA AND ITS REGIONAL INTEGRATIONS

Sub-Saharan Africa (SSA) is the extent of the African continent south of the Sahara, separated ecologically, culturally, and ethnically from the northern countries (Egypt, Tunisia, Algeria, Libya, and Morocco) by Sahara Desert. Most SSA countries (see Figure 3) became independent late in the 1950s except Liberia and Ethiopia which were set apart from the European colonialism in Africa. World Bank estimated SSA population at 1.033 billion in 2016, with a GDP of 1.513 trillion dollars. Demography constitutes an important labour force of youth domination since 50% of SSA population is under the age of 25 (World Bank Report, 2014).

SSA is subdivided into South, Central, East and West regions from which have raised several regional economic integrations. After independency period, Africa failed to stimulate economic growth by using import substitution (Langan, 2018). Afterward, Africa turned to regional integration to facilitate an effective structural transformation in the continent. Today, various regional integrations are recorded across the SSA.

Figure 3: Map of Sub-Saharan Africa



Source: https://aphg2015mhs.wordpress.com/2016/01/10/sub-saharan-africa-map-quiz/, April 2018

This figure shows the map of Sub-Saharan Africa including different countries. The ***Eastern African Community (EAC)*** countries are Burundi, Kenya, Rwanda, South Soudan, Tanzania, and Uganda. The 21 member states of the ***Common Market for Eastern and Southern Africa (COMESA)*** include Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Lybia, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Somalia, Sudan, Swaziland, Uganda, Zambia, Zimbabwe. ***The Economic Community of Central Africa (ECCAS)*** member states are Angola, Burundi, Cameroon, Central Africa, Congo, Gabon, Equatorial Guinea, D.R Congo, Sao Tome and Principe, Chad, Rwanda. For its part, ***Southern African Development Community (SADC)*** regroups Angola, Botswana, D.R Congo, Swaziland, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe.

The Eastern African Community (EAC) is a regional organization of six state members (see Figure 3) of 150 million people with a combined GDP of 146 billion dollars in 2016 (https://www.eac.int/, 2019). The EAC was first established in 2005 as customs union for free trade within member countries and later expanded its function to promote investment and productive capacity. The community also has a vision of monetary union as they aim to converge into a single currency.

The Common Market for Eastern and Southern Africa (COMESA), is a large economic integration in Africa with 21 nations (see Figure 3) sharing a common market. This intergovernmental organization was founded in 1994 and home to over 540 million people in 2017 (https://www.comesa.int/overview-of-comesa/, 2018). The organization main focus was the establishment of free trade area which was achieved in 2000 by nine member states. In 2018, the volume of trade of the region with the rest of the world was 235 billion dollars (https://www.comesa.int/overview-of-comesa/, 2018). However, in 2015 COMESA intra-nations exports was only 11%, meanwhile the majority of its exports take place with countries outside Africa (African Economic Outlook, 2017:87).

The Economic Community of Central Africa (ECCAS) is an economic integration region founded by 11 Central African nations. It was implemented in 1983 with a prime role of customs substitution and to also ensure free movements of people, goods and services within its members. However, the community has been inactive from the period of 1992 to 1998 due to armed conflict in some of the countries of the region (Angola, Democratic Republic of the Congo and Rwanda). The organization was revived in 1998 after redefining new policies to achieve unity, security and economic development. Today the ECCAS works on facilitating trade between the region's countries. The region is full of assets including vast agricultural and mineral resources capable of transforming structurally the region (http://www.ceeac-eccas.org/, 2018).

The 15 nations Southern African Development Community (SADC) was established in August 1992 in replacement to old Southern African Development

Coordinating Conference (SADCC). The SADC had the objective to achieve economic growth, to promote peace and unity and enhance living standards within the community. The free trade area adopted in 2008, was effective by 2012 with total suppression of customs duties. African regional integration index ranked SADC the second most integrated community in Africa (African Economic Outlook, 2017).

The Economic Community of West African States (ECOWAS), an agglomerate of 15 nations is one of the best performing economic region in terms of production, ECOWAS, accounted for 28% of the entire Africa continent GDP and 40% of Sub-Saharan Africa's GDP in 2015 (ECOWAS Commission Annual report, 2016). However, amongst all these economic organizations present in Sub Saharan Africa, the current study will essentially focus on ECOWAS economic region.

2.3. ECOWAS: A MODEL OF AN ECONOMIC INTEGRATION ZONE IN SUB-SAHARAN AFRICA

Located in the west part of Africa, West Africa complies of countries sharing common culture, languages and borders. Considering these attractive factors, West African countries have merged ideas to reunite as a single region with no trade barrier, to facilitate the liberalization of trade for economic growth and development purposes. This eminent decision will open the way for the establishment of ECOWAS. The decision adheres to the vision of Western world on economic integration who consider it as a vehicle to political and socio-economic prosperity (Bala, 2017).

2.3.1. Historic Background of West Africa

The first known human pilgrims arrived in West Africa around 14,000 years ago and were grouped in small tribes. Ghana's empire was the first empire created in the 8th BC. It spreads over current Mali and Mauritania and introduced Islam to the population. In the 13th century it was succeeded by the Mali Empire, which covered the area around Niger river and ruled until the 16th century. Mali Empire influenced most of today's West African's culture in terms of language, and traditions (OECD, Sahel and West

Africa Club, 2009). From the 17th century, West Africa has been colonized by European powers and grieved under slave trade. France colonized most West Africans countries, with the exception of Gambia, Ghana, Liberia, Sierra Leone and Nigeria, which were British colonies, and Guinea-Bissau, controlled by the Portuguese ((Birmingham, 1995). Additionally, history of Liberia is distinctive in the world. It was founded to welcome African free slaves from America and became independent in 1842. Else, most of colonized West African countries gained independence between 1957 and 1965; Guinea-Bissau and Cape Verde became independent in the 1970s (Birmingham, 1995). Since independence, West African countries have been determined to focus on their economic development. For this vision, policies and institutions were implemented by West African nations to merge as a single economic region. This idea led to the creation of ECOWAS (African Economic Outlook, 2017:88).

2.3.2. Foundation of ECOWAS

On May 15th 1975, 15 countries of West Africa have jointly formed a regional economic community named ECOWAS. From the time of it inception, Mauritania was a member of community but withdrew in 2000. The set of West African islands called Cape Verde joined in 1976 (Africa's Development Dynamics, 2018:207). The economic integration is considered as imperative strategy to boost trade and economic growth (Bala, 2017). This observation has been in the same line with the objectives of ECOWAS which promote economic integration in all fields of activity, intergovernmental cooperation and a common currency among its members. It has in their agenda to overcome poverty by enhancing people living conditions of the region and achieve prosperity (ECOWAS Annual Report, 2015:9). The region has the project to achieve a single monetary zone and single currency. However, currently ECOWAS is controlled by two monetary blocs. Firstly, the West African Economic and Monetary Union (WAEMU) comprises 8 countries of which 7 are former French colonies. The WAEMU members shares a common currency with a fixed exchange rate regime pegged to the euro. The second monetary integration called the West African Monetary

Zone (WAMZ) include 6 countries (Africa's Development Dynamics, 2018:208). In order to address the various needs of the region, ECOWAS has implement several commissions and institutions. These institutions ensure the effective operations of activities carried out in the region (ECOWAS Annual Report, 2015).

Figure 4: ECOWAS Members' Countries Geographic Location and Capitals Cities

Source:http://www.ecowas.int/wp-content/uploads/2014/11/CEDEAO_ECOWAS_MAPS_fr.html, 2018.

Figure 4 is the political map of ECOWAS countries and it present a region mainly coastal: 12 states are coastal territories and only four 4 states are landlocked.

2.3.3. Economic Aspects of ECOWAS

According to International Monetary Fund, the total gross domestic product of the fifteen ECOWAS countries was 571.4 billion dollars (Table 3) and covers 40% of SSA's total GDP in 2015 (ECOWAS Annual Report, 2016:29). The population was 360 million in 2016, a real human potential for the region. Several economic activities are carried out in the ECOWAS economic region. These activities cover many sectors such as industry, transportation, telecommunication, infrastructure, energy, agriculture, trade, monetary, health and social affairs, political affairs.

Table 3: Key Economic Indicators of ECOWAS Region

GDP:	US dollars 571.4 billion (2016)
GDP PER capita:	US dollars 1628.5 (2016)
Economic growth rate :	2.0 % (2017)
Surface area*:	5.1 million Km²
Population:	360 million (2016)
Total Import (CIF)	US dollars 79.4 billion (2016)
Total Exports (FOB)	US dollars 101.4 billion (2016)

Source: Adapted from IMF data base, 2016.

2.3.4. Resources of the ECOWAS Region

The land of West Africa is blessed with natural resources. Aside from the demography, which is essentially the youth, ECOWAS region has a wide natural resource. In terms of mineral resources important oil reserves are found in Ghana and Nigeria. Gold, diamond, manganese, copper, iron, phosphate in Burkina, Ghana, Guinea, Togo and uranium is found in Niger. Important oil processing plants can be found in Nigeria. In fact, oil production accounts for nearly 40% of Nigeria's overall GDP. The OPEC, Annual statistical bulletin of 2017 reveals that Nigeria is the largest oil exporter in Africa, and the world's 12th oil producer in 2014 (see table 4). Nigeria is a member of OPEC. Ghana, one of the healthier economy of the region alone is also known to have oil reserves. In addition to oil, Ghana is rich in gold and is world's 12th largest producer in 2016 (US Geological Survey USGS, 2018). Ghana's gold exports earnings were 5.79 billion dollars in 2017 (Bank of Ghana report, 2017). In 2017, Niger was the 5th producer and exporter of Uranium in the world (World Nuclear Association, 2018).

Furthermore, agriculture product performs well in the region and is an essential component of the region's economy. Agriculture is facilitated by the presence of dense forest, rich soil and appropriate climate. Cocoa and coffee are produced in Côte d'Ivoire.

Moreover, four of the top five nations in the world that produce coffee and cocoa are found in Africa and three of them are located in west Africa: Côte d'Ivoire, Ghana and Nigeria. Likewise, Côte d'Ivoire is the 1st producer and exporter of cocoa in the world (World bank report, commodity market outlook, 2016), supplying 30% of the world's total cocoa and accounts for 2/3 of the country's total trade revenue. Ghana comes into second position in the world for cocoa-coffee production. However, coffee and cocoa plantation can also be found in the other coastal states such as Togo. Other agricultural product like vast rubber plantation can be found in Liberia, whereas Burkina-Faso, Benin and Togo are in cotton production. In addition, the region also cultivates variety of fruit, cereals, palm three, and tobacco.

Table 4: Summary of Mineral Resources of ECOWAS Countries

Country	Major Resources
BENIN	Mineral activities in Benin is not vibrant. Cement is one of the most important commodities produced from county's limestone reserves. In 2015 Benin produced 1.8 million tons of cement which makes it ECOWAS' 5th largest cement producer behind Nigeria, Senegal, Ghana and Ivory coast. Gold, Phosphate, tin, iron and Uranium are also found.
BURKINA FASO	The Burkinabe subsoil contains the largest manganese deposit in the world (100 million tonnes). However, the extractive sector is dominated by gold with a production of about 36.3 tons in 2014 making the country the 6th largest gold producer in Africa and the 3rd in ECOWAS zone after Ghana and Mali
CAPE VERDE	The contribution of the mineral industry to the economy of Cape Verde was negligible. Domestic production of mineral commodities was limited to clay, gypsum, kaolin, limestone, pozzolana (a volcanic ash), salt, and sand and gravel
THE GAMBIA	Mining does not play a significant role in Gambia's economy. Mineral output was limited to the production of industrial minerals, such as clay, ilmenite, laterite, silica sand, and zircon.
GHANA	The country's minerals encompass four major commodities: Gold, Diamond, Manganese and Bauxite. Gold leads country's exports commodities. In 2017 gold accounted for 96% of mineral export revenue. In 2016 Ghana was Africa's 2nd largest gold producing country (79 tons) behind South Africa (145 tons) and the world's 12th largest producer.
GUINEA	Possesses the world's largest Bauxite reserve (7.4 billion tonnes). World's 5th producer of bauxite in 2014

GUINEA BISSAU	Mineral production in the country is limited to small scale and artisanal mining. The country's undeveloped resources include bauxite, phosphate rock, petroleum, heavy mineral sand. After political reforms and intensified researches productions are expected in a very near future particularly for phosphate rock and bauxite
CÔTE D'IVOIRE	The country's economy is more relying on agriculture and particularly on Cocoa production than the mining sector. Since 1970 it is ranked as the world first producer of cocoa with 2014 production estimated at 1.750.000 metric tons. However, for few years now Côte d'Ivoire had been intensifying its mineral sector with Gold being given the lead. In 2014 Ivory coast was ECOWAS' 4th largest gold producer with 17.318 tonnes
LIBERIA	Iron ore represents the leading source of export revenue in Liberia. In 2014 the country was Africa's 4th most important iron ore producer behind South Africa, Mauritania and Sierra Leone
MALI	Mineral sector is dominated by Gold. In 2017 Mali had been Africa's 3rd largest gold producer (49.6 tons) behind south Africa and Ghana
NIGER	Uranium is the Country's first and most important mineral resource. In 2017 Niger produced 3449 tonnes of Uranium, being the world's 5th most important producer of Uranium
NIGERIA	Africa's 1st and world's 12th oil producer in 2014. During that year it produced 2 361 000 barrels of oil per day
SENEGAL	ECOWAS' largest and Africa's 5th phosphate producer (2 628 199 tonnes in 2015) behind Morocco, Egypt, Tunisia and Algeria Gold however represents the most significant source of revenue from country's mineral sector with 2017 gold production of 6.6 tonnes. Natural gas production is not negligible and accounted for 10% of extractive sector's total contribution to the economy
SIERRA LEONE	Africa's 3rd and ECOWAS' first iron ore producer in 2014 (19.4 million metric tons).
TOGO	With a phosphate production of 1 100 000 tons in 2015, Togo was Africa's 6th and ECOWAS's 2nd largest producer of phosphate just behind Senegal. The country's phosphate reserves are estimated to 30 million tonnes

Source: Adapted from U.S Geological Survey summaries and World Bank Reports, 2016.

2.3.5. Trade in ECOWAS

One of the main objective of the ECOWAS at its inception was to build a free trade zone with free movement of people, goods and services. Likewise, many efforts have been put in trade sector regarded as the pillar of an effective development and economic growth. Trade in ECOWAS has been increased at about 18% each year between 2005 to 2014 (http://www.ecowas.int, 2018). The total trade of the region has averaged 180.8 billion dollars in 2016. Exports (FOB) held a total of 101.4 billion dollars meanwhile imports (CIF) was about 79.4 billion dollars for the same year (see Table 5). In 2016 Nigeria alone accounted for approximately 38% of total trade, followed by Ghana 15.1% and Côte d'Ivoire 10.9% (IMF, Direction of Trade Statistics Report, 2017). With a record of 101.4 billion dollars in 2016 (Table 5), the main exported products are crude oil, natural resources and minerals, cocoa, precious stone, cotton, rubber, wood products, and some agriculture products. European Union is the largest export market of West Africa; it records 28% of the region total exports. Besides, ECOWAS shares the Economic Partnership Agreement (EPA) with EU, for trade and investment cooperation. (ECOWAS Annual Report, 2016). Other export partner are NAFTA member countries, Asian countries and Middle East with which they sealed important agreements and partnership as mean of trade facilitators. It should be noted that in 2015, 80% of ECOWAS total exports were carried outside Africa (African Economic Outlook, 2017).

The total imports of the region were 79.4 billion dollars in 2016 (Table 5). The sector is led by machinery, motor vehicle, electrical appliances, food product, pharmaceuticals. Import products are mainly machinery, manufactured good and foods products. (http://www.ecowas.int, 2018). Furthermore, statistical data show respectively Nigeria, Ghana, Côte d'Ivoire and Senegal on top of the imports performance of the region. For the purpose of trade promotion in the region, ECOWAS has initiated to implement several programs, convention and strategic policies. For instance, the implementation of ECOWAS annual trade fair, the implementation of trade information database on the ECOWAS official website. Besides, ECOWAS signed a partnership with US Trade and Investment Framework Agreement (TIFA), an agreement which aims to increase ECOWAS-US trade and investment in a short and long term (ECOWAS Annual Report, 2016).

Table 5: ECOWAS Exports and Imports to the World in 2016

ECOWAS	Exports (FOB) Billion of US dollars	Imports (CIF) Billion of US dollars	Trade balance US dollars
Nigeria	32.1	38	-5.1
Ghana	15	12.4	2.6
Côte d'Ivoire	8.8	10.9	-2.1
Senegal	8.6	3	-2.3
Liberia	10.1	1.1	9
Togo	7.7	2.2	5.5
Guinea	3.6	3.4	0.2
Benin	5.3	1.4	3.9
Mali	3.7	2.8	0.9
Burkina-Faso	2.5	2	0.5
Niger	1	0.7	0.3
Sierra Leone	1	0.7	0.3
Gambia	0.9	0.2	0.7
Cape Verde	0.7	0.3	0.4
Guınea Bissau	0.4	0.3	0.1
Total(ECOWAS)	101.4	79.4	22

Source: Adapted from *IMF, Direction of Trade Statistics report,* 2017:4.

Table 5 shows the figures of total trade volume of exports (FOB) and import (CIF) ranked from highest to the lowest . Nigeria lead the list of the of trade in the ECOWAS region with a total of 70.1 billion dollars. However Nigeria's trade balance is deficit since the imports volume (38 billion dollars) is higher than exports volume (32.1 billion dollars). In contrast, Ghana recorded 27.4 billion dollars of total trade volume with 2.6 billion dollars of trade surplus (IMF, Direction of Trade Statistics report, 2017).

2.3.6. SWOT Analysis of ECOWAS Zone

SWOT, this acronym stands for Strengths, Weaknesses, Opportunities and Threats. The SWOT is used to critically analyze the economic outlook of ECOWAS in terms of its internal strength and weakness as well as its external treats and opportunities. SWOT in this context examines carefully what factors improve or hamper business environment in ECOWAS economic region.

2.3.6.1. Strengths

Natural resources: The region is full of natural mineral resources such as oil, gas and some agricultural commodities. For instance, strong oil and gas sector in Nigeria can help earn a lot of foreign exchange in the field of exports. The petroleum exportation also serves as a source for foreign reserve (Jimoh, 2018). The appropriate climate allows the production of some highly demanded commodities like coffee-cocoa, cotton, rubber etc.

Trade liberalization due to free trade agreement between members: The main feature of ECOWAS is its trade liberalization program, through common market and promoting integration in all fields of activities of the member countries. Many empirical studies find a positive correlation between trade liberalization and economic success. For example, Sambharya and Rasheed (2015) examine the macroeconomic effects of economic and political freedom on FDI inflows in 95 host countries in a panel data analysis through the periods of 1995-2000. Their investigation proposes that before benefiting from FDI inflows, countries need to emphasize on a better economic linearization in terms of sound monetary policy, fiscal burden, banking and finance. Additionally, they also suggest that less government participation into an economy, strong property rights, low prevalence of informal markets, and less corruption are desirable for more FDI inflows and hence boost economic growth and further development. These finding are consistent with the SWOT analysis in this study which considers trade liberalization as internal force to be efficiently used by government.

Project of single currency in the region: West African Sub-Region Currently operates under two currency regimes: the Francophone Countries of Benin, Burkina Faso, Côte D'Ivoire, Guinea Bissau, Mali, Niger, Togo and Senegal already formed into the common currency of the CFA Franc (XOF) under the control of the West African Economic and Monetary Union (WAEMU) Central Bank (Africa's Development Dynamics, 2018) and Gambia, Ghana, Guinea, Nigeria and Sierra Leone, which operate their single national currencies. The two groups of currencies found in ECOWAS region is projecting to merge into one single West African ECOWAS currency.

Large demography advantage: high consumption capacity and labour force: The 2016 ECOWAS commission report states that West Africa (ECOWAS) is the most densely populated area of the continent. Moreover, population density creates not only an active and mobile labour force but also a high demand for products and services. Additionally, more than half of the 360 million population estimated are youth. Therefore, represent an advantage of mobile labour force (ECOWAS Annual Report, 2016).

2.3.6.2. Weaknesses

Energy and infrastructure deficit: Roads, railways, telecommunications, energy are still poor in ECOWAS region, encroaching on free movement of goods, capital, services and persons. This situation is mainly due to the weak productivity proportions in industrial sectors in most of the member states (Africa sustainable Development Report, 2018).

Colonial ties: Despite their independency status, colonial ties are still maintained. In fact, interferences in states internal affairs by former colonies backing foreign interest, constitute a slowdown in the development process. Langan (2018) insisted that West African countries still depend on European practices and policies of international relations.

Political instability during elections and lack of transparency: Additional major challenge is the incessant fights, wars and violence, which has weakened the sub-region's capacity of growth. Sierra Leone civil war, Liberian conflict, and very recently election crisis in Gambia are cases in point. Conflicts in the sub-region have diminished the ability of the state, the region and the continent to focus on integration and development (Eleazu, 1978). Moreover, a number of authorities who pledged during election races to provide clean water and electricity to the population also voted for these projects in the government but failed to carry out those project after the elections.

2.3.6.3. Opportunities

Global environment: The country has opportunities to form good bilateral relations by increasing its export base, diversifying its economy by going global, exchanging goods and services, and even labourers.

Discovery of oil wells in the Gulf of Guinea: Most of new proven reserves have been found around the Gulf of Guinea yet to be exploited.

2.3.6.4. Threats

Presence of terrorist organizations: Boko Haram is one of well-known radical organization in West-Africa. Boko Haram terrorist group are operating essentially in the Northern part of Nigeria and Niger (Afokpa, 2011). They are engaged in kidnappings for high amount of ransom, killing, attacking banks. In 2014, Boko Haram militants attacked a government secondary school in Chibok, Borno state in Nigeria and kidnapped over 200 girls. Since 2017, Jihadists commit atrocious attacks in the Tillabery and North Tahoua regions in Niger. North Mali and Burkina are also facing constantly terrorists' attacks.

Natural disaster (The desertification, the flood, the rise of the sea, epidemic): Due to climate change, natural disasters have increased, especially with regard to cases of extreme events such as droughts and floods. Food and Agriculture Organization of the United Nations (FAO) reported, in 2009, that irregular rains in Niger, Mali, northern Burkina Faso and the northern part of Nigeria caused substantial shortages in agriculture products with thousands of victims recorded. Also in 2009, floods in Senegal affected nearly 40 000 homes, and the rising waters washed away harvest and seed stock. Natural challenges, obstruct the access of safe drinking water. In 2015, only 23.7% of SSA's population had access to safe drinking water (Africa sustainable Development Report, 2018).

Price volatility: Crude oil, natural gas, coal, gold, iron, platinum, rubber, cocoa and coffee, cotton, sugar rice etc. are found among ECOWAS countries, and these commodities influence their economies. However sometimes commodity prices experience downward trend and shock economies. For illustration, in 2016 Nigeria was heated by recession, due to oil prices collapse that has started in 2014.

2.4. HISTORICAL BACKGROUND ON RELATIONS BETWEEN TURKEY AND AFRICA

In recent years, there has been an increasing orientation of Turkish foreign policy towards Africa. Many developed countries (France, USA, Germany, UK) succeeded in tightening and orienting their foreign policy towards Africa in earlier years. On the other hand, there is an obvious downside or reduced interest of Africa from these incumbent partners when one considers the level of progress on the continent since the independence of the majority of the countries. It is very difficult to arrive at a definite conclusion on whether these long term partnerships benefited Africa or not. Further investigation needs to be warrant to unveil the result which is beyond the scope of the current study. Nevertheless, the African continent is increasingly in need of investment and long-term partnership with emerging countries to promote a win-win economic gain.

In the light of this new orientation, Turkey-Africa relations have gained a substantial push ever since Turkey has been declared a strategic partner to the continent by the African Union in January 2008. Moreover, Africa is currently in a remarkable flow of growth, urbanization, innovation with an abundant and diverse demographic resources that need to be skilled. Given this hint, Turkish government increasingly encourages aggressive actions toward African continent, mostly in terms of trade. Hence, todays bilateral trade transaction between Turkey and African continent cannot be overlooked. Turkey and Africa trade volume exceeded 18 billion dollars in 2017, an important increase comparing to 14 billion dollars in 2010 (Turkish Statistical Institute, 2018).

In the next sub-sections, a general overview of Turkish-Africa relations is explored with particular attention given to The Ottoman’s relations with Africa until the establishment of Turkish Republic in 1923, the period from 1923 to 1998 and the period after 2005. At last but not the least, modern Turkey and Africa, relations are discussed with reference to West African countries.

2.4.1. The Ottoman Empire Relations with Africa Until the Establishment of Turkish Republic in 1923

Turkey's history with African continent started since the Ottoman period. In history, the Ottoman Empire, which ruled some parts of the world for over 500 years, had a footing in Africa especially its Northern and East region: Tunisia, Egypt, Libya, Sudan, Algeria, Djibouti, Somalia, parts of Ethiopia. Ottomans had economic and trade relations with this region of Africa. Goods like gold, silk, animals skin, military equipment were traded between both regions (Hazar, 2000). Moreover, during colonisation era, Ottoman Empire fight to protect some parts of East Africa's territories from Spanish invasion. (Enwere and Yilmaz, 2014:216-230). Although diplomatic relations between Ottoman empire and the rest of Africa were at their lowest level, religious interest was particularly high. the very first Ottoman consulate was founded in Cape-Town (South Africa). In the view of good relations achieved by the consulate with Ottoman Empire, the Empire decided to send an imam to the city. The latter has contributed to the consolidation of relations between Ottomans and Cape Town Muslims. Religious interest towards Africa kept rising among Ottomans. In 1894, following the construction of the first mosque in Lagos (Nigeria), Ottoman Empire participated by sending an Ottoman official to lead the Muslim community of the region (Hazar, 2000).

2.4.2. The Period from 1923 to 1998

Republic of Turkey was founded in 1923. After its foundation, Turkey focused on westernizing the country. After proclaiming Turkey as Republic, the founder's foreign policy was to totally split ties with Ottoman, by giving a modern image of Turkey and looking at Western model. This political procedure of Turkey Republic founder is described as "Kemalist policy" in international relations (Yeşiltaş, 2013). During this period, Turkey was not having any interest in African continent and their relations were at their poorest level (Özkan, 2010). However, this policy will be modified after the collapse of Soviet Union, and Turkey will review its foreign policy. In

1998, Action plan "Opening up to Africa" was adopted by Turkish government. The 1998 action plan was to create economical, educational, cultural and trade cooperation with Africa (Hazar, 2017). The adopted plan led to a slight interest toward Africa.

2.4.3. The Period after 2005

The adopted action plan of 1998 as part of its foreign policies toward Africa was effective in 2005. In fact, 2005 was declared as "Africa year" (Özgan, 2008). Since then, Turkey has been working to strengthen its ties with African countries. Regardless to the short period of time relations between the two partners has taken a serious wave, the results of this fruitful partnership have being remarkable:

- The outstanding intensification of trade and investment.
- New transport links in air and maritime services.
- African support for Turkey's bid for a non-permanent seat in the UN Security Council, increase of number of African embassies in Ankara
- Turkish embassies in African capitals
- Multiplication of Turkish NGO's in Africa and humanitarian aid

Turkish presence in Africa is becoming significant in the business field and stand as big competitors to Africa's traditional trade partners (Genç and Tekin, 2014).

2.5. OVERVIEW ON TURKEY-AFRICA TRADE RELATIONS

Turkey amended the action plan in 1998 by unveiling a new foreign policy toward African continent. However, from 1998 to 2005 the action plan has had an inactive period. The reform policy of 1998 has been revitalised in 2005 declared as "Africa year". (Aybar, 2013). "Africa Year" launched Turkey new openness to Africa. During the same year, Turkish then prime minister visited some African countries, the visits which later has contributed to granted Turkey the place of Observer to African Union. In 2007, the Turkish prime minister was the guest of African Union annual summit during which he has expressed on Turkey and Africa relations (Özkan, 2010). Early in 2008, during African Union summit, Turkey was given the status of strategic partner of Africa. In April 2008, the new status of Turkey led to Turkey-Africa summit in Istanbul from which cooperation treaties were signed. The roadmap of these partnerships carried various areas of activities including trade and investment. In November 2014 was held the second Turkey-Africa summit. Likewise, with the view of strengthening the bilateral relation, major conferences, meetings and visits have been taking place. Turkey-Africa education ministries conference was held in Istanbul on October 19th 2017 as well as Turkey- Africa agriculture meeting in Antalya on April 27th 2017. As result of these efforts put in developing mutual relations, in 2017, trade between Turkey and Africa reached 18.9 billion dollars, almost the triple of 2005's which was 6.8 billion dollars (Turkish Statistical Institute, 2018).

Relationships have not stopped growing between the two new partners as the diplomatic representatives in Ankara and Africa have been increasing. In accordance to Turkish Foreign Affairs Ministry, a total of 39 Turkish embassies operate in different African countries on one hand and on another hand 32 African embassies are found in Ankara. Still in line with the increase in diplomatic presence, Turkey has opened commercial consulates in 26 African capitals. Moreover, business councils were established in 19 Sub-Saharan African countries by Turkish Foreign Economic Relations Council. Turkey have also signed Trade and Economic Cooperation Agreements with 38 African countries, in line with its efforts to establish a sound contractual basis for the mutual economic relations. Furthermore, to smooth trade with the continent, the Turkish Airline, which reached a fleet of more than 300 aircrafts, now has a dense network of services on the continent. In early 2017, it was flying to 55 cities in 37 African countries (Turkish Airlines-flight network note, 2018). Addressing mercantile business, Arkas Container Transport S.A which is Turkey's leading shipping company, connects Turkey directly to 9 countries in Africa (www.arkasline.com.tr, April 2018).

The new Turkish foreign policy towards Africa is not being restricted to a limited number of African countries unlike its past relations which had privileged North Africa. All Africa's countries are targeted evenly and this has been noticeable by the present of Turkish footsteps all over the continent. However, for the purpose of this study, the focus will be put on Turkey's relations with West Africa (ECOWAS).

2.6. TURKEY-ECOWAS TRADE RELATIONS

Turkish Statistical Institute, press release of March 19th 2018 revealed that Turkey had a combined GDP of 3 trillion 104 billion 907 million Turkish Lira in 2017, with a GDP growth rate of 7.4% in the same year. Besides, Turkey is a member of most of the international organizations in Europe such as NATO, OECD, Council of Europe and even currently negotiating with EU for permanent membership. Today being classified as an emerging economy, Turkey's vision is to hit the record of the top 10 most powerful economies in the world by 2023 (Çeviköz, 2012). Consequently, Turkey has been actively expanding its exports to new markets such as Africa's. In order to streamline trade with the continent, Turkish President with businessmen along have paid multiple visits to Africa, and went in West Africa as well. So far, Turkey visit was granted to Côte d'Ivoire, Ghana, Nigeria and Guinea in 2016 and to Senegal and Mali recently in February 2018. These diplomatic visits confirm how important ECOWAS is for Turkey in regard to their African expansion policy.

In support to trade expansion, the Foreign Economic Relations Council of Turkey (DEIK) has organized on February 22nd-23rd 2018 in Istanbul, the first Turkey-ECOWAS Trade Economic Forum. The establishment of Turkey-ECOWAS Joint Commission was settled as the output of the forum. (Sahin, 2018). This agreement has been qualified of great achievement and a breakthrough in institutionalizing relations between Turkey and the ECOWAS Commission. DEIK report states that stakeholders decided to intensify collaboration in a number of areas such as finalizing the legal framework for developing and promoting trade and investment cooperation, increasing the trade volume, developing investment relations, implementation of joint infrastructure and development projects, for trade and investment. In 2017, trade volume between Turkey and ECOWAS was 2.4 billion dollars (Table 6). However, referring the statement of Turkish Economy Minister in February 2018, during Turkey-ECOWAS summit, Turkey aims to reach 5 billion dollars of trade with ECOWAS in a short term period (Daily Sabah, 2018).

Table 6: Turkey-ECOWAS Trade Volume for 2017

Country	Exports US dollars	Imports US dollars	Total US dollars
Nigeria	335.420.589	156.285.879	491.706.468
Côte d'Ivoire	142.408.934	300.760.373	443.169.307
Ghana	224.551.445	128.019,025	352.570.470
Senegal	243.624.901	4945.675	248.570.576
Liberia	118.615.943	8.659.780	127.275.723
Benin	92.898.509	22.408.667	115.307.176
Guinee	95.757.961	18.109.011	113.866.972
Burkina Faso	28.017.046	63.613.627	91 630 673
Mali	52.203.802	29.940.908	82.144.710
Togo	58.178.884	12.055.061	70.233.945
Sierra Leone	50.562.213	938.301	51.500.514
Niger	38 161,513	868.885	39.030.398
Gambia	38.399.080	2.776	38.401.856
Cape Verde	4.237.049	1.052.874	5.289.923
Guinee Bıssau	3.829.328	897.295	4.726.623
Total (2017)	**1.609.365.750**	**792.615.814**	**2.401.981.564**

Source*:* Turkish Statistical Institute, April 2018.

Table 6 shows Turkey's exports-imports with ECOWAS (West Africa) countries for the year 2017. Nigeria has the highest trade volume with Turkey, with 491.7 million dollars of the total trade volume. Turkey's exports amounted 335.4 million dollars to Nigeria and imports 156.3 million dollars from Nigeria. Besides Nigeria, Côte d'Ivoire and Ghana made the list of key trade partner countries of Turkey with respectively 443.1 and 352.5 million dollars of trade volume. These figures have granted the second position to Côte d'Ivoire and third to Ghana in the list of ECOWAS top trade partners with Turkey. This classification registered can be attributed to economic and trade potentials offered by those countries. For instance, Nigeria has the largest economy among ECOWAS and African countries. Likewise, Côte d'Ivoire is the first producer and exporter of cocoa in the World. It has been observed that Turkey exports more to West Africa than it imports. The total exports volume of Turkey to ECOWAS was 1.6 billion dollars whereas Turkey imported 792.6 million dollars goods from Africa. The next sections will discuss trade relations between Turkey and some ECOWAS countries.

The emphasis is put on Nigeria, Côte d'Ivoire and Ghana which ranked the top three countries in the region with the highest trade volume with Turkey.

2.6.1. Turkey- Nigeria Trade Relations

Nigeria is the biggest economy in ECOWAS and in Africa with estimated GDP of 376.284 billion dollars and a total population estimated at about 188 million in 2017 (https://www.imf.org, April 2018). Nigeria's GDP weighs 29.3 % of Africa's GDP. Nigeria's economy is essentially based on oil exploitation. Turkey and Nigeria sustain worthy relations. They are both members of the Organization of Islamic Cooperation (OIC) and the Developing Eight (D-8). Since 2010 diplomatic visits were being multiplied. New cooperation opportunities have been grasped in every field and the legal basis for bilateral relations between the two countries has been largely completed with the signing of agreements in almost all field.

Turkey's current President made an official visit to Nigeria from March 1st to 3rd 2016 with a large delegation of officials who held business meetings during the visit. In parallel, Nigeria president, together with Nigerian trade and investment minister and other official visited Turkey on October 19th 2017. Turkish Airlines started direct flights to Lagos in July 2006 at a very high frequency. Trade and economic relations between the two countries have also been improving rapidly. In 2017, the bilateral trade volume between Turkey-Nigeria was 491.7 million dollars. According to Foreign Economic Relations Board (DEIK), a weekly volume of 70 tons of textile products is being exported to Nigeria. Turkish companies in Nigeria, predominantly operate in the construction, manufacturing and energy sectors. DEIK announced more than 2600 Turkish investors in Nigeria. In 2016, Turkish investment including local partners' in Nigeria has amounted a total of 620 million dollars (http://www.mfa.gov.tr, 2018). However, on a note released by DEIK about Turkey-Nigeria economic relations, some factors constitute the reason Turkish investors and economic operators are reluctant to do business with Nigeria. The differences in culture and life style between both countries can be sighted as one of those factors. For instance, Although the significant

Turkish investment in Nigeria most of Turkish possess a very small knowledge about Nigerian's culture. Another challenge underlined by DEIK note is the transport problem due to geographic distance between both countries. Both countries will gain if proper measures in overcoming these challenges are settled.

2.6.2. Turkey - Côte d'Ivoire Trade Relations

Côte d'Ivoire population is estimated about 25 million in 2017 and GDP of 40.4 billion dollars in the same year. (https://www.imf.org, April 2018). The main source of revenue of Côte d'Ivoire is production of coffee and cocoa (1st exporter in the word). Turkish embassy in Abidjan became operational on November 15th 2009, whereas the first embassy of Côte d'Ivoire in Ankara was opened in February 2013. Turkey has an honorary consulate in San Pedro while Côte d'Ivoire has honorary consulates in Istanbul, Izmir and Bursa (http://www.mfa.gov.tr, 2018). Turkish Airlines started operating in Abidjan since July 2012. Ivory Coast is one of Turkey's top five trading partners in sub-Saharan Africa, 2nd position in 2017. The country is also the largest trade partner of Turkey in the French-speaking sub-Saharan region. In 2016, Côte d'Ivoire has been determined as a target country by the Turkish Ministry of Economy (http://www.mfa.gov.tr, 2018).

The trade volume between both countries accounted for 443.1 million dollars, in 2017. Turkish exports to Côte d'Ivoire is about 142.4 million dollars, while imports are 300.8 million dollars (Turkish Statistical Institute, 2018). The main products Turkey export to Côte d'Ivoire are salt, sulphur, plastic products, lime and cement; iron and steel; boilers, machineries and mechanical appliances, spare parts; furniture; preparations of cereals, flour, milk, cotton and cocoa. Turkey imports from Côte d'Ivoire exceed largely its exports. In 2017, 142.4 million dollars of exports in total and 300.7 million dollars of imports (Turkish Statistical Institute, 2018). According to "Doing Business" Côte d'Ivoire ranked the 44th positon in the world of the easiest country to establish a company in 2015. Prominent sectors in Côte d'Ivoire which may be pointed out as great opportunities for Turkish are construction, energy, mining and agricultural sector (http://www.deik.org.tr, 2018).

2.6.3. Turkey- Ghana Trade Relations

In accordance to World Economic Outlook data of April 2018, Ghana's GDP was 47.032 billion dollars in 2017 with a population of 28.2 million in the same year. Turkish embassy in Accra, capital city of Ghana was opened on the February 1st 2010. Moreover, in 2010, Turkish Minister of State paid a working visit to Accra with a delegation of nearly 100 Turkish businessmen. Both countries have since witnessed significant amplification in bilateral relations. Indeed, Statistics reveal that the bilateral trade volume, which amounted to 175 million dollars in 2009, reached 290 million dollars in 2010 and increases to 352.5 million dollars in 2017 (Turkish Statistical Institute). The launch of Turkish Airlines in 2011 connecting Istanbul to Accra directly enhance economic and commercial ties among both countries. Ghana turned Turkey's third largest trade partner in ECOWAS region. The main trade products exchanged between both countries are: electrical machinery and equipment, spare parts, furniture, boilers, machineries and mechanical appliances, iron and steel, salt, sulphur, stones, plastic materials, lime and cement, cereals, flour or starch, milk, and malt. Ghana exports mainly cocoa, fruit, soy, sesame, wood, etc.to Turkey. Ghana is second producer and exporter of cocoa in the world. However, the country is in a great need of cocoa processing factories. Besides, Turkish potentials investors and traders can take advantage of large and rich forests, abundance of tropical fruit and other agricultural products present in Ghana as investment and trading opportunity. Reversely Ghana can rely on processed products and technologies offered by Turkey.

CHAPTER THREE

RESEARCH PROJECT

3.1. OBJECTIVE OF THE STUDY

Over a decade, Turkey and Africa have been engaged in a bilateral relationship in many fields as well as the international trade. Turkey and Africa trade volume was 14 billion dollars in 2010 and exceeded 18 billion dollars in 2017 (Turkish Statistical Institute, 2018). From the beginning, Turkish engagement in Africa was concentrated in North Africa which accounted for 10 billion dollars trade volume with Turkey in 2010. This Turkish government engagement to North Africa can be explained by the fact that North Africa's historical, cultural, and geographical bonds with Turkey. However, the outbreak of some unfortunate situations such as war, terrorist attacks and societal unrest in some North African countries led many Turkish companies, investors and entrepreneurs to target Sub-Saharan African countries. Therefore, Turkey has been paying higher attention to Sub-Saharan African countries, due to their economic growth, population growth, large investment projects and affluent raw materials resources. In 2017, the trade volume surpassed 7 billion dollars between Turkey and Sub Saharan African countries. A volume that almost doubled the one of 2010 which was 3.9 billion dollars (Turkish Statistical Institute, 2018).

The trade volume kept growing accordingly to both regions' expectations. However, both markets are still new to one another, since Turkey's new foreign policy towards Africa continent was implemented not long ago. Sub-Saharan Africa, unlike North Africa has no historical background with Turkey, moreover culturally different and geographically far from Turkey. In the light of internationalization literature, such contrasts between two different markets is referred as psychic distance and may prevent trade flow. Meanwhile, Andersen's (1992) study revealed that in international operations, lack of knowledge about foreign markets causes a major obstacle to perform the trade activities. Thus, a study in order to enlighten the knowledge and understanding on both markets' environment is crucial. However, due to heterogeneous structure of

Sub-regions (West, East, Central and South Africa) that comprises Sub-Saharan Africa, this study has opted to focus on West Africa.

In this context, the first objective of this study is to find existing factors of psychic distance between Turkey and West Africa. Psychic distance is a multi-variable concept, and the study is to discover those aspects. Secondly, the study will examine the perception of psychic distance in trade relations between Turkey and West Africa. Studies reveals that psychic distance has an important role in trade, a role which is intended to be learned throughout this research. Lastly, this study will shed light on the business opportunities fore by each market. In international business, new market represents new opportunities, therefore this research is expected to disclose opportunities held by Turkey and West Africa by understanding psychic distance and by generating solutions for perceived psychic distance of Turkish and West African countries.

3.2. DESIGN OF THE STUDY

Exploratory research is applied if there is not much information or any previous similar studies available for the selected research area (Sekaran and Bougies, 2013). In fact, there has not been any previous study which explores particularly the phenomenon of psychic distance in the framework of Turkey and West-Africa. As a matter of fact, an exploratory research is used in this study with a qualitative approach of interview which is used for data gathering. Interviews were applied for this study on the purpose of enabling to peel and explore the phenomenon of psychic distance perceived by individuals. McCracken (1988) defended that interviews allow to get closer to the realities experienced by the participants. In this study, unit of analysis was exports managers, who are responsible of foreign trade.

The interview was conducted with 16 companies of both Turkish and Africans traders. Respondents consists of eight interviewees from Turkish companies and eight interviewees from West Africans companies. First, interviews are conducted with Turkish companies which are in trade relations with West Africa. Due to the newness of Turkey and West Africa trade relations, the premium criterion of selecting Turkish participants companies were the existence of trade relations with West Africans regardless of the size or age of the company. Many studies related to international business has confirmed that small enterprises may start export activities from early stage of their life. In Rennie's (1993) study on Australian SMEs, it was found that those SMEs have been successful in exports from the beginning, resulting into the fact that internationalization of a firm is not bounded to neither its size nor its age. Exporting maybe a primary goal of a firm and in that case, internationalization may start at the early stage. Therefore, the sample was constituted by small, medium and large enterprises. The list of Turkish companies operating in Africa was given by "Izmir Chamber of Commerce" and "Aegean Exporters Association"; then the composition of Turkish sample has been proceeded. Some companies were contacted through mails and others by phone calls to find out first, those operating in West Africa region and later an appointment was arranged with those who have accepted to contribute to this study by attending interview. Finally, eight Turkish companies linked to West Africa got interviewed. Table 7 shows the profile of Turkish respondents. All eight companies interviewed were in various fields of activities. Four of them offer industrial goods, two are specialized in consumer goods, one offers both industrial goods and services, and last one specialty is in consumer as well as industrial goods. The participants' years of experience in foreign trade was from 3 years to 15 years. Also the number of exports countries for each company varies from 3 to 110. All interviewed companies had share of foreign sales in total sales generated by West Africa. Interviews were conducted face to face in the companies, via Skype or telephone. The first set of questions of the interview guide was intended to lead the respondents to reveal the manner and degree into which they were involved in Africa, also to enlight the role played by West Africa in their trade activities with Africa in general. The second section enrolled the psychic distance from social, cultural, legal, administrative, ethical and economical dimensions. At last, respondents were asked to discuss the opportunities carried by West Africa's market. The interviews were held in Turkish and in English for Turkish companies.

The same interview, inversely was conducted on 8 West African companies in trade relations with Turkey, respondents were mainly from Nigeria, Côte d'Ivoire and Ghana. Majority of these companies were importers while only few were both exporters and importers. Their number of years in business relations with Turkey was from 1 to 6 years, and the least sales share held by Turkey out of the total foreign sales was 5% and the highest was 40%. Table 9 shows a summary of West Africa's respondents profile. The questions were designed to reach out the possible variables of psychic distance. However, we can group the set of questions into three sections: The first section was meant to highlight the degree of importance of Turkish market for West African companies and also how to build a strong partnership with Turkey. The second part was designed to focus on psychic distance and its various dimensions perceived by West Africans. The last set of questions was to highlight opportunities and potentials in Turkish market. The interview was done in French and in English for West African companies. The interview questions addressed to Turkish and West Africans respondents, are found in Appendix 1 and 3.

3.3. FINDINGS

This part is intended to reveal the verbatim of respondents about the questions they were addressed. Respondents' answers will be thoroughly analyzed and interpreted. For this process, after interviews, verbatim transcription was done to detect common themes noticed in the answers for analysis. The main aim of this study is psychic distance, therefore, discussion and interpretation were focused on the psychic distance concept and its multiple stimulus. However, other relevant issues such as potentials and opportunities carried by both markets have been discussed further. The findings generated through the conducted interview is divided into two parts; the first part of findings carries the analysis of psychic distance toward West Africa from the perspective of Turkish companies and the second part unfolds the analysis of psychic distance toward Turkey from the perspective of West African companies.

3.3.1. Analysis of Psychic Distance Towards Africa from the Perspective of Turkish Companies

The interview questions for Turkish companies was labelled into 16 different questions (Appendix 1 and 2). Aside from the general profile information (Table 7), respondents of this interview were mainly either owners of the company or exports managers. To keep the anonymity, companies throughout this study are labelled from A to H. First of all, participants were asked to name African nations they have commercial ties with, and to give the most important ones to them in terms of business. Respondents unsurprisingly, listed countries that were mainly West Africans or North Africa countries. In the list Nigeria, Ghana and Côte d'Ivoire have been mentioned mostly as the African countries they have business ties with, in ECOWAS zone. Indeed, Nigeria, Côte d'Ivoire and Ghana are the top three countries of ECOWAS having important trade volume with Turkey. Still, other West African countries were also cited by few participants. This may lead to a conclusion that there is indeed the presence of Turkey in West Africa and that although focus is on three countries, West Africa contains more potential beyond those three countries and Turkish companies on the other hand, should be aware of this potential. However, given the studied region which is West Africa, one question was designed specially to let the respondents present their view on the role West Africa has to play in their business in Africa. Most of the respondents mentioned the economic returns from the region and emphasized that it plays a major role for them as they have many clients and ongoing projects in West Africa. For instance, company C (12 years experience in Africa) and F (4 years experience in West Africa) claimed that they are not only trading in West Africa but they also have some construction projects under process at the moment in Côte d'Ivoire. Participant of company A indicated that, from the good experience they had with the previous projects in West Africa, they are planning to establish and soon start, a turnkey investment project in West Africa region. This endorses the incremental process of internationalization (Cavusgil, 1980; Czinkota, 1982) which support that companies engage into foreign market by progressive stages.

Table 7: Profile of Turkish Respondents

GENERAL INFORMATION		Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
YEAR OF FOUNDATION		2005	1974	2006	1986	2014	1998	2013	2017
NUMBER OF EMPLOYEES	**White collars**	50	100	10	15	4	5	1	3
	Blue collars	300	250	100	150	0	25	0	10
PRODUCT CATEGORY	**Consumer Goods**				Yes	Yes		Yes	
	Industrial Goods	Yes	Yes	Yes			Yes	Yes	Yes
	Services						Yes		
YEARS OF EXPORTS		8	18	12	7	15	4	5	2
NUMBER OF EXPORT COUNTRIES		10	110	10	20	7	3	3	15
BUSINESS IN AFRICA SINCE		2010	2003	2006	2012	2014	2014	2013	2017
BUSINESS IN WEST AFRICA SINCE		2011	2012	2015	2012	2014	2014	2013	2017

ACTIVE COUNTRIES IN WEST AFRICA	Côte d'Ivoire Burkina Guinea Conakry	Nigeria Senegal	Côte d'Ivoire Ghana Burkina-Faso	Guinea Conakry Sierra-Leone Ghana Togo Benin Mauritania	Ghana Benin Togo Nigeria	Côte d'Ivoire Senegal Ghana	Nigeria	Côte d'Ivoire Togo Nigeria Senegal Ghana Burkina-Faso
SHARE OF FOREIGN SALES IN TOTAL SALES	40%	48%	100%	85%	100%	25%	100%	100%
AFRICA'S SHARE IN TOTAL FOREIGN SALES	100%	8%	80%	25-30%	80%	25%	100%	20%
WEST AFRICA'S SHARE IN TOTAL OVERSEAS SALES	40%	0.4%	40%	10 - 15%	80%	25%	100%	5 -10 %
RESPONDENT'S POSITION IN THE COMPANY	Project Manager	Export manager	CEO	Export manager	Owner	Owner	Owner	General Manager
YEARS OF FOREIGN TRADE EXPERIENCE OF THE RESPONDENT	5	7	15	3	4	4	10	10
SPOKEN FOREIGN LANGUAGES OF THE RESPONDENT	English	French English	French English Kurd Arab	Turkoman English Persian Indian Ordo Polish	English	English Arab French Kurd	English	Spanish Persian Russian

Various answers from respondents indicate that West Africa represents indeed an important partner to Turkey. The area is rather seen as good for investments and new activities. Even though some Turkish companies are still at their early stage operating in ECOWAS zone, they display a certain positivity toward the region.

It has been inspected how Turkish participants assess the regional differences in West Africa. The aim of the question was to evaluate the extent to which Turkish participants discern the Africa continent. Out of 8 participants, 5 were clearly not incapable of understanding the regional differences. *"I think Africa is a rich continent"* (Company C, 12 years experience in Africa). or "*Africa is the same across the continent"* (Company F, 4 years' experience in Africa). These responses elucidate the fact that they did not explore the region enough or they have lack of knowledge on the heterogeneity of Africa. As many books, articles reveal, Africa is as multicultural, multilingual with a lot of diversities (Bola,2017). To enter a new market such as Africa, managerial team must have a glimpse if not a proper knowledge on the nature of the environment and should mostly understand its regional differences to be able to set appropriate decisions for the company (Knight and Cavusgil, 2004). Nevertheless, company A, B and H with respectively 08, 15, and 1 years experience in Africa seemed to be more aware of the realities of the continent. They mentioned cultural diversity and natural resources which are remarkable in Africa.

On the matter on how the businesses established connections with Africans, the answers were almost similar for all the participants. Links were being mostly activated through trade fairs, business tours, internet, distributors, catalogues. Two major types of connection are under scoop: direct and indirect connections. According to participants, the establishment of business connections with West Africa seems not to be a tough process. For instance, Company G, (5 years experience in West Africa) claimed: *"I met my Nigerian partner in a trade fair in Istanbul and then everything started"* … *"Later I made a trip to Nigeria to meet him and together we identified construction equipment needed in Nigerian's market"*. The experience of the latter reveals that networking building might constitute the press button to embark in international arena. Rodrigues and Child (2012), consider the creation of networking as the first phase for an international new venture. Participants were asked about the most important factors when choosing target market in foreign trade. They stated economic environment as one of the crucial aspect that must considered for a new market entry in foreign countries. Secondly, security, government system and policies and other factors were also added as dynamics to properly analyze when targeting overseas market. These findings are consistent with, Keegan and Green's (2015, P.60) study which equally urge that political/legal and economic forces are usually factors managers have to monitor in addressing international marketing environment.

One of the major concerns of this study was to address socio-cultural as psychic distance aspects between Turkey and West Africa. Culture being a multi facets concept, six variables were mainly under consideration.

First, Turkish companies' respondents when asked to compare the differences noticed in terms of ***lifestyle***, almost all of them straightforward commented that the differences are clear and blatant. Respondent of Company A with 7 years experience in West Africa, linked the lifestyle of people in West Africa with their income level: "*The way they live is very different from ours and I think that people's income level account for it"*. Another added that *"West Africans are more helpful and kind"*. (Company H, 1 year experience in West Africa).

Secondly, ***values*** have been defined as "*enduring belief or feeling that a specific mode of conduct is personally or socially preferable to another mode of conduct."* (Kegan and Green, 2015, p.127). According to Hofstede (1980), value is one of culture's dimension. Two participants stated, they perceived values in West Africa same as the one held by Turkish. Furthermore, they insisted that value issues do not affect their business. Company C stressed on the fact that there is more robbery in West Africa, whereas the values they hold in Turkey does not allow such behaviour. However, here again the link between the unfortunate behaviour of robbery was linked to unfavourable economic situation in West Africa. Thirdly, concerning differences of ***beliefs***, respondents asserted that West Africans have their own beliefs and are so committed to it than Turks.

Fourth, debating on ***language*** differences, answers were unanimous for all eight participants. The fact was that Turkey speak Turkish whereas English and French is predominant in West Africa. However, for instance one company manager mentioned that English is not a problem to him because he has been dealing with Anglophone country while another manager complained that language is a barrier since he deals with a French speaking country. Aside, both official languages being spoken in the region, the multi ethnicity of the West African zone was revealed as an obstacle as well. Fifth, ***the literacy rate*** of Turkey was perceived higher than West Africa's, but still West Africa has an average literacy rate (Company E, 4years experience in Africa). Sixth, ***Religion*** differences exist since Turkey is a Muslim country while religion varies from one country to the other in West Africa. Dominant religions are Christianity and Islam in West Africa with a whole range of traditional religions.

One of the interview question was oriented on customers. Participants were asked to make comparison of Turkish customers to West African customers, and their preferences. Cost-orientation was underlined for West Africans. *"They care less for quality; they just want cheaper products unlike in Turkey for instance, where quality prims"*. This situation might be assigned to the fact that economy in West Africa is weak. *"They earn weak salaries and this limit their purchasing power"* (Company C, 3years experience in West Africa). Another fact is that West Africans still prefer European product as stated by one participant. Another key element brought up to light was the differences in business relationships with customers. *"İn West Africa, it is important to establish a one-to-one relationship"* asserted company A, with 7 years experience in West Africa. One company manager in textile sector mentioned that he only exports summer cloths to West Africa, obviously, due to tropic climate in West Africa. Consumers differences and preferences are influenced by factors such as economic situation, climate conditions and the type of product.

Related to differences in business ethics, two common problems encountered by Turkish companies in West Africa were: corruption and trust issues. "There is too much corruption, too much." (Respondent of company C, 12 years experience in Africa). Participants recalled that they do not face this situation in domestic market or even with other partners. The second major concern raised was the credibility of partners and customers in West Africa. For instance, manager of company H with only 1 year experience in Africa and West Africa market gave an example of fake orders he received sometimes. The export manager representing company B with 15 years experience in Africa and 6 years in West Africa rather suggest that it is wise to be careful in every market to avoid risk. It has been suggested that when entering a new market, firms should be cautious about risks related to business (Silva and Nardon, 2008).

Countries are governed by rules and laws to protect and regulate its citizen. When asked about rules and laws while trading in West Africa, they mostly mentioned system of customs with high taxes. *"I pay 48% of taxes on the value of the good in Côte d'Ivoire"* stated one manager. Also another fact mentioned was that laws and rules keep changing in West Africa. It is suggested that one must thoroughly and continuously examine laws and rules of the relevant country of new venture. Another one mentioned the instrument of payment they mostly use was letter of credit and also he cleared that certifications were important for the kind of product they export. Company D, a chicken, hen and eggs exporter, with a total of 6 years experience in West Africa explained that the kind of product it exports has been banned in countries like Nigeria and Senegal to encourage local production by their government. For a new Turkish exporter, it should be better to take into consideration taxes in the country he/she wants to operate in but also to set and agree on the mode of payment and delivery with the customer. And another important issue is to check tariff and non-tariff trade barriers in the new market.

The participants were asked about the economic differences between Turkey and West Africa. West African countries being known as developing economies unlike Turkey which is an emerging economy appealed respondents to bring into line factors relevant to economic distance. Manager of Company B, 6 years experience in West Africa mention that *"In West Africa, they are purely imports based economies"*. In addition, developing countries are known to be financially dependent to foreign financial institution making them submissive to their policies. For instance, Company C, which has recorded 3 years experience in West Africa and 12 years in Africa revealed: "*I do not take government projects because it can stop anytime due to the source of finance"*.

He continued saying *"conversely in Turkey when you get government project you are saved"*. Another company mentioned infrastructure problem in West Africa and suggested the region needs more efforts to develop all sectors. Company H mentioned huge mineral resources present in the region of West Africa without being processed, due to lack of required technology, and knowledge. Companies' managers asserted that some countries of West Africa rule under fixed currency regime which is fixed to Euro and help in stabilization of their economies unlike Turkey when referring to recent Turkish lira depreciation.

When asked to mention additional similarities or differences existing between both regions, participants stated lack of competition in West African market. Company C, 3 years experience in West Africa has mentioned that: *"We are few companies selling construction machines in the countries I operate in West Africa, unlike in Turkey where there is thousands of similar companies"*. However, one participant exposed that the low competition noted in West Africa market was an opportunity for Turkish companies. In addition, interviewees have discussed factors affecting trade. Those factors have been related to issues like financial environment, securities and the availability of the markets. Participants underlined those aspects as common factors affecting trade flow.

Furthermore, participants were asked to state difficulties they face in West African market. From various answers, these should be noted as common challenges when operating in West Africa: Health risks, geographical distance, language distance, weak technology and infrastructure, one to one relationships in business, customs and tax rules, bureaucracy, untrustworthy, government policies, late payment due to inefficiency in banking system. These challenges result in a slowdown of trade flow.

Opportunities were finally discussed in this interview, since doing business means being able to embrace new opportunities (Child et al., 2002). Participants were indeed asked to discuss these opportunities. For this question, Turkish participant affirmed that in West Africa, there is a wide range of needs in all field of activities. They mentioned the growing market, human and natural resources in West Africa as part of potential to exploit.

Table 8: Dimensions of Psychic Distance mentioned by Turkish Companies

Dimensions	Sub-Dimensions	Perceptions
Economic Distance	Finance	High
	Infrastructure	High
	Technology	High
Political-legal Distance	Law and Rules	High
	Taxes	High
Cultural Distance	Life Style	High
	Values	Low
	Beliefs	Average
	Language	High
	Literacy rate	Average
	Religion	Low
Geograhic Distance		High

3.3.2. Analysis of Psychic Distance Toward Turkey from the Perspective of West African Companies

The interview was equally conducted with 8 trade managers from West African companies. It was intended to explore their psychic distance perception toward Turkey. First, general profile information was given by respondents. The profile of interviewed companies is shown in Table 9. As mentioned earlier, only top management involved in trade operation with Turkey was eligible for this interview. Therefore, respondents were either owners or exports managers. Second, the interview was a set of 15 questions addressed to West African participants. The structure of this interview is presented in Appendix 3.

Interview started with the question on how they find and connect with their partner in Turkey. Out of the 8 respondents, 6 which were mainly importers get to know their Turkish counterpart through the trade fairs, interpersonal relationships and through middle-men. However, respondents of two companies operating in export have underlined chamber of commerce regulated by government as being in charge of connecting with customers in Turkey. From the perspective of participants replies, it can be concluded that the connection link is quiet effective. Harris and Li (2005) supported that building business network and connection with potential partners or clients in oversea market is a valuable asset in internationalization. Furthermore, it was asked to bring into light the role of Turkey in West African foreign trade. Almost the majority of interviewees have commonly admitted that Turkey is a strategic partner and key suppliers for West African companies since recent time. Besides, Company A, (3 years experience with Turkey) declared: *"Turkey is gaining significant role because of its proximity to West Africa compare to China"*. This statement is consistent with Shenkar (2001) findings on the advantages of small geographic distance that permit to reduce entry's barrier and allow an effective personal contact

Concerning the issue related to how West Africa assess Turkey, participants have revealed that Turkey is quiet diversify in terms of trade sector expertise which according to them varies from one region to another. 5 respondents which have their company dealing with industrial goods revealed purchasing their goods in Center and North region while some respondent who usually import consumer good revealed that products are supplied to them from West region of Turkey. One can clearly conclude that an importer will have to refer to a specific region in Turkey according to the needed product type. Furthermore, the participants were brought to discuss the important factors to be considered in the targeted foreign market. Participants that were mainly importers pointed out at:

- Price of goods
- Quality of the product
- Cost of transaction
- Accessibility
- perception about the country's goods.

These factors are consistent with Chevrier's (2018) work which revealed that for an importer to have satisfactory financial return, price and quality of the products offered by the supplier must be competitive. For the reason that in international market, importers face multiple transaction costs (communication, banking charge, service fee such as getting a translator, freight, insurance). Besides, numerous of past researchers emphasize on the significant role of the perception of managerial team toward foreign market (Sousa and Bradley, 2008; Prime et al., 2009).

Another dimension reached by the interviews was the perceived socio-cultural differences. Many studies argue that assessing the cultural differences at individual level is a powerful tool to predict foreign market behaviour (Kogut and Singh, 1998). In this order, participants were asked to compare West Africa to Turkey from various socio-cultural aspects. All eight participants seemed to possess little knowledge on Turkish ***lifestyle*** due to the fact that their trips and stay in Turkey were too short to assess this aspect, yet acknowledged that Turkish life style is totally different from West Africans'. Nevertheless, respondents highlighted that there is same perception of ***values*** in both areas. Seemingly, from the participants' point of view, even though both Turkish and West Africans hold different ***beliefs*** they respect and adhere to their core beliefs which make them unique. Moreover, ***language*** patterns drew more attention to the participants, who mentioned the undeniable differences of language that constıtute a major source of difficulties to West Africans traders. One other company underlined that Africa holds multilingual characteristic while Turkey owns a single language. Interviewees perceived ***literacy rate*** was as being the same for both regions for some respondents but other interviewees sustain that Turkey remains higher in terms of literacy rate. On ***religion*** matter, participants identified differences in religion due to the fact that most West African countries have mix of religions and Turkey is considered as a single religion country. From these findings on socio-cultural issues, it has been noted an awareness of West African on Turkey but still with remarkable lack on some aspects such as details concerning Turks lifestyle.

One question aimed to assess customers' differences in both regions as perceived by West African's. It was mentioned by participants that Turkey is a great consumer of raw products from West Africa. West African respondents who have been operating in exports field find that their local demand is weak compare to exported quantities. Local demand is weak due to the fact that West Africa consume the product in it raw nature but outside market needs important quantities for the processing industries. This explains the reason West African companies are getting higher margin by exporting than to sell locally.

Respondents disclosed on the issues related to business ethics. In reference to Transparency international West Africa score higher (average of 33 on a scale of 0 to 100 where 0 is highly corrupted and 100 is very clean) than Turkey (40) in terms of corruption perception index however, the responses vary from one company to another depending on their business focus. Majority of Participants were not able to decide openly which side where more corrupted. Only Company G (6 years experience with Turkey) admitted in West Africa corruption and frauds are worst. Therefore, in terms of business ethics between both regions results remain highly debatable. Nonetheless, it has been advised by all respondent to always be careful in both domestic and international market to avoid risks.

Table 9: Profile of West Africans Respondents

GENERAL INFORMATION		Company A	Company B	Company C	Company D	Company E	Company F	Company G	Company H
YEAR OF FOUNDATION		2008	2007	2013	2005	2014	1986	1999	1999
NUMBER OF EMPLOYEES	**White collars**	6	13	5	3	2	13	20	3
	Blue collars	20	76	50	34	13		100	10
PRODUCT CATEGORY	**Consumer Goods**	Yes	Yes			Yes			Yes
	Industrial Goods		Yes	Yes	Yes		Yes	Yes	
	Services						Yes		
YEARS OF EXPORTS		10	11	5	13	4	32	19	19
NUMBER OF PARTNER COUNTRIES		11	8	3	7	5	5	4	3
YEARS OF BUSINESS WITH TURKEY		3	5	1	3	2	3	6	1
SHARE OF FOREIGN SALES IN TOTAL SALES		100%	100%	45%	30%	60%	95%	100%	0
TURKEY'S SHARE IN TOTAL FOREIGN SALES/ORIGIN		10%	5%	20%	15%	25%	20%	13%	40%
RESPONDENT'S POSITION IN THE COMPANY		CEO	Owner	Export manager	Purchasing agent	Administrator	Owner	Export Manager	Owner
YEARS OF FOREIGN TRADE EXPERIENCE OF THE RESPONDENT		20	8	6	8	5	15	10	5
SPOKEN FOREIGN LANGUAGES OF THE RESPONDENT		French, English, Dutch	English, French, local languages	English, French	French, English, Italian	English, French	German, English, Africans	English, German	French, English

Furthermore, on the topic related to rules to be followed when trading with Turkey. Participants insisted that one must know international trade rules as it constitutes an absolute prerequisite when dealing with Turkey. In a nutshell interviewees insisted on:

- General international trade rules
- Specific rules from Turkish ministry of health from consumer goods
- Specific rules from ministry of agriculture for those specialize in agriculture product. Etc.

It has been specified that, rules and laws are changing according to the type of product. In addition, a special attention has been brought on payment and delivery methods. One manager of an import-based company revealed that Turks usually require full payment before the delivery. This results are in compliance with Türkan's (2015) study on payment methods applied in Turkish foreign trade. He has revealed that Turkish companies use *"cash in advance"* toward low income countries to avoid risks associated to the economic situation therefore. The applied payment terms towards developing countries are intended to minimize the risk of non-payment.

Moreover, economic distance between the two counterparts was assessed by West African's. Careful analysis of economic environment in the host country is required as it constitute an important variable in determining strategic decisions. According to studies, income level, purchasing power and many other economic factors influence the market (Evans and Mavondo, 2002; Tsang and Yip, 2007). On the subject of economic situation, all eight participants recognized Turkey is far ahead from the current economic situation reigning in West Africa. It was mentioned that poor economic performance in West Africa countries is due to many deficiencies such as weak systems as well as import-based economies. Nevertheless, Evans and Mavondo (2000) has argued that less developed markets present more opportunities in terms of business.

Furthermore, despite Turkey being acknowledged economically better as compare to the West African economies, respondents mentioned the balance of Turkey's currency as a factors that affect their trade in Turkey. For instance, Company A, B, D, F, G with respectively 3,5,3,3,6 years experience with Turkey revealed that prices on goods kept increasing in Turkey since past two years. The direct consequence of this inflation on the imported goods is that it increases selling price in domestic market, so less competitive. Additional difficulties faced by West Africans in Turkish market were language distance and transportation problems. Addressing the difficulties encountered in Turkish market, all participants emphasis on language distance the biggest challenge which still prevent the flow of information with Turks business partners.

Respondents were asked to enlighten their views on opportunities offered by Turkish market. They argue that Turkey as an emerging economy, drags along a growing market, thus increasing demands. For example, the respondent of Company B (5 years business experience with Turkey) reiterated that Turkey is a new economic layer in West Africa market. Another manager mentioned *"Made in Turkey"* brand built in West Africa is new and more qualitative than usually Chinese good. A brand influence consumer behaviour (Mooij and Hofstede, 2011). With this brand being built in West Africa region, Turkey is on the right path to conquer West African market.

3.3.3. Limitations and Suggestions for Further Studies

The concept of psychic distance has been widely discussed in previous studies of international business literature. Nevertheless, to the knowledge of researcher none was done under Turkey and West Africa context. However, the present study suffers from some limitations. First, the sample size selected among West Africa region was mainly from three countries knowingly Nigeria, Côte d'Ivoire and Ghana. But although the 15 countries forming ECOWAS is considered as integrated region, realities might vary from one country to another in terms of legal, political and administrative rules. Consequently, results could not be generalizable to the entire region in some extent. Secondly, this study did not consider the perception of final consumers of some Turkish product in West Africa, it would have been more appropriate to include final consumers perception into this research. Third, this study considered exclusively individual perception of psychic distance, therefore the results are highly subjective. Hence, this research is an open gate for further researchers on the subject. For instance, future research can strengthen this area of research by analyzing the concept of psychic distance by combining the assessment at individual level, company level and national level with aggregate figures. Upcoming researches may consider the same topic by extending the sample size to high number of companies. Over and above, future researches may also reduce the scope of the study to one specific country to enable assessment of the most hidden details that might be important in the results. For example, the role of psychic distance in trade relations between Turkey and Togo. Likewise, the same research can be done on a sample of companies operating in the same sectors since realities might differ from on sector to another.

CONCLUSION

The aim of this study was to shed light on the perceived psychic distance between Turkey and West Africa trade relations. The study revealed psychically high distance between both regions. In terms of socio-cultural factors, it appears that Turkey as well as West Africa are completely different from one another in all aspects. It has been noted that managers are aware about these differences but they are not well informed about the details and are limited to superficial knowledge of socio-cultural factors. This could be justify by the fact that perhaps the importance of these factors is ignored by managers. However, for long term trustful business relationships it is imperative to understand dimensions of social-cultural environment. Partners should multiply visit to both regions which will help deepen business environments knowledge. Moreover, West Africa is a culturally diversify region, so business operators should consider these diversities when going to one of these countries. The study also brought into light the economic distance. Turkey is an emerging economy whereas West Africa is a developing region; a tangible that drives more difficulties in trade activities. For a profitable business, economic factors should be analyzed properly before stepping into a new market. A growing economy like West African's, should constitute an opportunity for Turkish investors and economics operators to target various sectors for operations. Similarly, West Africa should take advantage of this cooperation with Turkey to access emerging economy status in a long term. Regarding business ethics, Turkish exporters and investors should be cautious when dealing in West Africa due to right business ethics challenges underlined in the region. In fact, corruption has been cited as a common practice often seen in the business. The issue of corruption constitutes an undeniable refrain to trade flow. Nonetheless, West African governments should intensify efforts to fight against corruption and sensitize administrations stuff on the returns of adoption of right business ethics. In contrast, among cited psychic distance factors, surprisingly socio-cultural patterns were not perceived as great influence on trade. However, language distance is validating this research as it represents a serious problem to communication flow in trade. To overcome language problem between both partner, traders and companies are recommended to employ credible translators for the right transmission of the information. Those translators can be selected among

African students who have studied in Turkey and possess a good master Turkish language and also good knowledge of either Turkey and West Africa. Likewise, political-legal factors, which appeared to be the prevalent factors influencing trade can be diminished if for instance common activities of trade associations are planned by both partners to enable a mutual understanding and strategies to lift such barriers. Furthermore, geographic distance is also a source of challenge in trade activities. It is hoped that airlines companies will further enlarge their fleet to connect with more cities of Turkey and West Africa. Similar expectation is awaited in shipping domain even though there is already the presence of some shipping company in charge of maritime transport linking both regions.

In result to findings, huge trade potential has been detected in West Africa. Besides the growing market, human capital and natural resources abundance, it should be noted that there is an awaken and determination among West Africa nations to walk a durable development and that should encourage Turkish business partners to increase trade in West Africa. It is suggested that, Turkish business operators and investors should intensify meetings with private sectors to exchange information of trade and business opportunities. Hopefully, this study will benefit Turkish and West Africans business operators and help increase trade activities between both regions over the coming years. It is expected that, this current study will contribute to ameliorate and tighten trade relationship between Turkey with Africa and particularly with West Africa nations.

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APPENDICES

APPENDIX 1: Interview Questions For Turkish Companies (English)

THE ROLE OF PERCEIVED PSYCHIC DISTANCE ON TURKEY-WEST AFRICA TRADE RELATIONS

This study is carried out within the scope of thesis study of Grâce Konzou, student at Dokuz Eylül University, Institute of Social Sciences, Foreign Trade Master Program. Thank you for your time and interest.

Grâce Konzou

Please answer the following questions.

PART 1: GENERAL INFORMATION

Foundation year of your company	-
The annual sales amount of your company?	TL / $ / Euro
Number of employees of your company	White collar Blue collar
Product category in which your company is into	□ Consumer goods □ Industrial goods □ Service
For How many years your company has been doing business?	Year (s)
Number of countries you are active in	Countries
Since when did you start your business with Africa?	Year
For how many years have you been dealing with West Africa?	Year
In which countries of West Africa do you have commercial relations or business exchanges ?	-
Share of foreign sales in total sales:	%
Africa's share in total foreign sales:	%
West Africa's share in total foreign sales:	%
Your position in the company:	-
Experience in foreign trade	Year
Foreign language (s) spoken	-

PART 2: INTERVIEW QUESTIONS

1- In which countries of Africa do you have commercial ties with?
2- Which African countries are most important to you in your trade relations with Africa?
3- What is the role of West Africa in your trade relations with Africa?
4- How do you assess regional differences in Africa?
5- How do you establish your connection with customers in your trade with West Africa?
6- Which factors are important when choosing target market in foreign trade?
7- Considering socio-cultural factors, how can you compare West-Africa and Turkey? What differences or similarities exist in terms of: Life style, values, beliefs, language, literacy rate, religion?
8- What would you say if you were asked to compare West-Africa's customers and Turkish ones? What can you say about customer preferences? What differences or similarities exist?
9- Comparing West-Africa and Turkey on the basis of business ethics such as corruption, what can you say about corruption issues? What are the existing differences or similarities?
10- What are the rules and laws that must be followed when trading in West Africa? What do you think about the laws and rules that need to be followed?
11- Comparing West-Africa to Turkey, what are the differences in terms of economic factors / What are the similarities?
12- Is there any other differences or similarities you can say when you make comparisons of Turkey to West Africa? If so, what are they?
13- What factors are affecting your trade with West Africa?
14- What are the most important factors in your trade with West Africa?
15- What are the difficulties you face in West Africa market?
16- What are the opportunities for doing business in the West Africa?

APPENDIX 2: Interview Questions for Turkish Companies (Turkish)

Algılanan Psikolojik Mesafenin Türkiye-Batı Afrika ticari ilişkilerindeki Rolü

Bu çalışma, Dokuz Eylül Üniversitesi, Sosyal Bilimler Enstitüsü, Dış Ticaret Yüksek Lisans Programı tez çalışması kapsamında yapılmaktadır. İlginiz ve ayırdığınız zaman için teşekkür ederiz.

Grâce Konzou.

Lütfen aşağıdaki soruları cevaplayınız.

BÖLÜM 1: GENEL BİLGİLERİ

Firmanızın kuruluş yılı	-
Firmanızın yaklaşık yıllık satış miktarı?	TL / $ / Euro
Firmanızın çalışan sayısı	Beyaz yakalı Mavi yakalı
Firmanızın bulunduğu ürün kategorisi	□ Tüketim malları □ Endüstriyel mallar □ Hizmet
Firmanız kaç yıldır ihracat yapmaktadır?	Yıl
Faaliyette bulunduğunuz ülke sayısı	Ülke
Afrika ile ticarete kaç yılında başladınız?	Yılında
Batı Afrika ile ticarete kaç yılında başladınız?	Yılında
Batı Afrika'da ticari ilişkilerde bulunduğunuz ülkeler hangileridir?	-
Yurtdışı satışların toplam satışlar içindeki payı:	%
Afrika'nın toplam yurtdışı satışlar içindeki payı:	%
Batı Afrika'nın toplam yurtdışı satışlar içindeki payı:	%
Firmadaki göreviniz:	-
Dış ticaret alanında tecrübeniz	Yıl
Konuştuğunuz yabancı dil(ler)	-

BÖLÜM 2: GÖRÜŞME SORULARI

1- Afrika'da hangi ülkeler ile ticari ilişkileriniz bulunmaktadır?
2- Firmanız için ticari ilişkilerinizde en çok önem verdiğiniz Afrika ülkeleri hangileridir?
3- Afrika ile ticari ilişkilerinizde Batı Afrika'nın payı, rolü nedir?
4- Afrika'da bölgesel farklılıkları nasıl değerlendiriyorsunuz?
5- Batı Aftrika ile ticaretinizde müşteriler ile bağlantınızı nasıl kuruyorsunuz?
6- Dış ticarette hedef pazar seçerken hangi faktörler önemlidir?

7- Sosyo-kültürel faktörleri düşündüğünüzde Batı-Afrika ve Türkiye karşılaştırması yaparak neler söyleyebilirsiniz? Ne gibi farklılıklar ya da benzerlikler bulunmaktadır? Yaşam tarzı, değerler, inançlar, dil, okuma-yazma oranı, din

8- Batı-Afrika ve Türkiye karşılaştırması yaparak tüketici/müşteri tercihleri ile ilgili neler söyleyebilirsiniz? Ne gibi farklılıklar ya da benzerlikler bulunmaktadır?

9- Batı-Afrika ve Türkiye karşılaştırması yaparak iş etiği/yolsuzluk gibi konularla ilgili neler söyleyebilirsiniz? Ne gibi farklılıklar ya da benzerlikler bulunmaktadır?

10- Batı Afrika'ya ticaret yaparken uyulması gereken kural ve kanunlar nelerdir? Uyulması gereken kanun ve kurallar ile ilgili neler düşünüyorsunuz?

11- Batı-Afrika ve Türkiye karşılaştırması yaptığınızda ekonomik faktörler açısından farklılıklar/benzerlikler nelerdir?

12- Batı-Afrika ve Türkiye karşılaştırması yaptığınızda başka söyleyebileceğiniz farklılık ya da benzerlik var mı? Varsa nelerdir?

13- Batı Afrika ile ticaretinizi hangi faktörler etkilemektedir?

14- Batı Afrika ile ticaretinizde bu belirttiğiniz faktörlerden en çok hangileri önemlidir?

15- Batı Afrika pazarında iş yapmanın zorlukları nelerdir?

16- Batı Afrika pazarında iş yapmanın sağladığı fırsatlar nelerdir?

APPENDIX 3: Interview Questions for West African's Companies

THE ROLE OF PERCEIVED PSYCHIC DISTANCE ON TURKEY-WEST AFRICA TRADE RELATIONS.

This study is carried out within the scope of thesis study of Grâce Konzou, student at Dokuz Eylül University, Institute of Social Sciences, Foreign Trade department, Master Program. Thank you for your time and interest.

Grâce Konzou

Kindly answer the following questions.

PART1: GENERAL INFORMATION

Foundation year of your company	-
The annual sales amount of your company?	TL / $ / Euro
Number of employees of your company	White collar Blue collar
Product category in which your company is into	□ Consumer goods □ Industrial goods □ Service
For how many years your company has been doing business?	Year(s)
Number of partner countries	Countries
For how long your company has been doing business with Turkey?	Year(s)
Share of foreign sales in total sales:	%
Turkey's share in total foreign sales / origin :	%
Your position in the company:	-
Your Experience in foreign trade	Year (s)
Foreign language (s) spoken	-

PART 2: INTERVIEW QUESTIONS

1- How do you establish your connection with partners in Turkey?
2- What is Turkey's role in your foreign trade business?
3- How do you assess regional differences in Turkey?
4- Which factors are most important when choosing target market in foreign trade?
5- Considering Socio-cultural factors, How do you compare West Africa (your country) and Turkey? What differences or similarities exist? In terms of : Life style, values, beliefs, language, literacy rate, religion.
6- What would you say if you were asked to compare your country's customers and Turkish ones?
7- What about customers preferences? What are the differences or similarities?
8- Comparing West-Africa (your country) and Turkey in terms of business ethics such as corruption what can you say about corruption issues? What are the existing differences or similarities ?
9- What are the rules and laws that must be followed when trading with Turkey? What do you think about the laws and rules that need to be followed?
10- Comparing your country to Turkey, what are the differences in terms of economic factors ? What are the similarities?
11- Is there any other differences or similarities between West Africa (your country) with Turkey? If so, what?
12- What factors affect your trade with Turkey?
13- What are the most important factors in your trade with Turkey?
14- What are difficulties you face in Turkish market?
15- What do you perceive as opportunities in Turkish market?